

FAIRMONT CITY COUNCIL AGENDA

Monday, August 9, 2021, 5:30 p.m.

1. **Roll Call/Determination of Quorum**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
4. **Recognition/Presentations**
 - 4.1 Presentation Regarding the City’s MS4 Permit (03)
5. **Public Discussion/Comment** (Individual comments are limited to 3 minutes) (32)
6. **Consent Agenda** (Items removed from consent will be placed at the end of the items under new business)
 - A. **Minutes**
 - 6.A.1 Regular Meeting, July 26, 2021 (33)
 - B. **Check Registers**
 - C. **Other**
 - 6.C.1 Peddlers, Solicitors & Transient Merchant Application by Aleksandra Kovalova (37)
 - 6.C.2 Authorize Contract Work for Woodland/Summit Lift Station Upgrades (38)
7. **Public Hearings**
8. **Old Business**
9. **New Business**
 - 9.1 Supplemental Building Official Services (40)
 - 9.2 BevComm Service Agreement (48)
 - 9.3 Audit Services Contract Approval (57)

10. Staff/Liaison Reports

A. Public Works

B. Finance

10.B.1 June 30, 2021 Investment Report

(88)

C. City Administrator

D. Mayor/Council

Foster - HRA

Hasek – PUC

Miller/Peters – FEDDA

11. Adjournment



Fairmont City Council
August 9, 2021

Agenda Item: 4.1

From: Troy Nemmers, PE – Director of Public Works/City Engineer
To: Mayor and City Council

Subject: Presentation regarding the City’s MS4 permit

Policy/Action Requested: N/A
Vote Required: _____ Simple Majority _____ Roll Call

Recommendation: N/A

Overview:

The City of Fairmont is designated an MS4 (Municipal Separate Storm Sewer System) community by the MN Pollution Control Agency (MPCA). This designation means that the city must apply for a National Pollutant Discharge Elimination System (NPDES) permit every 5 years. As part of the permit requirements the city is responsible to develop, implement, and maintain a Stormwater Pollution Prevention Plan (SWPPP). This plan is developed based on permit rules developed by the MPCA. A new permit from the MPCA was issued at the end of 2020. City staff have reviewed the new permit and submitted our application for renewal.

Tyler Cowing, the City’s water resources technician, will provide the Council an update on the MS4 classification, the City’s existing storm sewer infrastructure, new permit changes and how it impacts the city and he will finish with the work that the city is currently doing to meet the requirements of the permit. Tyler’s presentation will be available on the city website following the meeting.

Budget Impact:

Attachments: MS4 presentation

Council Action: _____ Date: _____

City of Fairmont MS4 Permit Program

August 9, 2021

Why is Water Quality Important?

- Water has always been important to Minnesota and is a key part of our history, culture, economy and recreation. There are more than 13.1 million acres of lakes, rivers, streams and wetlands.
- Fairmont has approximately 1300 acres of lakes, streams, and wetlands within city limits. (12% of city limits)



Why is Water Quality Important?

- We need to maintain the beneficial uses of our lakes, rivers, creeks, and wetlands.
 - Domestic Water Supply
 - Recreation: Fishing, Swimming, Boating
 - Aquatic Life, Wildlife Habitat
 - Aesthetics: Property Values, Tourism



What is a MS4?

Municipal Separate Storm Sewer System



MS4

- A conveyance or system of conveyances including roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels, or storm drains:
 - a. Owned or operated by a state, city, town, county, district, association, or other public body, created by or pursuant to state law, having jurisdiction over disposal of sewage, industrial wastes, stormwater, or other wastes, that drain discharges into waters of the state.
 - b. Designed or used for collecting or conveying stormwater
 - c. That is not a combined sewer; and that is not part of a publicly owned treatment works

Goals of MS4 Permits



MS4

- 230 Outlets (to lakes, creeks, ditches, wetlands or stormwater BMPs)
- 2166 Catch basins (inlets)



MS4

- 59.9 Miles of Storm Sewer
- 5 Wet Ponds



MS4

➤ 3 Dry Ponds

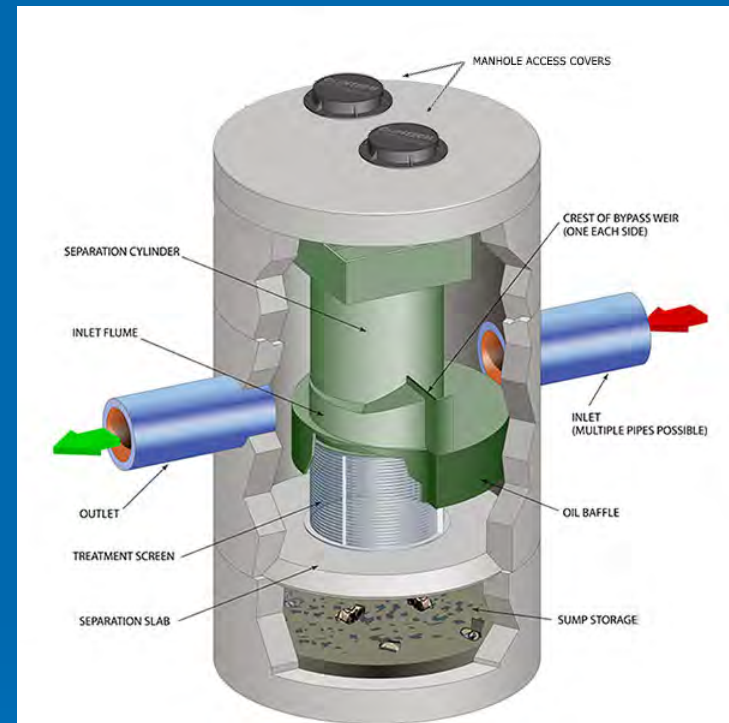


➤ 11 Filtration Basins



MS4

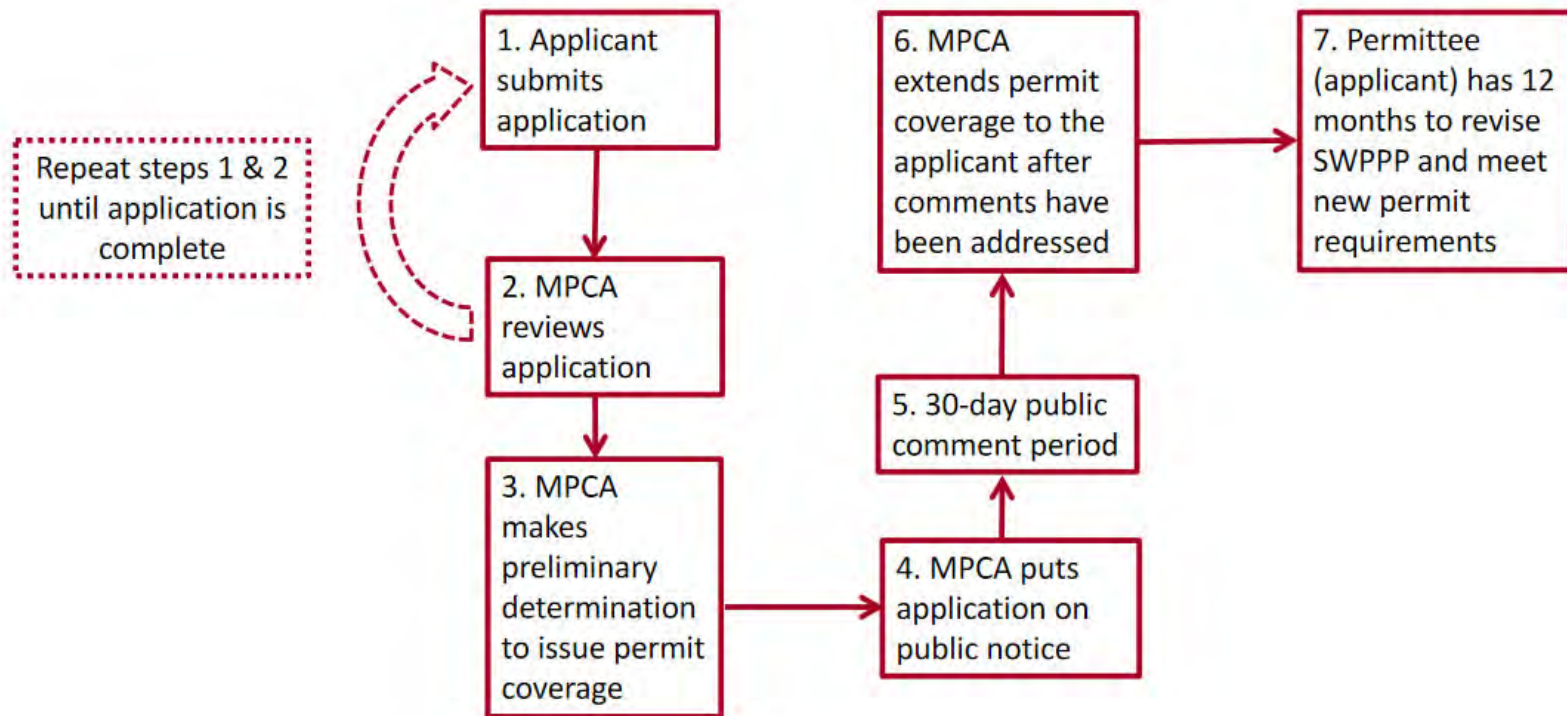
➤ 27 Structural Sediment Removal Devices



MS4 Permit

- Fairmont is an MS4 Community
 - Designated by Minnesota Pollution Control Agency (MPCA) under federal Clean Water Act (CWA)
- Received National Pollution Discharge Elimination System Permit (NPDES) in 2006 from the MPCA.
- Currently the City is permitted under MPCA's General Permit that was issued August 1, 2013 and expires July 31, 2018.
- Currently we are working under the old permit until new permit is approved.
- A new permit has been approved and the City has submitted its application for renewal.

Steps after application submittal



MCM #1

Public Education and Outreach

- Permittees shall develop and implement a public education program to distribute educational materials, interact with the public and educate them on why it is important to prevent storm water pollution.

City of Fairmont, Minnesota
May 21

Illicit Discharge occurs when non-stormwater enters the storm drain system. Examples include: yard/plant waste dumped into a storm drain, grease that is dumped into a storm drain, and discharges to the City of Fairmont. Visit the means of reporting. #CityofFairmont

City of Fairmont, Minnesota
August 21

Even though schools may be starting and summer is winding down, the chore of lawn mowing continues for several more weeks. We hope you enjoy these healthy lawn-care tips aimed at protecting pollinators and water sources while providing you with a lovely landscape. #CityofFairmont

City of Fairmont, Minnesota
October 8

Check out the Fall Guide on Water Quality below! #CityofFairmont

FAIRMONT
Fall Yard Care Guide

Tips for a healthy fall yard that will prevent pollution and protect our waters.

LEAF TRICKS

USE Free FERTILIZER
LEAVE GRASS CLIPPINGS ON THE LAWN

Mow BETTER!
MOW HIGH - AT LEAST 3"

GO Beyond THE LAWN!
CHALLENGE YOURSELF TO REPLACE PARTS OF YOUR LAWN & YOU DON'T USE WITH NATIVE PLANTS, SHRUBS, AND GARDENS. More beauty, more pollinator and wildlife habitat, less stormwater runoff pollution.



LESS IS MORE WHEN SALTING

Save money and protect our waters by using less salt this winter. While salt helps keep driveways and sidewalks ice-free, melting snow and ice can wash salt into nearby waters and harm aquatic wildlife.

- Try these salt reducing tips.
- Shovel. The more snow and ice you remove manually, the less salt you'll have to use and the more effective it can be.
 - 15 degrees (F) is too cold for salt. Most salts stop working at this temperature. Use sand for traction, but remember sand does not melt ice.
 - Slow down. Drive for the conditions and give snowplow drivers plenty of space.
 - Apply less. More salt doesn't mean more melting. Use less than 4 lbs. of salt per 1,000 square feet. One pound of salt is approximately a heaping 1/2cc coffee mug. Consider purchasing a hand-held spreader to help apply a consistent amount.
 - Sweep up extra. If salt is visible on dry pavement, it is no longer doing any work and will be washed away. Use this salt elsewhere or throw it away.

Information acquired from MN Pollution Control Agency

DON'T BLOW GRASS IN THE STREET!

Please keep yard debris off the sidewalks and streets to:

- Prevent yard debris from entering the City's storm sewer system, which prevents debris from entering the lakes
- Alleviate drainage and flooding issues in our neighborhoods
- Improve the water quality in our lakes, minimizing the growth of algae

What to do?

- When mowing, blow grass away from the street for the first 2 or 3 passes
- If grass/debris ends up in the street, blow or sweep it back onto your yard
- Compost your clippings by taking them to the Leaf/Brush Dump (Travel west on Lair Road, crossing over County Road 39. Continue on 100th Street for 1 mile. The dump is on the north side of the road)
- Leave clippings on the lawn to naturally break down (this is like free fertilizer)

"It is unlawful for any person to throw or deposit in any street or any other public place any solid waste including nails, dirt, glass, tin cans, metal scraps, garbage, shreds or rubbish, grass clippings, or to empty any water containing salt or other injurious chemical thereon." Fairmont City Code Section 22-21.

