



PELICAN RAPIDS

CITY COUNCIL AGENDA

September 24, 2020

Tuesday September 29, 2020

5:00 p.m.

Council Chambers, 315 N. Broadway

1. Call to Order
 - a) Roll Call of Members
 - b) Welcoming Remarks
 - c) Announcements
 - d) Pledge of Allegiance
2. Citizen's Comments. *Please limit comments to 3 minutes per person. Items brought before the Council will be referred for consideration. Council may ask questions for clarification or explanation, but no council action or discussion will be held on these items.*
3. Additions / Deletions to Agenda (*City Council or City Staff Only*)
4. Approval of Consent Agenda. *The following are non-controversial items intended to be approved with one motion, without discussion. If a council member, staff, or member of the public would like to discuss an item(s), please ask that it be removed and it will be placed elsewhere on the agenda.*
 - a) Approval of Council Minutes – 09/08/2020
 - b) Approval of Accounts Payable Listing
 - c) Staff Reports
 1. Liquor Store Report (In Packet)
5. Coalition of Greater MN Update- Elizabeth Wefel (In Packet)
6. Local Foods, Local Places- Emily Reno
7. Park Board & Pool Committee Updates
 - Pool Committee Minutes (In Packet)
 - Park Board Minutes (In Packet)
8. Planning Commission Minutes (In Packet)
9. Library Roof Pay Request #1- \$70,479.00 (In Packet)
10. Considerations
 - Closure of Pelican Pete Platform
 - Closure Portion of 6th Ave. SW
11. Liquor License Consideration for 2020
12. CarlsonSV Audit Engagement Letter Approval (In Packet)
13. City Administrator Report
14. Mayor Report
15. Adjourn

CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES – 09/08/2020

The City Council of Pelican Rapids met in regular session at 5:00 pm, on Tuesday, September 8, 2020 in Council Chambers, City Hall.

Mayor Frazier called the meeting to order at 5:00 pm.

Clerk-Treasurer Danielle Harthun took roll call.

Mayor Brent E. Frazier and four members of the Council were present at roll call:

Council Member Steve Strand

Council Member Curt Markgraf

Council Member Kevin Ballard

Council Member Steve Foster

Other city staff present: Administrator Don Solga, Clerk-Treasurer Danielle Harthun, Superintendent Brian Olson, Utility Clerk Jannet Sanchez and Fire Chief Trevor Steeves.

General Attendance: Amy Baldwin, Rick St. Germain and Lou Hoglund from the Pelican Press was also present.

The Mayor welcomed everyone to the Council Meeting and announced upcoming events.

All present stood and said the Pledge of Allegiance.

Motion by Foster, seconded by Ballard to approve the agenda as written. Motion passed unanimously.

Motion by Markgraf, seconded by Strand to approve the consent agenda.

- a. Approval of Minutes – Council Meeting 8/25/2020
- b. Approval of Accounts Payable Listing
- c. Staff Reports
 1. Police Chief Report
 2. Street and Park Report
 3. Financial Report

Motion passed unanimously.

Rick St. Germain, Houston Engineering, presented Council with a Scope of Services for the Pelican Rapids Dam. The dates on the Services Agreement were updated to coincide with the grant dates. Motion by Ballard, seconded by Markgraf to accept the documents with the corrected termination date and to allow Mayor Frazier to sign the Service Agreement. Motion passed unanimously.

Amy Baldwin, Community Development Director for Otter Tail County, explained grant applications that Otter Tail County is using for Cares Acts funds. The grants are available for small businesses and non-profits. Council had concerns about the amount of businesses that could be assisted if the grant amount was \$10,000. Ms. Baldwin said the County could help supplement the grants in the City with the Cares Funds they had received. If funds run out, the grant amount would be proportionately reduced. Applications will be accepted

CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES – 09/08/2020

until September 30 and funds would be disbursed in October. The County will handle all the grant administration. Motion by Markgraf, seconded by Foster to use the County's grant program for local business and non-profits with maximum grant awards up to \$10,000. Motion passed unanimously.

Mayor Frazier asked Council if they would like to consider refunding Liquor/Beer/Wine License for 2020. Council will discuss further at the next meeting.

Fire Chief Trevor Steeves presented Council with a list of COVID-19 expenses that he would like to purchase with CARES funds. Each item was reviewed and justification was provided. These items are used by multiple people where germs could be easily spread from person to person. Administrator Solga will present these items to the City Auditor to get their approval before any purchases are made. Motion by Strand, seconded by Ballard to approve Fire Chief Steeves CARES ACT funding items. Motion passed unanimously.

Administrator Solga requested Council approval to purchase a smart screen to use for Council meetings with the CARES ACT funding. It will be presented to the City Auditor for approval before the purchase is made. He has also been tracking his hours that were spent doing COVID-19 related items for reimbursement. Motion by Foster, seconded by Markgraf to approve the wages and smart screen purchase with CARES Funds. Motion passed unanimously.

Administrator Solga is in the process of contacting community members to be on the Comprehensive Plan Steering Committee. One Council member was needed. Council Member Ballard volunteered.

Council considered the Jurisdictional Determination letter. If this is approved, the library would be set up as a separate jurisdiction and the library would report their own wages for pay equity. This separation frees each governing board from worrying about how it will affect pay equity. Motion by Strand, seconded by Foster to approve Mayor Frazier signing the Jurisdictional Determination and it being sent to the Pay Equity Coordinator. Motion passed unanimously.

Council discussed the Proposed 2021 General Fund Budget. Administrator Solga reviewed the general budget. There is a slight increase without any more changes to the budget. The Library has been under budget in the wage categories for the last couple of years and projections suggest that 2020 wage categories will also end under budget. Council Member Markgraf would like Council to approve the budget with the additional funds requested by the Library Board for 2021 and ask for more clarification on how the increase was calculated. In December, if Council does not agree with the explanation, the amount can be decreased. Motion by Strand, seconded by Foster to adopt the 2021 General Fund Budget as presented, setting the General Levy at \$733,738 and the Special

CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES – 09/08/2020

Levy at \$222,930 with the final 2021 budget hearing on December 8, 2020 at 6:00 pm. Motion passed. Opposed: Markgraf.

The Library Report was provided in the Council packet. Council Member Markgraf reported that there has been significant water damage inside the library due to the roofing construction. The contractors are waiting on the steel, which should arrive soon. Motion by Ballard, seconded by Foster to direct the Library Chair to request the City Attorney review the library contract documents regarding the water damage. Motion passed unanimously.

Administrator Solga reported that since the last city council meeting he has; held a department head meeting; worked with Clerk to set City Council (CC) agenda and prep for regular CC meeting; worked on PFA funding paperwork for Project #90; worked on police department personnel issues; worked on Bicycle Friendly Community application for Partnership for Health; worked on Comp Plan steering committee establishment; attended August 31 planning commission meeting; attended webinar with LMC regarding Cares Act funds; reviewed and spoke with Houston Engineering regarding their Dam Proposal; reviewed and spoke with Otter Tail County Community Development Agency regarding Cares Act funding for small business and non-profits; started work on 2021 water and sewer budgets.

Mayor Frazier reported that since the last city council meeting he has; continued to submit weekly mayor's columns to the Pelican Press, attended a CSAH 96 & 100 Construction Meeting, continued to visit the CSAH 96 & 100 construction sites, attended a City of Pelican Rapids Lagoon Meeting with Administrator Solga, Street Superintendent Brian Olson and PeopleService employees and met with Administrator Solga to review the agenda for this evening's City Council Meeting.

Motion by Strand, seconded by Markgraf to adjourn the City Council meeting at 6:36 pm. Motion passed unanimously.