FOR THE SAKE OF THE LAKE!

- Do not blow grass clippings into the street
- State law prohibits phosphorous fertilizer
- Preserve ground cover to promote erosion control
- Avoid using chemicals and soaps on driveways
- Keep leaves, grass and dirt off streets and sidewalks
- Pick up after your pet

CITY UPDATE Spring/Summer 2019 | 3

MCM #2

Public Education and Outreach

- Permittees shall develop and implement a plan to solicit public input on the SWPPP required by the permit.
- Provide access to the SWPPP document and document comments from the public
- Hold a meeting allowing the public to voice their concerns and comments
- Provide public involvement activities that include a pollution prevention or water quality theme.

**City of Fairmont
Storm Water Pollution
Prevention Plan
(SWPPP)**

January 23, 2017

MCM #3

Illicit Discharge Detection and Elimination

- Permittees shall develop, implement, and enforce a program to detect and eliminate illicit discharges into the city's storm sewer system.
- What is an illicit discharge?
 - Any discharge to a municipal separate storm sewer that is not composed entirely of stormwater except discharges pursuant to a NPDES permit (other than the NPDES permit for discharges from the municipal separate storm sewer, i.e. WWTP) and discharges resulting from firefighting activities. (40 CFR § 122.26(b)(2))



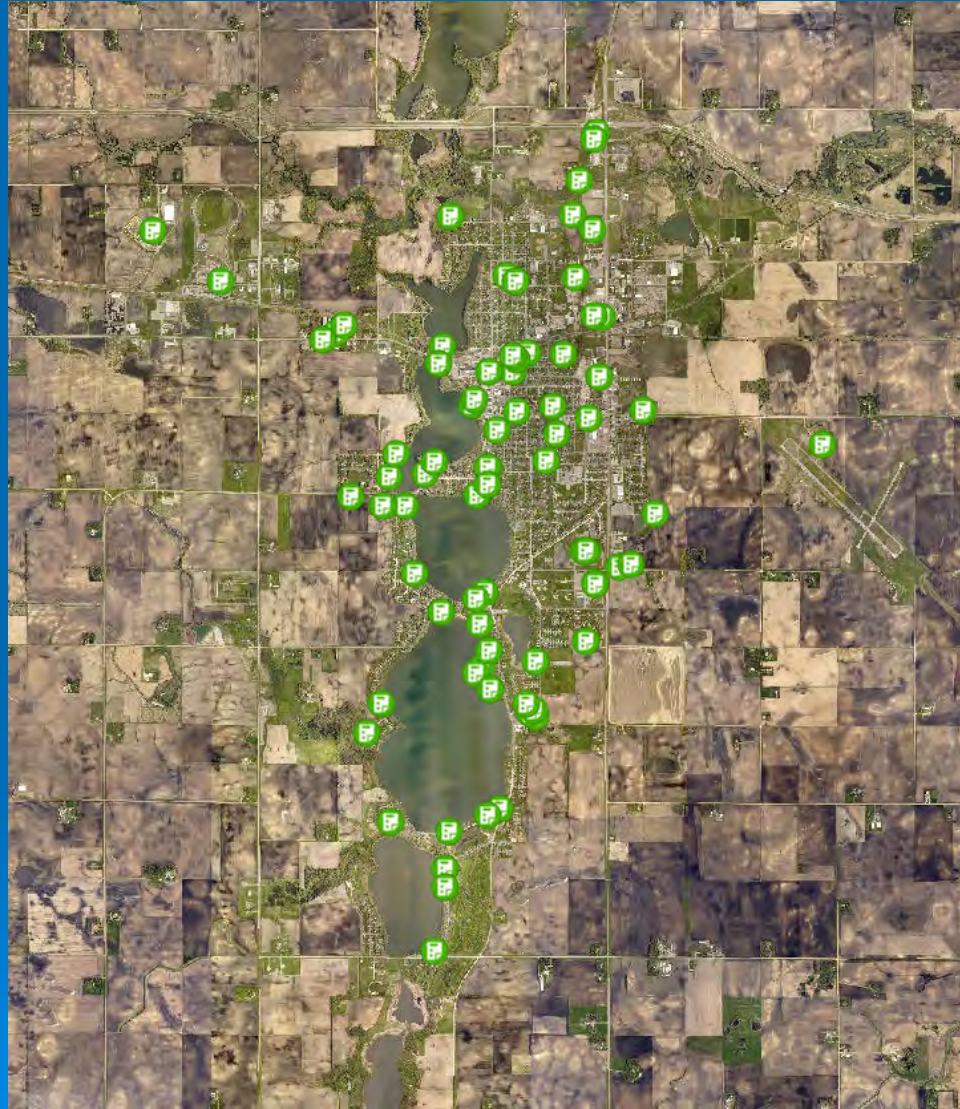
MCM #4

Construction Site Stormwater Runoff Control

- Permittees shall develop, implement and enforce a construction site stormwater runoff control program which reduces pollutants in stormwater runoff into the MS4 from construction activity.
- Land Disturbance Permit



Land Disturbance Permits

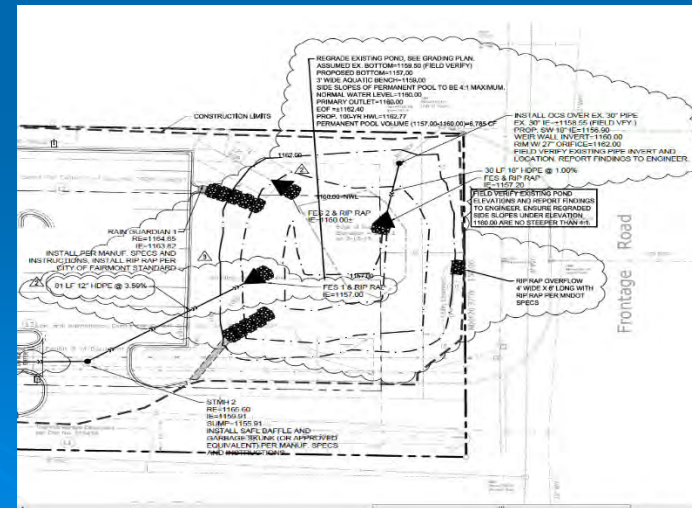


MCM #5

Post-Construction Stormwater Management

- Permittees shall develop, implement, and enforce a program that prevents or reduces water pollution after construction activity is completed.
- Require that owners and/or operators of construction activity, submit site plans with post-construction stormwater management BMPs to the city for review and approval, prior to the start of construction.

FAIRMONT Permanent Stormwater Design Review Checklist	
Site:	Applicant/Owner:
Date LDP Received:	Date Reviewed:
	Reviewed By:
Notes:	
GENERAL	
1)	Owner, contractor, engineer name, address, phone, and email is listed.
2)	Proposed drainage plan and hydraulic calculations are dated and signed by a licensed professional.
3)	Plan is to scale and north arrow is shown.
4)	Site of project shown.
5)	Existing impervious and pervious surface areas of the site.
6)	Ultimate (after site fully developed) impervious and pervious surface of the site.
7)	Drawing Schedule. Show phasing and calendar year each phase is planned for construction.
8)	Plan is drawn in 2-foot contours. Existing contours - dashed. Proposed contours - solid. Minimum 100 feet beyond site boundary.
9)	Existing vegetation. Describe and identify the location of existing vegetation.
10)	Areas not to be disturbed clearly defined.
11)	On-site soil characteristics: Boundaries of different soil types and described. Groundwater elevation shown.
12)	Facility Knowledge: Show pre-developed drainage areas, land use and the direction of flow for each area and travel path used to determine the Time of Concentration.
13)	Final Drainage: Show post-developed drainage areas, land use and the direction of flow for each area and travel path used to determine the Time of Concentration.
14)	Identify off-site catchment areas draining to the site. Provide 2-foot contours. Show land use and direction of flow for each area and travel path used to determine the Time of Concentration.
15)	Existing public and private utilities shown.
16)	All receiving waters, including wetlands, identified.
17)	Property limits shown. Street labeled. Lot and block information shown if plat. Street address shown if plat.
18)	A long-term inspection and maintenance plan for all permanent stormwater treatment practices. Responsible party identified.
DRAINAGE SWALES, EASEMENTS, BUILDING LOTS	
19)	Existing and proposed drainage easements shown and located on the plan.
20)	All existing and proposed lot corners shown on the plan.
21)	Contingency easements for drainage ways provided.
22)	100-year flow contained in easement.
23)	Minimum slope of side lot drainage swales is 2%, direction arrow shown.
24)	Minimum back lot drainage swale slope is 1%, direction arrow shown.



MCM #6

Pollution Prevention/Good Housekeeping for Municipal Operations

- The permittee shall develop and implement an operations and maintenance program that prevents or reduces the discharge of pollutants from permittee owned or operated facilities and operations within the MS4.
- Facilities Inventory: Develop an inventory of all facilities or sites that have a potential to contribute to stormwater pollution.
- Develop and implement BMP's that divert, treat, infiltrate, reuse, contain, or otherwise reduce pollutants in stormwater discharges from the city and all inventoried facilities.



MS4 Permit Update

➤ Overview of Changes

1. Added specificity throughout the permit, adding written procedures and frequencies for training, activities, educational materials, inspections. (To meet MS4 Permit Remand Rule)
2. Additional documentation throughout the permit, so MPCA can better evaluate compliance and SWPPP program effectiveness.

MS4 Permit Update

3. New application requirements of total maximum daily loads (TMDLs) and better substantiate applicable wasteload allocations (WLAs) are being met.
4. New requirements to address chloride and deicing material. New ordinance required for regulating chloride education, storage, and training.

MS4 Permit Update

5. New requirements to address bacteria from pet waste. Ordinance required for regulating the pick up and disposal of pet waste. Also new requirements for education for citizens.

MS4 Permit Update

6. New more protective post-construction stormwater management requirements for redevelopment projects.

What do the new permit requirements mean for the City of Fairmont?

- Increased educational presence.
- Additional efforts to involve the public in water quality activities.
- More documentation requirements.
- New ordinances to address deicing chloride use and storage for public and private facilities.
- Increased inspection and enforcement on construction projects for erosion control and pollution prevention practices.

What do the new permit requirements mean for the City of Fairmont?

- Increased extent of stormwater treatment practices on city construction projects and private development, leading to increased costs and engineering for all projects.
- Overall more staff time will be required to meet permit requirements.
- We will be reducing the nutrient and sediment loading to our lakes with the long-term goal of improving water quality in our lakes and Blue Earth River watershed.

What have we done do far?

1. Public Education (newsletters, social media, etc)
2. Public Meetings about permit with interested parties, County Water Plan Committee, Lakes Foundation, Etc.
3. Illicit Discharge Ordinance
4. Construction Sites – Land Disturbance Permits, permit review and site inspections for sediment and erosion control

What have we done do far?

5. Post-Construction Activities Ordinance, plan review, inspection
6. Municipal Operations – Incorporated water quality practices into all work (erosion and sediment control), cleaning catchbasins & sump structures, maintaining stormwater ponds, filtration basins, street sweeping, educating all field staff on stormwater management.

2021 Annual Update

QUESTIONS?

Thank You!





Fairmont City Council
August 9, 2021

Agenda Item: 5

From: Cathy Reynolds, City Administrator
To: Mayor and City Council

Subject: Open Discussion/Comment

Policy/Action Requested:

Vote Required: ____ Simple Majority ____ Roll Call

Recommendation: N/A

Overview: Prior to regular business, is there any public discussion/comment?

Budget Impact: N/A

Attachments: N/A

Council Action: _____ Date: _____



Fairmont City Council
August 9, 2021

Agenda Item: 6.A.1

From: Patricia J. Monsen, City Clerk
To: Mayor and City Council

Subject: Council Minutes from Regular Meeting on July 26, 2021

Policy/Action Requested: To Approve City Council Minutes from July 26, 2021

Vote Required: Simple Majority Roll Call

Recommendation: Approval

Overview:

Budget Impact: N/A

Attachments: City Council Minutes Regular Meeting, July 26, 2021

Council Action: _____ Date: _____

The minutes of the Fairmont City Council meeting held on Monday, July 26, 2021 at the City Hall Council Chambers.

Mayor Deborah J. Foster called the meeting to order at 5:30 p.m.

Council Members Wayne Hasek, Britney Kawecki, Randy Lubenow, Michele Miller and Bruce Peters were present. Also, in attendance: City Administrator Cathy Reynolds, Public Works Director/City Engineer Troy Nemmers, Assistant Finance Officer Chris Ziegler, Police Chief Mike Hunter and City Clerk Patricia J. Monsen.

Council Member Hasek made a motion to approve the agenda as presented. Council Member Lubenow seconded the motion and the motion carried.

Marty Siefert of the Coalition of Greater Minnesota Cities was present and gave an end of the year legislative update.

During Public Discussion/Comment, Carter Leiding, 936 Liberty Lane; Carter Mosloski, 224 240th Avenue; Parker Mosloski, Granada; Caleb Petschke, 912 Hengen Street; Parker Mathiason, 124 Parkwood Place; and Nick Segar, 721 Summit Drive appeared before the council and spoke in favor of keeping goose hunting and archery deer hunting on agricultural zoned land within the city limits.