Danielle Harthun, MCMC
Clerk-Treasurer

**City Bill Listing
September 29, 2020**

<u>Vendor Name</u>	<u>Comments</u>	<u>Amount</u>
ALEX AIR APPARATUS, INC.	FD; EQUIPMENT - CARES ACT	\$7,165.00
AMERI PRIDE SERVICES	STR/PK; LINEN SERVICE	\$96.63
APEX ENGINEERING GROUP	IMPROVEMENT PROJECTS	\$443.00
ARCO	ALL; FUEL	\$896.62
ARVIG	ALL; COMMUNICATIONS	\$1,255.04
BEATON, CHARLES	CH/PD; GARAGE RENTAL	\$140.00
BRANDON COMMUNICATIONS, INC	FD; PAGER CLIPS & CASES	\$690.28
COOPERS TECHNOLOGY GROUP, INC	PD/CH; OFFICE SUPPLY	\$46.38
CULLIGAN OF DETROIT LAKES	PL/STR/CH; WATER	\$200.00
EMERGENCY RESPONSE SOLUTIONS	FD; SCBA FLOW TEST	\$1,274.00
FLAHERTY & HOOD PA	PD; LEGAL SERVICES	\$1,775.00
GALLS	PD; FINGER PRINT KIT	\$98.45
GREAT PLAINS NAT GAS	ALL; UTILITIES	\$632.82
HAWKINS, INC	WWTF; CHLOR, SUL DIOX	\$10,506.62
HOME BUILDERS ASSOCIATION	2021 HBA RED RIVER VALLEY SHOW	\$800.00
LAKE REGION ELECTRICAL CO-OP	SIGN/AIR; UTILITIES	\$108.65
LAKE REGION HEALTHCARE	PD; DUI BLOOD DRAW	\$79.80
LARRYS SUPER MARKET	PL/CH; SUPPLIES	\$76.26
LARSON LAW FIRM PC	LEGAL FEES	\$150.00
LONG WEEKEND SPORTSWEAR	FD; UNIFORMS	\$432.00
MARCO	ALL; COPIES	\$319.31
MARTINSON, WINNIE	CH; CLEANING	\$365.00
MIDWEST TREE & MAINTENANCE	STR; REMOVE BRANCHES	\$1,703.75
NAPA	STR; SHOP PARTS	\$39.99
NETWORK CENTER, INC	ALL; COMP SERVICE	\$16.00
OHLIN SALES INC	FD; BATTERIES	\$201.36
OK TIRE CRM	STR; TIRE REPAIR	\$23.85
PARK REGION CO OP	ALL; FUEL	\$426.02
PEOPLESERVICE, INC	WWTF; MONTHLY SERVICE	\$20,171.00
RMB ENVIRONMENTAL LABORATORIES	WCT LAB TESTING	\$354.50
SOUTHTOWN	ALL; FUEL	\$937.25
STREICHERS	PD; UNIFORMS	\$216.96
SUPERIOR LAKESIDE	CH; MAINT PARTS FOR IRRIGATION	\$25.00
TASC	ALL; COBRA ADMIN	\$15.00
TEAM LABORATORY CHEMICAL, LLC	SWR; ROOT KILLER	\$309.50
TERRACON CONSULTANTS, INC	IMPROVEMENT PROJECTS	\$1,063.50
VERIZON WIRELESS	PD; JET PACK	\$70.02
WELLS FARGO REMITTANCE CENTER	ALL; SUPPLIES	<u>\$506.98</u>
		\$53,631.54