Council Member Miller made a motion to approve the items on the Consent Agenda. Council Member Peters seconded the motion and the motion carried. Items on the Consent Agenda were: Minutes from the July 12, 2021 City Council Meeting; July 2021 Accounts Payable; Event Permit for Red Rock Center for a band at the Sylvania Band Shell on July 29, 2021; Event Permit for Cedar Creek Disc Golf Association to hold Cedar Creek Open on August 20-22, 2021; Event Permit for Fairmont Soccer Association for Soccer Fest on August 21, 2021; Event Permit for Fairmont Rotary Club to hold Rotary Brews & BBQ on September 25, 2021; and Temporary On-sale Intoxicating Liquor License for Fairmont Rotary Club for September 25, 2021.

Council Member Miller made a motion to approve **Amended Resolution 2021-38**, creation of a Community Center Advisory Board. Council Member Peters seconded the motion and the motion carried.

Council Member Peters made a motion to appoint Lisa Kuhl to the Community Center Board to replace Mike Anderson. Council Member Miller seconded the motion and the motion carried.

Linsey Preuss, Economic Development Coordinator, introduced and explained a Letter of Understanding from Community Asset Development Group. Council Member Lubenow made a motion to approve the Letter of Understanding with Community Asset Development Group to develop market rate, multifamily housing. Council Member Hasek seconded the motion and the motion carried.

Assistant Finance Director Chris Ziegler explained that the City of Fairmont will receive approximately \$1.1 Million in Federal American Rescue Plan Act funds to offset costs associated with the pandemic and to ease burdens on citizens. Staff is proposing to establish a Customer Assistance Program using a portion of the funds. Council Member Lubenow made a motion to approve a contract with Minnesota Valley Action Council (MVAC) to provide a customer

assistance program for past due residential utility bills using \$100,000 of American Rescue Plan Act (ARPA) proceeds. Council Member Hasek seconded the motion and the motion carried.

Council Member Miller made a motion to approve contracting with Alpha Wireless for an access control system for the Southern Minnesota Educational Campus building. Council Member Hasek seconded the motion and the motion carried.

Discussion was held regarding hunting in city limits. Council Member Lubenow made a motion to continue goose and deer archery hunting in city limits. Council Member Miller seconded the motion and the motion carried. Staff was also directed to make changes to the City Code adding these provisions.

Council Member Hasek made a motion to approve **Resolution 2021-39**, updating the City of Fairmont's Data Practices Policy. Council Member Peters seconded the motion and the motion carried.

Council Member Hasek made a motion to approve a Professional Service Agreement for Wastewater Facility Improvements. Council Member Miller seconded the motion and the motion carried.

Council Member Peters made a motion to approve **Resolution 2021-40**, for submittal of a grant application to the Minnesota Pollution Control Agency for Point Source Implementation Grant funds. Council Member Miller seconded the motion and the motion carried.

Nemmers gave a construction update. He also reminded citizens of the state-wide drought warning and for citizens to conserve water.

Reynolds informed citizens that on August 26th from 5:00 p.m.- 6:00 p.m. Conversations with the City will be held at Wards Park. This is a question-and-answer opportunity for citizens to engage with City Staff.

Reynolds stated staff is hoping to have the new payroll system implementation started for the Fourth Quarter. There are a couple policy changes that need to be made for this implementation.

The Organization Review and job descriptions have been ongoing and are about 50% complete. This has a ten-year focus to see where we are today, and what the future needs are. It is also a part of the Compensation Classification Study that will also be done. The goal is to have this complete Spring of 2022 for 2023 budgeting purposes.

Reynolds reminded everyone that there will be a Budget Workshop on August 16th at 5:00 p.m. in the City Hall Council Chambers.

Reynolds stated that the Liquor Store will be opening on Sundays again beginning August 8th.

Council Member Hasek reported that the Public Utilities Commission discussed the use of ARPA funds to assist with delinquent utility bills and to work with MCVA.

Council Member Hasek reported that the Airport has sold twice as much fuel this year as compared to last year. The Airport will also be receiving some CARES funding and discussions have been held regarding the use of those funds.

Council Member Lubenow reported that the meeting room at the library is now open. The Children’s Librarian resigned, and that position will be open.

Council Member Lubenow stated that the Park Board has been discussing potential projects, such as adding canopies at the Winnebago Sports Complex and at the Soccer Field concession stand areas. They also talked about adding an open-air shelter at Veterans Park along with the new lighting being planned.

Council Member Miller reported that FEDA unanimously supports the proposed housing plan with Community Asset Development Group. There is an opening on FEDA and interested citizens can find the application on the City of Fairmont’s website. FEDA has been looking at updating the City’s logo and options will be brought to council next month. They also approved selling a lot in the Whitetail Ridge subdivision.

A motion was made by Council Member Hasek, seconded by Council Member Miller, and carried to adjourn the meeting at 6:55 p.m.

Deborah J. Foster, Mayor

ATTEST:

Patricia J. Monsen, City Clerk



Fairmont City Council
August 9, 2021

Agenda Item: 6.C.1

From: Patricia J. Monsen, City Clerk
To: Mayor and City Council

Subject: Peddlers, Solicitors and Transient Merchant Application by Aleksandra Kovalova

Policy/Action Requested: Motion to approve the Peddlers, Solicitors and Transient Merchant Application by Aleksandra Kovalova, pending a satisfactory background investigation.

Vote Required: Simple Majority Roll Call

Recommendation: Approval

Overview: Aleksandra Kovalova has made application for a Peddlers, Solicitors and Transient Merchant Permit to sell educational books and apps, as an independent contractor. Ms. Kovalova is a student and will be representing Southwestern Advantage. Ms. Kovalova is planning on solicitating for one month, beginning on or about August 10, 2021.

Budget Impact: N/A

Attachments:

Council Action: _____ Date: _____



Fairmont City Council
August 9, 2021

Agenda Item: 6.C.2

From: Troy Nemmers, PE – Director of Public Works/City Engineer
To: Mayor and City Council

Subject: Authorize contract work for Woodland/Summit lift station upgrades

Policy/Action Requested: Approve PO 13925 for Woodland/Summit lift station upgrades

Vote Required: X Simple Majority ___ Roll Call

Recommendation: Staff requests approval to complete this work.

Overview:

Attached is a purchase order for upgrades at the Woodland and Summit lift station. The City maintains 29 lift stations at various locations around the City. As you can imagine the working conditions of these lift stations is very harsh to equipment and there has been minimal investment in these facilities in the past. Over the past several years the wastewater department has been budgeting for lift stations repairs and upgrades and has completed several. This specific lift station was budgeted for upgrade in the 2021 wastewater capital budget. Coincidentally, during the Fairlakes construction project earlier this summer one of the two pumps in the lift station failed. Staff has been working with several contractors and consultants to put a plan together to best address this location. The attached purchase order would approve moving forward with the needed upgrades to this lift station. Staff is recommending approval.

Budget Impact: The 2021 budget included \$150,000 for this work.

Attachments: PO 13925

Council Action: _____ Date: _____



CITY OF FAIRMONT
 100 DOWNTOWN PLAZA
 FAIRMONT, MN 56031
 507-238-9461 507-238-9044 (fax)

WORK ORDER NO.
 602 49470 40200

PURCHASE ORDER NO.
 13925

VENDOR:
 Quality Flow
 S & J
 A-1 Concrete

SHIP TO:
 WW

DATE ORDERED: 7/30/21

DATE REQUIRED:

QUANTITY	STOCK #	DESCRIPTION	PRICE	AMOUNT
		Reconstruct Woodland/Summit Lift Station		\$95,000.00
		Quality Flow	\$88,583.00	
		S&J Excavating	\$3,050.00	
		A-1 Concrete	\$2,000.00	

PLEASE ENTER OUR ORDER FOR GOODS LISTED ABOVE. NOTIFY US IMMEDIATELY IF YOU ARE UNABLE TO COMPLETE BY DATE REQUIRED

SALES TAX EXEMPT

 AUTHORIZED SIGNATURE



Fairmont City Council
August 9, 2021

Agenda Item: 9.1

From: Cathy Reynolds
To: Mayor and City Council

Subject: Supplemental Building Official Services

Policy/Action Requested: Motion to approve contracting with Prokore Inspections, LLC for supplemental building official services.

Vote Required: Simple Majority Roll Call

Recommendation: Staff recommends approval of the contract with Prokore Inspections, LLC.

Overview:

The City of Fairmont has had two full time building officials on staff. With the retirement of one building official on May 31, 2021, we evaluated our needs and determined that two full time building officials were not needed. A second licensed official is needed on a part-time or supplemental basis to support the city.

Instead of hiring a part-time official, city staff has been talking to companies that provide building official services under contract with communities to obtain proposals for supplemental building official services. After discussion with several businesses, staff is recommending approval of the contract with Prokore Inspections, LLC for the provision of supplemental building official services.

Budget Impact:

Contract services will be covered by the savings in personnel expenses in 2021 and are being included in the 2022 budget.

Attachments: Letter and Professional Services Agreement

Council Action: _____ Date: _____



August 4, 2021

Cathy Reynolds
City Administrator
City Of Fairmont
100 Downtown Plaza
Fairmont, MN 56031

Dear Cathy,

Enclosed below please find for your and the City Of Fairmont's review and consideration a proposal for supplemental building inspection services. This proposal is provided in a Professional Services Agreement to which you can find a proposed fee schedule and various terms pertinent to the rendering of inspection, and plan review services as needed by the City.

I am excited about the opportunity to present this proposal to you, and the City of Fairmont. If you should find anything at all that does not meet the City's request or would like to discuss amending please do not hesitate to let me know. I am at your disposal.

Thank you for your consideration and the opportunity to submit this proposal.

Sincerely,

Randy King
Principal Inspector
State Building Official Limited #LB782676
Prokore Inspections
randy@prokoreinspections.com
Tel: 507-388-4224 Mob: 507-382-7007

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (Agreement) is made and entered into this _____ day of _____, 2021 by and between the City of Fairmont, Minnesota (City) and Prokore Inspections, LLC, a Minnesota Limited Liability Company (Inspector).

WITNESSETH:

WHEREAS, the City has enacted the Minnesota Building Code (Code);

WHEREAS, the City requires building inspection services to assist in compliance with the Code;

WHEREAS, the Inspector is engaged in the business of providing building inspection services and is licensed to provide such services;

WHEREAS, the City desires to retain the building inspection services of Inspector subject to the terms and conditions set forth in this Agreement;

WHEREAS, Inspector is agreeable to rendering services set forth in this Agreement;

1. Scope of Inspection Services

Inspector will perform services in accordance with the Minnesota State Building Code and local ordinances adopted by City. Inspector will perform services for City, under the direction and authority of the City's designated Building Official. Inspector is not obligated to perform services beyond what is contemplated in this Agreement.

- i) Perform residential field inspections on as-need basis, at the sole direction of City, and the City's Designated Building Official.
- ii) Perform commercial field inspections on as-need basis, at the sole direction of City, and the City's Designated Building Official.
- iii) Perform comprehensive residential and commercial plan review services on as-need basis at the sole direction of City, and the City's designated Building Official.
- iv) Perform code enforcement services as requested by City.
- v) Attend City meetings as requested.

2. Changes To Scope Of Services

Any changes to services between the City and Inspector shall be made in writing and shall specifically designate changes in service levels and compensation for services. Both parties shall determine a mutually agreed upon solution to alter service levels and a transitional timeframe that is mutually beneficial to both parties. No changes shall be binding absent a written Agreement or amendment executed by both parties.

3. Independent Contractor

Inspector is an independent contractor, and neither Inspector, nor any employee or agent thereof, shall be deemed for any reason to be an employee or agent of the City. As Inspector is an independent contractor, the City shall have no liability or responsibility for compensation not pursuant to this agreement including salaries, wages, payroll taxes, health benefits, retirement contributions or any and all other forms or types of compensation or benefits to any personnel performing services for the City under this Agreement.

4. Qualifications Of Inspector

All services provided pursuant to this Agreement shall be completed by Inspector, who is qualified to perform such services, and licensed by the State of Minnesota as a Minnesota Building Official, Limited and will maintain all licenses required throughout the duration of this Agreement. Inspector shall provide City upon request a copy of license card or documentation of license.

5. Performance Standards

Inspector shall perform the services using that degree of care, skill, and professionalism ordinarily exercised under normal circumstances by members of the same profession. Inspector represents to City that Inspector will possess the skills, knowledge, and abilities to competently, timely, and professionally perform services in accordance with this Agreement.

6. Insurance

- i) Auto Insurance – Inspector in carrying out the services pursuant to this Agreement, shall carry and supply upon request of City, insurance for Auto usage coverage in the amounts of \$100,00 per claim per person to include property damage, and \$300,000 per claim aggregate.

- ii) General Liability Insurance – The inspector shall provide City upon request copies of General Liability Insurance in an amount of at least \$1,000,000 covering all personnel of Inspector.
- iii) Professional Liability Insurance – The Inspector shall provide City upon request copies of Professional Liability Insurance in an amount of at least \$1,000,000 covering all personnel of Inspector.

7. Effective Date of Agreement and Service

The effective date of service to which the terms of this Agreement shall apply will be on the _____ day of _____, 2021.

8. Termination of Agreement

Either party may terminate this Agreement, or any part of this Agreement upon (30) days written notice, with or without cause and with no penalty or additional cost beyond the fee schedule stated in this Agreement. In case of such termination, Inspector shall be entitled to receive payment for work completed up to and including the date of termination.

9. Fee Schedule

The City shall remit payment to Inspector within 30 days of submission of a written invoice or bill at the following fee schedule:

- i) Residential Field Inspections: \$53.00 / Hour
- ii) Commercial Field Inspections: \$53.00 / Hour
- iii) Comprehensive Plan Review: \$53.00 / Hour
- iv) Other requested inspections: \$53.00 / hour

- v) Billable hours to exclude weekends and Holidays

- vi) Travel time from Inspector’s center of operation and to City will not be included in billable hours.

Inspector shall submit logs with its invoices for services rendered under this subsection. Inspector’s invoice shall only include charges for services rendered and completed at the time of the invoice. Inspector shall not be entitled to prepayment before any work is completed.

10. Amendments and Assignment

Inspector may not assign any of its rights or duties under this Agreement without the prior written consent of the City.

11. Indemnification

To the fullest extent permitted by law, Inspector agrees to defend, indemnify, and hold harmless the City and its employees, officials, and agents from and against all claims, actions, damages, losses, expenses, including reasonable attorneys' fees arising out of the Inspector's negligence or Inspector's performance of failure to perform its obligations under this Agreement. This indemnification requirement is subject to the provisions of Minnesota Rule 13000.0110, Subpart 9, Liability.

12. Inspector Access To Records

City acknowledges that Inspector requires access to records in order for Inspector to perform its obligations under this Agreement. Accordingly, the City will grant Inspector access to its records and record management systems including downloading of data pursuant to rendering the services in this Agreement.

13. Inspector Use Of Equipment

City acknowledges that Inspector requires access and use of City equipment, systems, and materials deployed by City's Building Safety Department to perform its obligations under this Agreement. Accordingly, the City will provide Inspector access and use of any and all equipment, systems, or materials ordinarily deployed by City for the inspection and enforcement of code. This subsection may not include the use of City owned vehicles for services rendered under this Agreement if use is prohibited by City.

14. Confidentiality

Inspector shall not disclose, directly or indirectly, any confidential information of City without prior written consent of City or pursuant to a lawful court order directing such disclosure. All reports and other documents produced by Inspector in the performance of Services under this Agreement shall be the property of City.

15. Dispute Resolution

In the event a dispute arises out of or relates to this Agreement, or breach thereof, and if said dispute cannot be settled through negotiation, Parties agree first to try in good faith to settle the dispute by mediation, before resorting to arbitration, litigation, or some other dispute resolution procedure. The cost thereof shall be borne equally by each Party.

16. Attorney's Fees

In the event of dispute resolution or litigation to enforce any of the terms herein, each Party shall pay all its own costs and attorney's fees.

17. Entire Agreement

This is the entire agreement of the parties.

18. Choice Law

This Agreement shall be governed and construed in accordance with the State of Minnesota Law.

19. Notices

Any notice under this Agreement shall be in writing and shall be deemed sufficient when present in person, or sent, pre-paid first class United States Mail, or delivered by electronic mail to the following addresses:

To City:

City of Fairmont
Attn: Cathy Reynolds
100 Downtown Plaza
Fairmont, MN 56031

To Inspector:

Prokore Inspections
Attn: Randy King
1795 Raymond Drive
North Mankato, MN 56003

20. Authority To Execute

The undersigned person or persons executing this Agreement represent and warrant that they are fully authorized to sign and so execute this Agreement and to bind their respective entities to the performance of its obligations hereunder.

IN WITNESS HEREOF, the undersigned have caused this Agreement to be executed in their respective names on the dates hereinafter enumerated.

Debbie Foster, Mayor
City Of Fairmont

Date

Patricia J. Monsen, City Clerk
City Of Fairmont

Date

Randy King, Principal
Prokore Inspections, LLC

Date

Attest

Date



Fairmont City Council
August 9, 2021

Agenda Item: 9.2

From: Paul Hoyer, Finance Director
To: Mayor and City Council

Subject: BevComm Service Agreement

Policy/Action Requested: Motion to approve the Service Agreement with BevComm

Vote Required: Simple Majority Roll Call

Recommendation: Staff is recommending approval

Overview:

BevComm has been providing IT support to the City since 2013. Since that time, there has been additions to the City’s IT network. In order to support the additional IT infrastructure, BevComm has offered a revised service contract. The new contract will go from \$66,600 per year, last increase was in 2017, to \$75,480 per year.

Budget Impact: The City’s Data Processing Fund (IT Fund) is an internal service fund that is funded 50% by the General Fund and 50% by the utility funds. The \$8,880 annual increase will be split 50/50 between the General Fund and the utility funds.

Attachments: BevComm Service Agreement

Council Action: _____ Date: _____



123 West 7th Street · Blue Earth, MN 56013
507-526-5156 · 1-877-864-5156
Fax 507-526-4963 · www.bevcomm.net

BEVCOMM, Inc.
PC/LAN Services
Customer Support Agreement

THIS AGREEMENT is entered into on this July 31st, 2021, by BEVCOMM, Inc., located at 123 W. 7th Street, Blue Earth, MN 56013, and City of Fairmont, located at 100 Downtown Plaza, Fairmont, MN 56031 and sets forth the terms and conditions under which BEVCOMM, Inc. shall provide computer related support services to Customer.

1. SUPPORT SERVICES PROVIDED.

- 1.1 BEVCOMM, Inc. agrees to provide computer related support services to Customer with respect to Customer's business at address above, subject to the terms and conditions set forth in this Agreement. The services to be provided by BEVCOMM, Inc. are those set forth in Exhibit "A," entitled "Services," attached hereto and incorporated herein by this reference. These Services may be modified and supplemented from time to time by BEVCOMM, Inc.
- 1.2 Support Services will be provided solely with respect to products set forth in Exhibit "A".
- 1.3 Services will be available and provided by BEVCOMM, Inc. at the times indicated on Exhibit "A," however, BEVCOMM, Inc. does not guarantee response time.
- 1.4 Customer agrees to identify and make available to BEVCOMM, Inc. at least one qualified Customer employee set forth on Exhibit "B" as administrative contact with authority to (i) act and make binding decisions on behalf of Customer; (ii) provide information and data with respect to the requested service; and (iii) advise BEVCOMM, Inc. of Customer's requirements.
- 1.5 Customer shall identify a primary and secondary contact in the space provided in Exhibit "B." The identified contacts shall serve as the sole contacts with access to BEVCOMM, Inc. support. It is the responsibility of the customer to notify BEVCOMM, Inc. of any changes in the primary and secondary contacts.

2. SERVICE FEES.

- 2.1 Upon execution of this Agreement, Customer shall pay the monthly service fee to BEVCOMM, Inc. for providing the services as listed in Exhibits "A," and "C".
- 2.2 Customer acknowledges and agrees that the service fees paid to BEVCOMM, Inc. do not include local, state or federal, use, excise, personal property or other similar taxes which are the responsibility of and shall be paid by customer.

3. TERM, RENEWAL AND TERMINATION.

- 3.1 The term of this Agreement shall be effective for 12 months, commencing on 8/1/2021, after acceptance by BEVCOMM, Inc. All fees must be routinely paid or services will not be rendered.
- 3.2 This Agreement shall be manually reviewed at the end of the Contract Effective Date unless terminated as hereinafter provided. Pricing and services rendered as described in Exhibits A and C shall not automatically renew, and BEVCOMM, Inc. shall give Customer thirty (30)

days written notice prior to the expiration of the original term of this agreement or any automatic renewal. Should BEVCOMM, Inc. fail to give Customer such notice, the pricing and services described in Exhibits A and C shall remain in effect for the entire term of any automatic renewal.

- 3.3 This Agreement may be terminated by BEVCOMM, Inc. upon any breach or default of Customer by giving thirty (30) days prior written notice to Customer. If BEVCOMM, Inc. elects to terminate the Agreement, BEVCOMM, Inc. shall refund applicable service fees on a pro-rated basis.
- 3.4 Notwithstanding 3.3 above, in the event Customer fails to make payment of amounts due to BEVCOMM, Inc. under this Agreements, BEVCOMM, Inc. shall have the right to terminate this Agreement by giving thirty (30) days written notice. All overdue payments shall bear interest at the rate of eighteen percent (18%) per annum, or the highest contractual rate permitted by applicable law, whichever is lower.
- 3.5 Customer may terminate this Agreement upon thirty (30) days advance written notice to BEVCOMM, Inc. Customer will be responsible for one half of the remaining monthly services fees as set forth by this agreement and, no refund shall be due to Customer or paid by BEVCOMM, Inc.
- 3.6 BEVCOMM, Inc. may terminate this Agreement upon sixty (60) days advance written notice to Customer for any reason. Customer shall be responsible for all monthly services fees contained in Exhibit A and for any fees for services performed as described in Exhibit C during said sixty (60) period.

4. LIMITATION OF REMEDIES.

- 4.1 BEVCOMM, Inc.'s entire liability and Customer's exclusive remedy for damages from any cause whatsoever, including, but not limited to, nonperformance, negligence or misrepresentation, and regardless of the form of action, shall be limited to the amount which has been paid to BEVCOMM, Inc. by Customer for BEVCOMM, Inc. performance hereunder. In no event will BEVCOMM, Inc. be liable for damages caused by Customer's negligence, or for special, incidental or consequential damages, lost profits, loss of use of equipment, loss of stored memory, cost of substitute equipment or other downtime costs, even if BEVCOMM, Inc. has been advised of the possibility of such damages, or for any claim against Customer by any other party. No action arising out of this Agreement, regardless of the form of action, may be brought by Customer more than one year after the claimed damaging act has occurred. SOME STATES HAVE LAWS WHICH ARE DIFFERENT FROM THOSE STATED HEREIN AND IN SUCH STATES, THE MINIMUM REQUIRED LIABILITY TERMS SHALL APPLY.

5. WARRANTIES.

- 5.1 ANY MATERIALS, SUPPLIES, PARTS AND OTHER PRODUCTS SUPPLIED OR PROVIDED BY BEVCOMM, INC. ARE PROVIDED ON AN "AS IS" BASIS. THE MANUFACTURERS OF SAID MATERIALS, SUPPLIES, PARTS AND OTHER PRODUCTS MAY PROVIDE WARRANTIES FOR THEIR PRODUCTS. WARRANTY QUESTIONS OR PROBLEMS WITH RESPECT TO SUCH MATERIALS, SUPPLIES, PARTS AND OTHER PRODUCTS SHOULD BE ADDRESSED TO THE MANUFACTURER. BEVCOMM, INC. DOES NOT WARRANT THAT ANY MATERIALS, SUPPLIES, PARTS OR OTHER PRODUCTS WILL MEET CUSTOMER'S REQUIREMENTS, OR THAT THE OPERATION OR USE OF ANY MATERIALS,

SUPPLIES, PARTS OR OTHER PRODUCTS WILL BE UNINTERRUPTED OR ERROR-FREE. BEVCOMM, INC. MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SOME STATES HAVE LAWS WHICH ARE DIFFERENT FROM THOSE STATED HEREIN AND IN SUCH STATES, THE MINIMUM REQUIRED WARRANTY SHALL APPLY.

6. ASSIGNMENT.

6.1 This agreement is not assignable by Customer without the prior written consent of BEVCOMM, Inc. Any attempt by Customer to assign any rights, duties or obligations which arise under this Agreement without BEVCOMM, Inc.'s consent shall be void. BEVCOMM, Inc. expressly reserves the right to sub-contract, at BEVCOMM, Inc. expense, for the performance of any and all of the services to be provided hereunder. In such event, however, the rights and obligations of BEVCOMM, Inc. and Customer shall not be diminished.

7. PROPRIETY RIGHTS.

7.1 Any changes, additions or enhancements in the form of new or partial programs or documentation as may be provided to Customer by BEVCOMM, Inc. under this Agreement shall be and remain the proprietary exclusive property of BEVCOMM, Inc.

8. COST OF ENFORCEMENT.

8.1 In the event it becomes necessary for BEVCOMM, Inc. to institute any action at law and/or in equity against Customer to secure or protect its rights under this Agreement, BEVCOMM, Inc. shall be entitled to recover on any judgment entered therein in its favor such reasonable attorney's fees as may be allowed by the court, together with such costs and damages as provided by law.

9. JURISDICTION.

9.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, and the parties hereto agree that any action relating to this Agreement shall be instituted and prosecuted in the federal or state courts of the State of Minnesota, and each party hereto waives any right to change of venue, and hereby submits to the jurisdiction of said courts.

10. FORCE MAJEURE.

10.1 Either party shall be excused for delay in the performance of any obligations hereunder, except the payment of fees required to be paid hereunder, when such delay is the result of or attributable to the elements, acts of God, governmental authority, delays in transportation or any other cause beyond their reasonable control.