**Liquor Store Bill Listing
September 29, 2020**

<u>Vendor Name</u>	<u>Comments</u>	<u>Amount</u>
ALEXANDRIA FREIGHT SERVICE	LS; FREIGHT	\$99.75
ARTISAN BEER COMPANY	LS; BEER	\$514.50
ARVIG	LS; COMMUNICATIONS	\$136.79
BELLBOY CORPORATION	LS; MIX	\$7,134.71
BERGSETH BROS. CO. INC	LS; BEER	\$21,223.07
BEVERAGE WHOLESALERS, INC	LS; BEER	\$7,729.80
BREAKTHRU BEVERAGE	LS; LIQ	\$5,739.97
CITY OF PELICAN RAPIDS	LS; UTILITIES	\$37.92
DACOTAH PAPER CO	LS; BAGS	\$326.45
DISGRUNTLED BREWERY, LLC	LS; BEER	\$288.00
DS BEVERAGES, INC	LS; BEER	\$6,924.52
GREAT PLAINS NAT GAS	LS; UTILITIES	\$33.16
JOHNSON BROTHERS LIQUOR CO	LS; LIQ/WINE	\$10,802.93
MCKINNON CO. INC	LS; MIX	\$35.90
MID CENTRAL ICE, LLC	LS; ICE	\$221.20
OTTERTAIL POWER	LS; UTILITIES	\$712.17
PEPSI	LS; POP	\$218.16
PHILLIPS WINE & SPIRITS	LS; LIQ/WINE	\$1,919.22
TOTAL REGISTER SYSTEMS	LS; SERVER, KEYBOARD, MOUSE	<u>\$2,010.19</u>
		\$66,108.41

CITY OF PELICAN RAPIDS

Balance Sheet Liquor Store

August 2020

Bal Sht	Bal Sht Descr	Current Balance
10100	Wells Fargo (1957)	\$1,477.02
10101	Wells Fargo (1123 LS)	\$37,647.55
10105	Wells Fargo Save (2470LS)	\$406,129.55
10114	MN 9650	\$356,159.14
10140	Credit Cards	(\$42.86)
10143	MN National Bank (0524 LS)	\$232,575.41
10200	Petty Cash	\$1,000.00
13910	Deferred Outflows-Pension	\$30,291.00
14211	Inv - Liquor & Wine	\$112,772.88
14212	Inv - Beer	\$31,289.86
14213	Inv - Ice	(\$368.97)
14214	Inv - Pop/Mix/Bar Supplies	\$1,430.99
14215	Inv - NA Beer & Wine	\$111.51
15500	Prepaid Insurance	\$1,543.70
16100	Fixed Asset-Land	\$96,588.00
16130	Accum. Depr. Land	(\$8,519.29)
16160	Land Improvements	\$13,333.63
16200	Fixed Asset-Buildings	\$562,782.00
16230	Accum Depr. Building	(\$145,313.44)
16400	Fixed Asset-Equip/Machinery	\$11,255.42
16430	Accum Deprec-Equipment	(\$12,650.70)
Bal Order 1 A		\$1,729,492.40
20400	Compensated Absences	(\$333.90)
20850	Sales & Use Tax - LS	(\$17,450.22)
21600	Accrued Wages & Salaries Payab	(\$3,681.47)
22600	Capital Lease Agree-Current	(\$261,159.89)
23600	Compensated Absences Pay NC	(\$3,766.24)
23900	Other Long-term Liabilities	(\$94,667.00)
23910	Deferred Inflows-Pension	(\$35,111.00)
Bal Order 2 L		(\$416,169.72)
25300	Fund Balance	(\$1,315,796.64)
27200	Unreserved Retained Earn-	\$2,473.96
Bal Order 3 E		(\$1,313,322.68)