11. **GENERAL.**

11.1 This Agreement contains the entire agreement of BEVCOMM, Inc. and Customer. No representations, inducements, promises, negotiations or agreements, oral or otherwise, not contained herein shall be of any force or effect. The parties hereto agree that the terms and conditions contained herein shall prevail notwithstanding any variations contained in any other Agreements between Customer and BEVCOMM, Inc. This Agreement shall not be effective until accepted by BEVCOMM, Inc. at its sole option, and service shall commence on a mutually agreed upon date.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CUSTOMER

BEVCOMM, Inc.

By: _____

By: John L Kranz _____

Title: _____

Title: BSM _____

Company: _____

Date: 7/19/21 _____

Date: Special, Managed Services \$6290.00

EXHIBIT A

Services

12 Month Term

Partnership Plan – Managed Services

- **\$6290.00 per month**
- Custom plan for City of Fairmont MN
- Unlimited support (remote and on-site) for the equipment listed in Exhibit A each month excluding quoted projects
- BDR appliance
- *A BDR is a small appliance that resides in your IT room with your servers and other equipment. It automatically backs up your data and stores it offsite in the cloud. Backups are scheduled and happen at regular intervals throughout the day to ensure the BDR always has the most up-to-date data in the event of an emergency. It gives us the ability to get an office back up and running in as little as 30 minutes after a major hardware outage, natural disaster, or other emergency.*
- *The BDR is a replica of the server it's attached to, and can act as a backup server in the event the real server dies.*
- Cloud Storage service
- Server and PC quantities may be adjusted +/- and will affect monthly pricing.

Optional customer employee benefit:

- 10% discount on approved computer purchases through BEVCOMM by employees.

The Customer Support Agreement does not include:

- Support Services on the following Holidays:

New Year's Day	Independence Day	Thanksgiving Day
Memorial Day	Labor Day	Christmas Day
Christmas Eve Day		
- Hardware or Software to maintain, upgrade or repair LAN and associated equipment

The Partnership Plan includes:

- Contract labor rates as specified in Exhibit C for all quoted projects.
- Complete management of network devices listed; All current network and non network devices

Equipment List

City Frmt Servers	Command / RMM Elite Qty 16
Network device	Command / Auvik Qty 5
PCs	Help Desk 8 -5 US Qty 51
Back-up	Veeam 10 TB

EXHIBIT B

BEVCOMM, Inc.

Customer:

Administrative Contact

Name: _____
Phone Number: _____
Fax Number: _____
E-Mail: _____

Customer:

Primary Contact

Name: _____
Phone Number: _____
Fax Number: _____
E-Mail: _____

Customer:

Secondary Contact

Name: _____
Phone Number: _____
Fax Number: _____
E-Mail: _____

EXHIBIT C

Bevcomm, Inc. Price Schedule

8-5 Local Area Network Support

Monday-Friday, 8 a.m.-5 p.m., Excluding holidays

\$190.00/hr, Non-contracted rate

\$150.00/hr, Contract rate

After Hours Local Area Network Support

Monday-Friday 5 p.m. – 8 a.m., and all day Saturday and Sunday, Excluding holidays

\$215.00/hr, Non-contracted rate

\$200.00/hr, Contract rate

8-5 Wide Area Network Support

Monday-Friday, 8 a.m.-5 p.m., Excluding holidays

\$220.00/hr, Non-contracted rate

\$150.00/hr, Contract rate

After Hours Wide Area Network Support

Monday-Friday 5 p.m. – 8 a.m., and all day Saturday and Sunday, Excluding holidays

\$270.00/hr, Non-contracted rate

\$200.00/hr, Contract Rate

EXHIBIT D
Beycomm, Inc.
Descriptors of Wide Area Network and Local Area Network

LAN - Local Area Network

A *LAN* connects network devices over a relatively short distance. A networked office building, school, or home usually contains a single LAN, though sometimes one building will contain a few small LANs (perhaps one per room), and occasionally a LAN will span a group of nearby buildings. In TCP/IP networking, a LAN is often but not always implemented as a single IP subnet.

LAN Work as described above includes, but is not limited to;

- **Servers, configuration and troubleshooting.**
- **Desktop computers, configuration and troubleshooting.**
- **Laptop computers, configuration and troubleshooting.**
- **Network switches, configuration and troubleshooting.**
- **Printers, configuration and troubleshooting.**
- **Wireless, configuration and troubleshooting.**

WAN - Wide Area Network

As the term implies, a *WAN* spans a large physical distance. The Internet is the largest WAN, spanning the Earth.

A WAN is a geographically-dispersed collection of LANs. A network device called a router connects LANs to a WAN. In IP networking, the router maintains both a LAN address and a WAN address.

WAN Work as described above includes, but is not limited to;

- **Routers, configuration and troubleshooting.**
- **Firewall, configuration and troubleshooting.**
- **Virtual Private Networks (VPN), configuration and troubleshooting.**



Fairmont City Council
August 9, 2021

Agenda Item: 9.3

From: Paul Hoyer, Finance Director
To: Mayor and City Council

Subject: Audit Services Contract Approval

Policy/Action Requested: Motion to approve the proposal from BerganKDV for audit services

Vote Required: Simple Majority Roll Call

Recommendation: Staff is recommending approval

Overview:

The City of Fairmont has been contracting with Abdo Eick & Meyers for audit services since 1989. Because this agreement hasn't been looked at for quite some time, the City Council felt like it was a good time to put this service out to bid. Request for proposals were mailed out to ten different firms on June 18th and we received three proposals back. BerganKDV out of Bloomington, MN was the low bid. BerganKDV has experience with a large number of municipal clients and has served as an independent auditor for several cities who have been awarded the GFOA Certificate of Excellence in Financial Reporting.

Budget Impact: BerganKDV's cost for 2021 that would include a single audit would be \$42,400. This would be a slight reduction in cost from what we spent on the 2020 audit with Abdo Eick & Meyers of \$44,900.

Attachments: BerganKDV Proposal for Audit Services

Council Action: _____ Date: _____



CITY OF FAIRMONT, MINNESOTA TECHNICAL PROPOSAL FOR AUDIT SERVICES



bergankDV

CONTACT: MATTHEW MAYER, CPA
3800 American Boulevard West, Suite 1000
952.563.6873
matt.mayer@bergankdv.com

EMPOWERING PEOPLE and CREATING A WOW EXPERIENCE FOR OUR CLIENTS.

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Additional Information:

Fee Information (no dollar amounts included, see separate document, Appendix B)	
Peer Review	
Appendix A – Proposer Warranties	

Separate Document:

Appendix B – Schedule of Professional Fees and Expenses	
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TRANSMITTAL LETTER

Mr. Paul Hoye, Finance Director
City of Fairmont
100 Downtown Plaza
Fairmont, Minnesota 56031

Dear Mr. Hoye,

On behalf of BerganKDV, I am pleased to submit this proposal for audit services for the City of Fairmont, Minnesota. We appreciate the opportunity to bid these services and your consideration of our firm.

The attached proposal addresses the information you requested, including the unique qualifications of BerganKDV, the depth and breadth of the services we will provide your City, and our commitment to providing the highest-quality work through a process that is both efficient and effective.

Our services would include, but not be limited to, the following for years ending December 31, 2021 through 2025.

1. Performing an audit of the City in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and other federal, state, and local requirements, as applicable.
2. Providing an opinion on the City's basic financial statements and an "in-relation to" report on the supporting schedules.
3. Providing an opinion on the City's schedule of federal expenditures.
4. Reviewing the City's financial statements and related note disclosures, supplemental schedules and Comprehensive Annual Financial Report information.
5. Reviewing, documenting, and providing recommendations on improving the City's internal control and financial operations.
6. Providing verbal and written guidance on new and ongoing Governmental Accounting Standards Board (GASB) Statements.
7. Meeting with City finance personnel and administration to review the financial statements and a draft of our letter of recommendations for improving the internal control and financial operations of the City.
8. Presenting the financial statements and communications letter to the City Council.
9. Providing bound copies of the report to the City for the Office of the State Auditor, including a searchable pdf of the report, and the communications letter.
10. Being available during the year to provide a wide range of consulting services and answer your questions as they arise.

Our Government Market team is located throughout BerganKDV offices. These individuals work only on our governmental entity clients. We have outlined your upper management team in the "Qualifications" section. In addition to these individuals, we will utilize associate level individuals. Some of our team members will be on-site to perform portions of your audit. We will use a mix of on-site and remote auditing. As further discussed in the Audit Approach section, we utilize Suralink, a workflow management software that improves efficiency by streamlining our audit request process.

We will work with your representatives to schedule specific fieldwork dates to ensure we are meeting your deadlines. The undersigned is a partner and is authorized to make representations for the firm. This proposal is a firm and irrevocable offer for 60 days.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew Mayer", with a long horizontal flourish extending to the right.

Matthew Mayer, CPA

Bloomington, MN // 952.563.6873 // matt.mayer@bergankdv.com

EXECUTIVE SUMMARY

Here are a few benefits of working with BerganKDV:

- **A Responsive Firm Who is there for You.** We believe we are your auditors not just at year-end but throughout the year. This means being there for you when issues arise, available when you need us and being responsive to your requests. We demonstrate this through same-day callbacks and in-depth research to get to the heart of your questions. We take a collaborative approach in all our interactions with you.
- **Effective Communication.** BerganKDV has set high internal standards for responding and communicating with our clients. Providing support exactly when and where you need it is the value our team brings. Your time is valuable; we will be clear and efficient in our communications, work to eliminate surprises and meet agreed-upon deadlines. We have a proven track record of performing client's requests based on their preferred timetable and delivering reports to our clients in advance of deadlines.
- **A Personalized Approach to the Audit.** Our audit process includes an annual planning meeting with you to discuss any challenges and changes in the City over the past year, and to build future strategies. We enjoy learning about your City and will work to understand your City from an overall operational standpoint. We are not afraid to "roll up our sleeves" and delve into the details of your operations. This allows us to personalize our audit approach each year, bring best practices, and be a resource for you when it comes to GASB and other reporting standards.
- **Value for Time and Fees Invested.** Receiving value for your fee investment is critical in City government. In addition to offering highly competitive fees, we work diligently to not incur fee surprises. We encourage frequent calls throughout the year, **always at no cost to you**. Our goal is to be your first call when you experience organizational challenges, and our current clients report that this has helped them save time, reduce costs, and build confidence when solving issues.
- **Government Finance Expertise.** Your audit firm needs to understand how municipalities operate and how the environment in which they function is regulated. Your audit firm also needs to understand the intricacies of these entities and how decisions that are made and affect the community. BerganKDV audit professionals are dedicated to your industry beyond the audit; we strive to be your trusted resource in all areas.
- **Innovative thinking and solutions driven.** When working with BerganKDV, clients find that we focus on earning their trust by being actively involved and focused on helping them be successful in all they do. We solve problems. Whether that problem is technology, financial or operations related, we will find a way to help.



We have an extensive background in working with clients through a strategic approach in all aspects; we do not just keep pace with the trends; we stay ahead of the curve. We explore new ways to reduce costs and operate more efficiently.

THE BACKSTORY

The history of our firm began in 1945, and since the beginning, BerganKDV has been firmly rooted in community. Today we are a Top 100 Firm, we operate in multiple states in nine different offices, employ over 450 experts, and service clients across the country. As we continue to grow, we acknowledge that we are not in the business to provide one-size-fits-all solutions. Every client is different – from business problems to personal preferences. We invest the time to understand your needs and customize our services and solutions to meet them. Our playbook consists of business advisory, tax, assurance and accounting, workforce management, technology, wealth management and turnaround management services. Sure, we offer a robust and competitive service portfolio and notable processes but what really makes us different? [OUR PEOPLE.....](#)

OUR PEOPLE

Relationships are at the core of everything we do, and our products and services are designed to meet the specific needs of our clients. When working with BerganKDV, clients find that we focus on earning their trust by being actively involved and focused on helping them be successful in all they do.

PERSONALIZED SERVICE

Our philosophy is to provide timely, quality services that exceed the expectations of our clients. Outstanding client service requires a successful team effort within our firm and with our clients. Providing outstanding service involves enthusiastic, dependable, and knowledgeable personnel who are responsible for knowing, understanding, and caring about our clients. Our firm believes that outstanding service is a continual process that is refined and enhanced with each client contact.

ENGAGE® | OUR PROVEN VALUE CREATION PROCESS

We have aligned our team around our core values and are driven in our commitment to help clients and team members achieve their potential. We help clients reach their goals by utilizing our value creation process. Results of this process have led to more robust client relationships – deeper trust, enhanced communication, and minimization of time for all. This process is a key component of our strategy in supporting and helping our clients further their organizations.



OUR BUSINESS LINES

BerganKDV has a strong bench of resources and expertise available based on needs of the client. This ensures the most effective and efficient results are delivered!



COMMUNITY SUPPORT

At BergankDV, we believe in giving back. We support the organizations our people and clients are actively involved with. BergankDV's culture promotes community involvement by providing employees with paid volunteer time off.

VISION AND VALUES

We are powered by people who do business the Midwest way delivering comprehensive business, financial and technology solutions. Our firm consists of highly talented individuals that put relationships before business deals and clients before profits. Our values drive our decisions.

OUR FOCUS AND OUR PROMISE

We continue to align BergankDV team member core values and sense of purpose with our firm core values and mission. We hire towards our core values and manage performance through real time feedback corresponding to our core values. We have found that this work results in more open conversations at BergankDV which impacts employee engagement and client care.



VALUE-ADDED SERVICES BEYOND THE AUDIT

Our goal is to be your first call when you experience organizational challenges. We believe this can occur only when a relationship is developed and nurtured through strong communication and a thorough understanding of your mission, programs, and operations. We are unwavering in our commitment to our clients and make it our mission to ask the right questions, listen actively, understand your expectations, and deliver results. You can expect a partnership with professionals who value trust, integrity, and relationships.

Extensive Governmental Auditing and Consulting Experience

With over **50 years of experience** serving the government community, we have a great appreciation for the unique issues and complexities that you face. We currently work with over 150 governmental entities, including cities, charter schools, school districts, colleges and universities, and other governmental entities, providing a wide array of services including accounting, auditing, and consulting services.

We are dedicated to **keeping informed** of significant developments in the government community and the impact of those developments on our clients. We accomplish this through formal training, including annual seminars, workshops and professional sponsored classes on governmental accounting, auditing, and reporting requirements. We are a member of the Governmental Audit Quality Center of the American Institute of Certified Public Accountants. The Center maintains standards for quality control in governmental audits for CPA firms nationwide.

In addition, many employees of our firm are members and have participated as instructors and speakers at seminars. These presentations have included GASB implementations, auditing standards updates, levy process and related accounting, property taxes and general fund budget, budget issues related to the state budget deficit, accounting and finance policies and procedures and fraud.

Peer Review

Our firm is a member of the Private Companies Section of the AICPA Division for CPA Firms. This Division was founded in 1977 by the AICPA to promote CPA excellence and to provide a voluntary, objective means of monitoring adherence to professional standards. Each member firm is required to periodically subject its audit and accounting practice to a comprehensive quality review by specially trained outside CPAs. Our last such review was just performed recently, and we received a clean report on our practices and methods. A copy of our last peer review report is included on page 21.

Assistance with Certificate of Achievement

Our firm is very familiar with the requirements necessary to obtain the Certificate of Achievement. We currently assist several of our clients with preparation of their comprehensive annual financial report to meet the criteria for GFOA's Certificate of Achievement for Excellence in Financial Reporting. We assisted several of these clients with their initial application, and all were successful on their initial and all subsequent submissions.

CERTIFICATIONS AND INDEPENDENCE

We recognize when we audit a governmental entity, we are required to be familiar with certain rules, regulations, and requirements and, as a firm we are required to meet certain requirements. In that regard, we make the following affirmations:

- Our firm meets the independence requirements relating to the City defined by auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States.
- Our firm and all assigned key professional staff are properly licensed to practice in the State of Minnesota.
- Our firm is a member of the American Institute of Certified Public Accountants and the Minnesota Society of Certified Public Accountants.
- Our firm has never had a report rejected or classified as substandard by any state or federal agency, or by the Government Finance Officers Association.
- Our firm has never had and currently does not have any pending disciplinary actions or investigations for alleged improper, fraudulent, disreputable, or unfair activities against our firm with state regulatory bodies or professional organizations.
- We accept the professional obligation concerning the American Institute of Certified Public Accountants Interpretation 501-3 "Failure to Follow Standards and/or Procedures or Other Requirements in Governmental Audits."
- Our professional personnel have received adequate continuing education to follow *Government Auditing Standards* and have received adequate continuing professional education over the past two years.
- Our firm is an equal opportunity employer and does not discriminate in employment of persons upon the basis of race, color, creed, national origin, sex, age, or physical handicap, and have an affirmative action plan in place.
- We do not expect any potential audit problems and are not aware of any conflicts of interest about any work performed by the firm for the City.
- We acknowledge and have adequate personnel to comply with the audit schedule provided in the request for proposals.

CLIENT REFERENCES AND EXPERIENCE

A few of our municipality clients serviced by your team are listed below and we encourage you to contact them.

Kristi Brutlag
 City of Albert Lea, Minnesota
 507.377.4305
 Audit 300 Hours – GFOA Certificate
 2018 to Present

Jeanne Day
 City of Faribault, Minnesota
 507.333.0345
 Audit 300 Hours – GFOA Certificate
 2017 to Present

Jasper Kruggel
 City of LeSueur, Minnesota
 507.593.8312
 Audit 250 Hours
 2015 to Present

Karla Drown
 City of Marshall, Minnesota
 507.537.6760
 Audit 250 Hours
 2019 to Present

Over the past year, BerganKDV has served as independent auditor or consultant for many Cities and Townships as listed below. Audit clients awarded the GFOA Certificate of Excellence in Financial Reporting are identified with an asterisk.

Cities and Townships

Population (0-2,000)

Bock, MN
 Clear Lake, MN
 Clearwater, MN
 Cyrus, MN
 Eden Valley, MN
 Freeport, MN
 Hilltop, MN
 Maine Prairie Township, MN
 Millerville, MN
 Richmond, MN
 Silver Bay, MN
 Watkins, MN
 Waverly, MN

Population (2,001-5,000)

Ashland, NE
 Becker, MN
 Bennington, NE
 Cascade, IA
 Deephaven, MN*
 Elko New Market, MN
 Greenfield, MN
 Hanover, MN
 Haven Township
 Park Rapids, MN
 Princeton, MN
 Princeton Township
 Rockford Township
 Rockville, MN
 Two Harbors, MN

Population (5,001-15,000)

Baxter, MN*
 Big Lake, MN
 Cold Spring, MN
 Corcoran, MN
 Dayton, MN
 Falcon Heights, MN*
 Fergus Falls, MN*
 Gretna, NE
 Independence, IA
 LeSueur, MN
 Mendota Heights, MN
 Oak Grove, MN
 Osseo, MN
 Otsego, MN*
 Sauk Rapids, MN
 St. Joseph, MN

Population (15,001<)

Albert Lea, MN *
 Cottage Grove, MN*
 Crystal, MN*
 Faribault, MN*
 Forest Lake, MN*
 Hastings, MN*
 La Vista, NE*
 Maplewood, MN*
 Marshall, MN
 New Brighton, MN *
 North Liberty, IA
 Papillion, NE*
 Richfield, MN*
 St. Cloud, MN*
 Sartell, MN
 Woodbury, MN*
 Wyoming, MN*

DEDICATED SERVICE TEAM

BerganKDV has a personalized team of professionals to meet your unique needs. Your BerganKDV team has extensive experience working with governmental organizations. This translates into a greater ability to understand your unique organization.

LEADERSHIP TEAM

First, all governmental clients will interact with a member of the Government Market’s leadership team at least annually. There is no charge to our clients for these meetings. These individuals are instrumental in ensuring that our clients are receiving “WOW” service and having all their needs met.

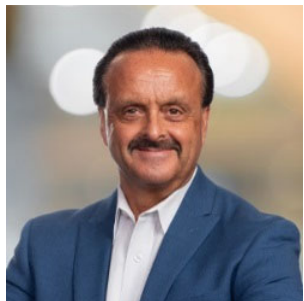


JODI L. WOODWARD, CPA, SHAREHOLDER, GOVERNMENT MARKET LEADER

Role and Experience: In her role as Government Market Leader, Jodi is responsible for the government market by managing all aspects of the value creation cycle and will work with the governmental team members throughout the firm to ensure a wow experience is being delivered.

Jodi is a CPA with more than 25 years of experience in public accounting, focusing mainly on governmental and nonprofit entities; ERISA plans; commercial real estate, including HUD audits; and colleges & universities.

Jodi has a bachelor’s degree in accounting from Midland University and is active in the American Institute of Certified Public Accountants where she currently serves on the Employee Benefits Plan Audit Quality Center Executive Committee and is very involved in the Peer Review Program. Jodi is a member of the Nebraska Society of CPAs, CREW Omaha Metro and Omaha Academy of Ballet, where she serves on the board.



MICHAEL E. DUSCHER, GOVERNMENT CONSULTING LEADER

Role and Experience: Mike serves clients in the government sector. He is responsible for growing the client base in the government market by building relationships with potential clients and working with them to help solve pain points they are experiencing in their business operations.

Mike received his bachelor’s degree in organizational communication and sociology. He is involved with Northern Voices, a nationally recognized school for deaf and hearing of children and Crescent Cover Respite & Hospice Home for Kids.

DEDICATED SERVICE TEAM (CONTINUED)

ENGAGEMENT TEAM

Below are resumes of the team that will be assigned to your engagement. Your engagement team will consist of an Engagement Partner, a Concurring Review Partner, a Quality Control Partner, an Audit Supervisor and one to two additional staff auditors. A partner or supervisor will be on-site for most of the audit to ensure that our staff are provided direction and leadership.



MATTHEW MAYER, CPA, ENGAGEMENT PARTNER

Education: Bachelor of Science in Accounting from St. Cloud State University

Experience, Professional and Civic Activities:

- Twenty+ years of experience in auditing governmental entities
- Speaker at Minnesota Association of School Business Officials, Minnesota Government Finance Officers Association, Minnesota Clerks and Finance Officers Association, Minnesota Society of Certified Public Accountants, Los Angeles Police Department, International Law Enforcement Auditors Association and BerganKDV sponsored seminars
- Past Member of the Special Review Committee of the Government Finance Officers Association whose purpose is to review Comprehensive Annual Financial Reports to determine eligibility for the Certificate of Achievement for Excellence in Financial Reporting
- Member of Minnesota Society of Certified Public Accountants, American Institute of Certified Public Accountants, and Government Finance Officers Association
- Hennepin Elementary Charter School, Founding Board Member/Treasurer (2009-2015)
- Minnesota Society of Certified Public Accountants Local Governments Conference Planning Task Force (Past Chair)
- Minnesota Society of Certified Public Accountants City Audit Review Task Force (Past Chair)
- Minnesota Society of Certified Public Accountants School District Conference Planning Task Force (Past Chair)
- Minnesota Society of Certified Public Accountants School District Audit Review Task Force (Past Chair)

DEDICATED SERVICE TEAM (CONTINUED)



NANCY SCHULZETENBERG, CPA, QUALITY CONTROL PARTNER

Education: Bachelor of Science in Accounting from Mankato State University, graduated Summa Cum Laude

Experience, Professional and Civic Activities:

- Twenty-five+ years of experience in auditing governmental and nonprofit entities
- Member of the Quality Control Committee for our firm
- Appointed by the Commissioner of Education to serve as a member of the Minnesota Department of Education’s Advisory Committee on Financial Management, Accounting and Reporting
- Member of the Special Review Committee of the Government Finance Officers Association whose purpose is to review Comprehensive Annual Financial Reports to determine eligibility for the Certificate of Achievement for Excellence in Financial Reporting
- Presenter at the Minnesota Association of School Business Officials Annual Conference, the Central Minnesota Educational Research & Development Council’s Annual Conference, the MN Government Finance Officer’s Association’s Annual Conference, and BerganKDV sponsored seminars
- Instructor at the Minnesota Association of School Business Officials Institute and the Minnesota Association of School Business Officials Certification Program
- Member of Minnesota Society of Certified Public Accountants, American Institute of Certified Public Accountants, Minnesota Association of School Business Officials, and Government Finance Officers Association
- Member of the Finance Committee at Holy Family School, Albany and Seven Dolors Church, Albany
- Treasurer of the Albany Dance Team Booster Club

DEDICATED SERVICE TEAM (CONTINUED)



ANDREW GRICE, CPA, CONCURRING PARTNER

Education: Bachelor of Science in accounting from St. Cloud State University, graduated Cum Laude

Experience, Professional and Civic Activities:

- Twelve years of experience with financial reporting in accordance with GAAP, CAFR requirements, analysis of internal control, performing audits of financial statements and single audits in accordance with OMB Circulars and Uniform Guidance.
- Responsible for the planning, fieldwork and reports for numerous audits of cities, school districts, charter schools, and other government entities.
- Attends continuing education, workshops and conferences on city and school district accounting and reporting requirements on an annual basis that qualifies as “yellow book” continuing professional education and on governmental and single audit accounting, auditing and reporting
- Extensive use of computer and software applications to assist in the preparation and performance of the audit process.
- Presents audit reports, financial statements, and communications letters to management, school boards and city councils.
- Instructor for the Minnesota Municipal Clerks Institute Fund Accounting and Budgeting course.
- Instructor for the Government Finance Officers Association Intermediate Governmental Accounting course.
- Develops internal training for BergankDV government auditors.
- Certified Public Accountant, licensed to practice in the State of Minnesota
- Minnesota Society of Certified Public Accountants
- American Society of Certified Public Accountants
- Minnesota Association of School Business Officials
- Government Finance Officers Association

DEDICATED SERVICE TEAM (CONTINUED)



DUSTIN OPATZ, CPA, AUDIT SUPERVISOR

Education: Bachelor of Science in Accounting from St. Cloud State University

Experience, Professional and Civic Activities:

- Six years of experience with financial reporting in accordance with GAAP, CAFR requirements, analysis of internal control, performing audits of financial statements and single audits in accordance with OMB Circulars and Uniform Guidance
- Responsible for the planning, fieldwork and reports for numerous audits of cities, school districts, charter schools, and other government entities.
- Attends continuing education, workshops and conferences on city and school district accounting and reporting requirements on an annual basis that qualifies as "yellow book" continuing professional education
- Attends workshops on governmental and single audit accounting, auditing and reporting on an annual basis
- Financial statement and communication letter preparation
- Extensive use of computer and software applications to assist in the preparation and performance of the audit process
- Certified Public Accountant, licensed to practice in the States of Iowa, Minnesota and Nebraska
- Presenter at the Government Finance Officers Association Annual CAFR Review, and BergankDV sponsored seminars.
- Professional and Civic Activities
- Minnesota Society of Certified Public Accountants
- American Institute of Certified Public Accountants
- Minnesota Government Finance Officers Association
- Minnesota Association of School Business Officials
- Iowa Association of School Business Officials

DEDICATED SERVICE TEAM (CONTINUED)

Office Performing Audit

As mentioned earlier in the Letter of Transmittal, our governmental team is located throughout BergankDV's offices. This team consists of 4 audit partners, 4 audit directors\managers, 1 director of consulting, 3 supervisors, 3 seniors and 3 associates and 3 interns, all that primarily focus on governmental entities. In addition, we have another partner, a director, a manager, two seniors and five associates that all have experience working on governmental audits.

Commitment to Staff Continuity and Training

To keep continuity and efficiencies high, we believe that consistent team members are advantageous for both our firm and your organization. We pride ourselves on maintaining the right balance of continuity on each of our engagements to ensure a "fresh" look at the annual audit process. Rotation of senior level staff only occurs after the merits of such rotation have been discussed and approved by your organization.

Independence

Our firm has no conflict of interest regarding any other work performed by our firm for your organization. Our firm meets the independence requirements relating to your organization as defined by auditing standards generally accepted in the United States of America. We annually review independence related to all our client relationships as part of our internal control compliance process.



AUDIT APPROACH AND TIMELINE

OUR GOAL FOR YOU IS TO CREATE VALUE AND TO MINIMIZE SURPRISES. We do this through a specific, well planned audit. What makes BerganKDV unique from other firms is that we continually improve our audit process beyond what is expected by our profession. A few of the BerganKDV advantages:

- **Collaborative Audit Process.** We see the audit process as a joint effort with you and BerganKDV. We want to work together to make it as painless as possible.
- **A comprehensive view of the City's financial health.** Through our extensive government experiences, we understand a City's health is not only about the finances. The vision, mission and programming provide the blueprint for the City's direction. We review this information in relation to the financial statements and provide our observations based on a comprehensive view of the City's health.
- **Technology resource on internal controls.** Technology experts from the BerganKDV Technology Group can assist in evaluating your technology controls. Their expert advice has proven to be a valuable resource as they answer technical questions and offer specific recommendations.
- **Supervisors, managers and partners on-site.** The involvement of our supervisors, managers and partners in the field is essential to being a trusted partner and delivering an exceptional client experience. We believe it is important to be on-site and available to answer questions. This also allows our managers and partners to review documentation throughout the process.
- **Meeting communications.** Our presentations are designed to capture information that is useful and meaningful. Our presentations are focused on audit results, trends, and other information relevant to your City and related entities, not details of the financial statement amounts.

Beyond Expectations

BerganKDV takes a four-phased audit approach that gets results by:

- Leveraging what is working well.
- Focusing on pre audit planning, collaboration, and communication.
- Staying accountable to a schedule.
- Meeting with you and your team to ensure every detail has been finalized and the audit is complete.
- Exchanging information regarding our performance, opportunities to enhance experiences and future strategic opportunities.

AUDIT APPROACH AND TIMELINE (CONTINUED)

Our audits are designed to focus our energy and our audit tests on the areas of your operations that contain the most risk. This equates to a better product for the City.

PHASE ONE – INITIAL PLANNING AND PROGRAM DEVELOPMENT

Our main objective is to get to know the City as a resident or employee would. We want to understand not only your finances, but also your operational goals and objectives. What makes you City unique? How can that knowledge help us perform the best audit possible? When those questions are answered, we know we achieved our goal for Phase One.

During this phase, we gather the information we need to create an effective audit program and make preliminary judgments of materiality. Highlights include:

- Reviewing your internal control documents and interviewing your key employees and representatives to gain operational information.
- Discussing your goals, objectives, and the current challenges facing your operations; those are then shared across your BerganKDV team and incorporated into our audit plan.
- Obtaining population sizes ranging from 25-60 for certain transactions-based finance systems and selecting which transactions we will test for internal control and compliance testing. Selections will be based on our data analysis results, analyzing transactions on a risk-based level.
- Obtaining your current financial reports and budgets and perform overall analytical review procedures.
- Obtaining applicable City organizational charts, policies, bond documents, leases, and other legal contracts.
- Reviewing with your staff our audit documentation requests. **We audit and request information that is used internally by your staff to manage operations, we do not require specific templates to be used.**

We will work with the management team to determine the preferred means of communication, whether phone or email. In addition, we utilize Suralink, a workflow management software that improves efficiency by streamlining our audit request process. The simple interface includes team assignments and deadlines, so there are no misunderstandings on expectations.

Our audit process incorporates automated audit tools (Knowledge Coach) and work papers to provide our clients with timely information and effective and efficient audits. In addition, we use CCH's TeamMate Analytics, an Excel add-on used to extract and analyze data quickly and efficiently. We also subscribe to various benchmarking and data analysis providers.

Your Expected Role: *Provide BerganKDV with policies, internal control documents and a preliminary trial balance; provide contact information for all board members and staff so we may set up appointments/interviews with selected representatives; begin to gather documentation for fieldwork.*

AUDIT APPROACH AND TIMELINE (CONTINUED)

PHASE TWO – AUDIT PROGRAM EXECUTION

Project execution is performing the procedures outlined in your audit plan as developed in Phase One. Our audit procedures will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We will discuss potential ideas and best practices with your personnel relating to our recommendations for improving internal control, procedures and compliance with laws and regulations. Any issues identified, proposed audit adjustments, or other recommendations will be discussed with management throughout the execution of our audit procedures. We perform test work with as little disruption as possible to City staff's regular duties.

Highlights of this phase include:

- Auditing year-end account balances, testing internal control, assessing compliance to determine if your systems and controls are functioning as designed.
- Using sampling techniques to test areas including transactions, internal controls and legal compliance using the scope mandated by the Office of the State Auditor. Sample sizes range from 25-60 based on our risk assessment.
- Using IDEAS data mining software, we look for trends and anomalies in your payroll, vendor payment, and cash receipts process.

***Your Expected Role:** Be available to answer questions during scheduled audit fieldwork, provide audit workpapers or reconciliations with documentation that is reasonable and reviewed during Phase One.*

PHASE THREE – POST-AUDIT CRITIQUE AND EXIT CONFERENCE

This phase of the audit includes reviewing all the components of the financial statements and prepare the communications letter and relevant financial trend data for the Board presentation. Finally, opinions on the financial statements, Government Auditing Standards and Single Audit, if required, will be prepared.

We will then present this information to management allowing you time to review the financial statement reporting package including the draft financial statements and any internal control findings or recommendations that arise during the audit. This phase allows you time to assess, discuss and develop a corrective action plan, if needed.

***Your Expected Role:** Review preliminary financial statements and reports to provide BergankDV with input and feedback.*

PHASE FOUR – PRESENTATION OF AUDIT REPORT

The final phase of the process is the presentation of the reports to the City Council. The presentation provides the governing body with information about the year's financial activity compared to past trends and expected results. We also provide other relevant and interesting observations relating to your financial statistics that will help provide the governing board with a deeper understanding of your operations. We understand all organizations have individual needs and we look forward to getting your feedback on graphs and statistics.

AUDIT APPROACH AND TIMELINE (CONTINUED)

Professional standards require that we provide you with information regarding the auditor's responsibility under generally accepted auditing standards, significant accounting policies, accounting estimates and management judgments, significant audit adjustments, other information in documents containing audited financial statements, disagreements with management, consultation with other auditors, major issues discussed with management prior to retention as auditors and difficulties encountered in performing the audit. We will provide this information in written form via the communications letter and will discuss with administration during the review of the preliminary audit report.

***Your Expected Role:** Provide BerganKDV with information and feedback for presentation preferences.*

FEE INFORMATION

Our fees for the services are based on the amount of time and the level of experience of the individuals who perform the services. In addition, we assume that the City's accounting personnel will provide the appropriate workpapers, documents, schedules, and clerical assistance and will prepare the financial statements, notes and other comprehensive annual financial report sections, and that we will not encounter any significant or unusual circumstances which will affect the scope of our engagement, and no significant changes to the City's operations will occur. However, if situations arise which affect the scope of the engagement, we will discuss them with you prior to incurring the additional cost. **At no time will we bill the City for extra time or charges unless we have verbal communication regarding the issues, your options, and an agreement for additional fees.**

Billing and Collection Expectations

Our fees are due as services progress and are generally billed at the completion of each phase of the audit. These invoices are payable on presentation. Invoices are delinquent if not paid within 60 days.

Off-season Communication

We encourage questions throughout the year and ask our clients to submit to us their monthly financial statements and board of director minutes, so we can stay abreast of their operations, and identify/resolve any issues prior to year-end. We will not invoice additional amounts unless substantial research or work is required, in which case, we will discuss the scope of any additional work and proceed only after we have reached a mutually agreeable fee arrangement.

Out of Scope Professional Services

We do not surprise bill. If during our engagement you request additional services which require more than a minimum amount of time, we will provide an engagement letter with the fees and services specified, only after we have verbal communication and agreement. Additional special projects and consulting requested during the year will be billed at an hourly rate commensurate with the level of experience required.

PEER REVIEW



Report on the Firm's System of Quality Control

March 12, 2021

To the Partners of BerganKDV, LLC
and the Peer Review Committee of the Minnesota Society of CPAs.

We have reviewed the system of quality control for the accounting and auditing practice of BerganKDV, LLC (the firm) in effect for the year ended March 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitation of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including compliance under the Single Audit Act, and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

PEER REVIEW [CONTINUED]

The Partners of BerganKDV, LLC
and the Peer Review Committee of the Minnesota Society of CPAs
Page Two

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of BerganKDV, LLC in effect for the year ended March 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)*, or *fail*. BerganKDV, LLC has received a peer review rating of *pass*.


Certified Public Accountants

Little Rock, Arkansas

APPENDIX A

CITY OF FAIRMONT PROPOSER GUARANTEES

Proposer warrants that it is willing and able to comply with State of Minnesota laws with respect to foreign (non-state of Minnesota) corporations.

Proposer warrants that it willing and able to obtain an errors and omission insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.

Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Fairmont.

The proposer certifies that it can and will provide and make available at a minimum, all services set forth in Section II, Nature of Services Required.

Proposing firm warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official:  _____

Name (typed): Matthew Mayer, CPA

Title: Engagement Partner

Firm: BerganKDV

Date: July 12, 2021

THANK YOU.

BERGANKDV.COM | 952.563.6873 | INFO@BERGANDKV.COM





CITY OF FAIRMONT, MINNESOTA DOLLAR BID PROPOSAL FOR AUDIT SERVICES



CONTACT: MATTHEW MAYER
3800 American Boulevard West, Suite 1000
952.563.6873
matt.mayer@bergankdv.com

bergankdv

EMPOWERING PEOPLE and CREATING A WOW EXPERIENCE FOR OUR CLIENTS.

BERGANKDV, LTD

Matthew Mayer, CPA, Partner is entitled to represent BerganKDV, LTD, and empowered to submit a bid and authorized to sign a contract with the City of Fairmont, Minnesota.

APPENDIX B

**CITY OF FAIRMONT
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE 2021, 2022, 2023, 2024 AND 2025 FINANCIAL STATEMENTS**

	Hours	Standard Hourly Rates	Proposed Hourly Rates	Total
Partners	30	\$ 300	\$ 255	\$ 7,650
Managers	45	\$ 200	\$ 170	\$ 7,650
Supervisory staff	60	\$ 150	\$ 130	\$ 7,800
Staff	140	\$ 130	\$ 110	\$ 15,400
Other (specify):	15	\$ 70	\$ 60	\$ 900
Subtotal	<u>290</u>			<u>\$ 39,400</u>

	Hours	Average Rate	
Single Audit	20	150	Per Major Program

Summary Schedule

Fiscal Year Ending December 31,	CAFR		
	Total all-inclusive maximum price	Single Audit Cost, if required	
2021	\$ 39,400	\$3,000	Per Major Program
2022	40,385	3,075	
2023	41,395	3,150	
2024	42,430	3,230	
2025	<u>43,490</u>	<u>3,310</u>	
Total	<u>\$ 207,100</u>	<u>\$15,765</u>	If one Major Program per year

THANK YOU.

BERGANKDV.COM | 952.563.6873 | INFO@BERGANDKV.COM





Fairmont City Council
August 9, 2021

Agenda Item: 10.B.1

From: Paul Hoyer, Finance Director
To: Mayor and City Council

Subject: June 30, 2021 Investment Report

Policy/Action Requested:

Vote Required: ___ Simple Majority ___ Roll Call

Recommendation: Information only, no action needed.

Overview:

Attached is the June 30, 2021 investment schedule showing the investments held by the City on that date. The letter next to the investment in the investment policy column indicates the authorizing paragraph in the City’s investment policy. Total interest received during the period was \$123,500.84. The full broker statements are available for inspection upon request.

Budget Impact: With the decline in interest rates over the last year and a half, we are seeing a decline in interest earnings. Interest earnings for the first six months of 2021 is down \$115,024.74 compared to the same period in 2020.

Attachments: Investment Schedule

Council Action: _____ Date: _____

**City Of Fairmont
Investment Schedule
6/30/2021**

INV #	Broker	Investment Type	Investment Policy		Cusip	FDIC#	Purchase Date	Maturity Date	Investment Rate	Balance 1-1-21	Purchased	Redeemed	Balance 6-30-21	Date	Interest Received
	Wells Fargo	MM	C	Income					Variable	-			-		4.49
19-06	Wells Fargo	CD	B	Wells Fargo	949763ZC3	3511	4/10/2019	4/12/2021	2.50	245,000.00		245,000.00	-	monthly	2,064.05
19-40	Wells Fargo	CD	B	Wells Fargo	949495AA3	27389	12/13/2019	12/13/2022	1.80	245,000.00			245,000.00	monthly	2,198.97
20-03	Wells Fargo	CD	B	Bank OZK	06417NQZ9	110	1/31/2020	5/3/2021	1.70	245,000.00		245,000.00	-	monthly	1,403.55
20-05	Wells Fargo	CD	B	Cathay Bank	149159PJ8	18503	2/14/2020	2/12/2021	1.60	245,000.00		245,000.00	-	2/12	3,909.26
20-06	Wells Fargo	CD	B	Mizuho Bank	60688MJ21	21843	2/19/2020	2/18/2021	1.60	245,000.00		245,000.00	-	2/18	3,920.00
20-08	Wells Fargo	CD	B	The Bryn Mawr Trust Co.	117673DG5	11866	3/6/2020	3/6/2023	1.70	245,000.00		245,000.00	-	3/8	2,065.38
20-09	Wells Fargo	CD	B	Investors Bank	46176PMV4	28892	2/28/2020	2/28/2022	1.60	245,000.00			245,000.00	2/26	1,976.11
20-10	Wells Fargo	CD	B	Truist Bank	89788HAR4	9846	3/3/2020	3/2/2021	1.65	245,000.00		245,000.00	-	3/2	4,031.42
20-12	Wells Fargo	CD	B	Eagle Bank	27002YEV4	34742	3/6/2020	3/6/2023	1.65	245,000.00			245,000.00	monthly	2,015.73
20-13	Wells Fargo	CD	B	City National Bank	178180GL3	17281	2/26/2020	2/25/2021	1.65	245,000.00		245,000.00	-	2/25	4,042.50
20-15	Wells Fargo	CD	B	Tristate Capital Bank	89677DHJ8	58457	3/25/2020	3/25/2021	0.80	247,000.00		247,000.00	-	3/25	1,976.00
20-17	Wells Fargo	CD	B	American Express Natl Bank	02589AB35	27471	3/31/2020	3/31/2021	1.25	245,000.00		245,000.00	-	3/31	3,062.50
20-25	Wells Fargo	CD	B	Pinnacle Bank	72345SKP5	35583	4/21/2020	10/21/2021	1.15	247,000.00			247,000.00	monthly	1,416.37
20-31	Wells Fargo	CD	B	JPMorgan Chase Bank	48128UHB8	628	7/30/2020	7/30/2025	0.50	247,000.00			247,000.00	monthly	622.58
20-32	Wells Fargo	FHLMC	G	0.33% Coupon	3134GV4X3		7/7/2020	10/7/2022	0.33	755,000.00		755,000.00	-	1/7	1,245.75
20-33	Wells Fargo	FHLMC	G	0.32% Coupon	3134GV6H6		7/20/2020	10/20/2022	0.32	1,000,000.00			1,000,000.00	1/20	1,600.00
20-39	Wells Fargo	CD	B	Pacific Western Bank	69506YRZ4	24042	9/30/2020	10/2/2023	0.30	245,000.00			245,000.00		364.48
20-41	Wells Fargo	FHLMC	G	0.32% Coupon	3134GW6E1		11/2/2020	11/2/2023	0.32	500,000.00			500,000.00	5/3	800.00
20-50	Wells Fargo	FHLMC	G	0.32% Coupon	3134GXCA0		11/24/2020	11/24/2023	0.32	500,000.00			500,000.00	5/24	800.00
20-51	Wells Fargo	CD	B	Texas Exchange Bank	88241TJP6	20099	12/18/2020	12/18/2023	0.35	245,000.00			245,000.00	monthly	427.58
21-01	Wells Fargo	FHLB	G	0.50% Coupon	3130AKPW0		1/28/2021	1/28/2026	0.50	-	500,000.00		500,000.00		
21-02	Wells Fargo	FHLB	G	Step Up YTM 0.623%	3130AL6L3		2/26/2021	2/26/2026	0.50	-	750,000.00		750,000.00		
21-04	Wells Fargo	FHLB	G	Step Up YTM 0.618%	3130AKZ33		3/3/2021	3/3/2026	0.40	-	1,000,000.00		1,000,000.00		
21-05	Wells Fargo	FHLB	G	Step Up YTM 0.797%	3130ALGY4		3/16/2021	3/16/2026	0.50	-	600,000.00		600,000.00		
21-06	Wells Fargo	FHLB	G	Step Up YTM 1.069%	3130ALP99		3/30/2021	3/30/2026	0.50	-	500,000.00		500,000.00		
21-08	Wells Fargo	FHLB	G	Step Up YTM 1.137%	3130ALVC5		4/14/2021	4/14/2026	0.60	-	500,000.00		500,000.00		
21-09	Wells Fargo	CD	B	Comenity Bank	99000QPT5	27499	4/29/2021	4/29/2025	0.65	-	200,000.00		200,000.00	monthly	217.26
21-10	Wells Fargo	FHLB	G	Step Up YTM 1.355%	3130ALZ80		4/29/2021	4/29/2026	0.60	-	500,000.00		500,000.00		
21-11	Wells Fargo	CD	B	BankUnited	066519QW2	58979	4/14/2021	4/15/2024	0.45	-	245,000.00		245,000.00	monthly	184.26
21-13	Wells Fargo	CD	B	State Bank of India	856285VS7	33682	5/19/2021	5/19/2026	1.00	-	245,000.00		245,000.00		
21-14	Wells Fargo	FHLB	G	Step Up YTM 1.287%	3130AMET5		5/27/2021	5/27/2026	0.50	-	500,000.00		500,000.00		
21-15	Wells Fargo	FHLB	G	0.65% Coupon	3130AMW57		6/30/2021	6/30/2026	0.65	-	500,000.00		500,000.00		
									Wells Fargo Totals	6,681,000.00	6,040,000.00	2,962,000.00	9,759,000.00		40,348.24
													101-00000-10400		
	RBC	MM	C	Income					Variable	-			-		
18-06	RBC	CD	B	Live Oak Banking Co.	538036DN1	58665	3/9/2018	3/9/2021	2.55	249,000.00		249,000.00	-	monthly	1,704.79

18-12	RBC	CD	B	Mercantil Commerce Bank	58733AEX3	22953	6/21/2018	6/21/2021	3.00	246,000.00		246,000.00	-	6/21	3,679.89
18-22	RBC	CD	B	Ally Bank	02007GFP3	57803	10/18/2018	10/18/2021	3.10	246,000.00			246,000.00	4/19	3,802.55
18-28	RBC	CD	B	Morgan Stanley	61747M4V0	32992	8/16/2018	8/16/2021	3.00	245,000.00			245,000.00		
19-01	RBC	CD	B	Raymond James Bank	75472RAA9	33893	1/25/2019	1/25/2022	2.95	246,000.00			246,000.00	1/25	3,658.32
19-04	RBC	CD	B	TIAA FSB	87270LBR3	34775	2/4/2019	8/4/2022	2.90	246,000.00			246,000.00	2/4	3,596.32
19-09	RBC	CD	B	Morgan Stanley	61760AYR4	34221	4/11/2019	4/11/2024	2.80	246,000.00			246,000.00	2/16,4/12	7,139.77
19-10	RBC	CD	B	Sallie Mae	7954502D6	58177	4/10/2019	4/10/2024	2.75	246,000.00			246,000.00	4/12	3,373.23
19-15	RBC	CD	B	Capital One Bank	14042TAQ0	33954	5/30/2019	5/30/2023	2.55	246,000.00			246,000.00	6/1	3,110.72
19-17	RBC	CD	B	Great Southern Bank	39120VSK1	29546	6/28/2019	12/28/2022	2.35	246,000.00			246,000.00		606.58
19-18	RBC	CD	B	Capital One National Assn	14042RMA6	4297	7/10/2019	6/26/2024	2.30	246,000.00			246,000.00	6/28	2,821.25
19-21	RBC	CD	B	Medallion Bank	58404DFB2	57449	8/29/2019	8/30/2021	1.75	245,000.00			245,000.00	monthly	2,137.87
19-35	RBC	CD	B	Wells Fargo	949495AF2	27389	12/30/2019	12/30/2022	1.85	249,000.00			249,000.00	monthly	2,296.96
19-36	RBC	CD	B	Preferred Bank	740367JX6	33539	12/31/2019	12/31/2021	1.70	249,000.00			249,000.00	monthly	2,099.09
20-16	RBC	CD	B	Cit Bank NA	12556LBU9	58978	3/26/2020	3/28/2022	1.05	246,000.00			246,000.00	3/26	1,280.88
20-30	RBC	CD	B	Cadence Bank	12738RGB4	4999	4/15/2020	4/15/2021	1.10	246,000.00	246,000.00		-	4/15	2,706.00
20-37	RBC	GO	E	Oyster Bay NY Taxable GO	692160RX4		8/27/2020	8/15/2024	2.00	470,000.00			470,000.00	2/16	4,386.67
20-40	RBC	CD	G	Federal Farm Credit Bank	3133EL6E9		9/9/2020	9/9/2024	0.42	246,000.00			246,000.00		516.60
20-42	RBC	GO	E	New Waverly Texas Taxable GO	649143GZ1		10/28/2020	2/15/2025	0.50	180,000.00			180,000.00	2/16	2,675.00
20-43	RBC	GO	E	New Waverly Texas Taxable GO	649143GY4		10/28/2020	2/15/2024	0.40	120,000.00			120,000.00	2/16	1,783.33
20-45	RBC	GO	E	Norwich Connecticut GO	669402C80		10/29/2020	8/1/2024	0.61	240,000.00			240,000.00	2/1	527.00
20-46	RBC	CD	B	Bank of the West	06426XUP3	3514	11/4/2020	1/27/2025	0.00	250,000.00			250,000.00		
20-47	RBC	GO	E	Las Virgenes, CA School Dist GO	518021RX0		11/18/2020	9/1/2023	0.50	100,000.00			100,000.00		
20-48	RBC	GO	E	Lennox, CA School Dist GO	526084BX5		11/18/2020	8/1/2023	0.50	200,000.00			200,000.00		
20-49	RBC	GO	E	Eagle Pass Texas Ref Bonds	269731KR5		12/3/2020	3/1/2024	0.60	230,000.00			230,000.00		506.00
20-52	RBC	GO	E	Interboro School District GO	458436WU2		12/16/2020	2/15/2023	0.40	430,000.00			430,000.00		651.16
20-53	RBC	GO	E	Stratford Conn GO	8628117S9		12/17/2020	8/1/2024	0.956	250,000.00			250,000.00	2/1	292.11
20-54	RBC	GO	E	Cook Cnty IL Cmnty College GO	216057FC8		12/30/2020	6/1/2024	0.900	500,000.00			500,000.00	6/1	1,887.50
21-03	RBC	CD	B	First Bank of Greenwich	31926GBB5	58307	2/5/2021	1/29/2026	0.700	-	249,000.00		249,000.00		429.78
21-16	RBC	GO	E	Laredo TX Taxable GO	516824MK2		7/20/2021	2/15/2024	0.800	-	500,000.00		500,000.00		
										RBC Totals	7,159,000.00	749,000.00	741,000.00	7,167,000.00	57,669.37
													101-00000-10405		
	MultiBank Securities	MM	C	Income						-			-		
18-7	MultiBank Securities	CD	B	Citibank	17312QH93	7213	4/16/2018	4/12/2021	2.75	100,000.00		100,000.00	-	4/12	1,378.77
18-8	MultiBank Securities	CD	B	Discover Bank	254673NW2	5649	4/18/2018	4/19/2021	2.80	146,000.00		146,000.00	-	4/19	2,049.60
18-24	MultiBank Securities	CD	B	Neighbors FCU	64017AAG9	9229	9/19/2018	9/20/2021	3.05	246,000.00			246,000.00	3/19	3,720.67
20-18	MultiBank Securities	CD	B	Bank Leumi USA	063248KN7	19842	3/31/2020	9/30/2021	1.25	248,000.00			248,000.00	3/31	1,545.75
20-19	MultiBank Securities	CD	B	Berkshire Bank	084601WX7	23621	3/27/2020	3/31/2022	1.20	248,000.00			248,000.00	3/29	1,475.77
20-20	MultiBank Securities	CD	B	Centerstate Bank FL	15201QCX3	33555	3/30/2020	3/30/2022	1.40	248,000.00			248,000.00	3/30	1,721.73