CITY OF PELICAN RAPIDS

Liquor Store Profit Loss

August 2020

Account Descr	August 2020 Amt	August 2019 Amt	Difference to LY	2020 YTD Amt	2019 YTD Amt	YTD Difference
Act Type R Revenue						
R 609-34766 Refunds & Reimburs	\$0.00	\$131.07	(\$131.07)	\$12.95	\$131.07	(\$118.12)
R 609-34950 Other Revenues	\$32.25	\$21.50	\$10.75	\$146.25	\$108.00	\$38.25
R 609-36210 Interest Earnings	\$55.17	\$129.30	(\$74.13)	\$507.90	\$1,420.94	(\$913.04)
R 609-37811 Liquor & Wine Sales	\$59,891.85	\$60,919.83	(\$1,027.98)	\$416,014.41	\$361,799.79	\$54,214.62
R 609-37812 Beer Sales	\$114,909.66	\$110,843.70	\$4,065.96	\$706,221.66	\$619,773.80	\$86,447.86
R 609-37813 Ice Sales	\$2,601.55	\$2,986.75	(\$385.20)	\$11,793.90	\$11,514.46	\$279.44
R 609-37814 Pop/Mix/Misc	\$2,390.61	\$2,868.25	(\$477.64)	\$16,377.24	\$16,485.07	(\$107.83)
R 609-37815 NA Beer/Wine	\$811.28	\$617.40	\$193.88	\$4,513.27	\$3,402.31	\$1,110.96
R 609-37817 Gift Cards Sold	\$290.00	\$330.00	(\$40.00)	\$1,310.00	\$630.00	\$680.00
R 609-37940 Cash Over/Long	(\$0.03)	\$0.01	(\$0.04)	(\$10.67)	\$0.10	(\$10.77)
Act Type R Revenue	\$180,982.34	\$178,847.81	\$2,134.53	\$1,156,886.91	\$1,015,265.54	\$141,621.37
Act Type E Expenditure						
E 609-49750-100 Wages and Salar	\$10,638.78	\$15,004.12	(\$4,365.34)	\$92,252.85	\$80,927.28	\$11,325.57
E 609-49750-105 Overtime	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E 609-49750-120 Employer Contri	\$711.55	\$958.69	(\$247.14)	\$6,286.25	\$6,498.50	(\$212.25)
E 609-49750-122 FICA	\$713.55	\$1,040.01	(\$326.46)	\$6,129.24	\$4,658.35	\$1,470.89
E 609-49750-130 Employer Paid In	\$2,200.74	\$1,814.70	\$386.04	\$16,367.75	\$7,802.76	\$8,564.99
E 609-49750-140 Unemployment	\$0.00	\$0.00	\$0.00	\$125.85	\$0.00	\$125.85
E 609-49750-200 Office Supplies	\$98.51	\$59.34	\$39.17	\$357.47	\$485.40	(\$127.93)
E 609-49750-208 Education	\$0.00	\$0.00	\$0.00	\$653.21	\$559.34	\$93.87
E 609-49750-210 Operating Suppli	\$114.50	\$164.32	(\$49.82)	\$1,681.79	\$1,216.80	\$464.99
E 609-49750-220 Repair/Maint Su	\$0.00	\$0.00	\$0.00	\$162.75	\$155.01	\$7.74
E 609-49750-230 Banking Charges	\$7.71	\$40.47	(\$32.76)	\$221.64	\$241.34	(\$19.70)
E 609-49750-231 Credit Card Fees	\$4,198.05	\$3,609.03	\$589.02	\$18,428.01	\$14,491.99	\$3,936.02
E 609-49750-251 Liquor & Wine C	\$47,292.71	\$52,326.81	(\$5,034.10)	\$306,795.02	\$232,649.43	\$74,145.59
E 609-49750-252 Beer Costs	\$104,014.34	\$69,757.05	\$34,257.29	\$526,661.51	\$422,702.07	\$103,959.44
E 609-49750-253 NA Beer/Wine C	\$844.50	\$489.65	\$354.85	\$4,622.10	\$2,193.78	\$2,428.32
E 609-49750-254 Pop/Mix/Bar Sup	\$2,286.44	\$1,982.42	\$304.02	\$10,258.10	\$9,171.54	\$1,086.56
E 609-49750-257 Ice Costs	\$1,692.75	\$1,539.93	\$152.82	\$7,153.11	\$6,549.87	\$603.24
E 609-49750-260 Gift Cards Used	\$66.35	\$40.00	\$26.35	\$1,049.75	\$570.74	\$479.01
E 609-49750-300 Professional Srvs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E 609-49750-301 Auditing Services	\$0.00	\$0.00	\$0.00	\$2,510.00	\$1,963.00	\$547.00
E 609-49750-320 Communications	\$160.90	\$180.33	(\$19.43)	\$1,556.95	\$1,262.05	\$294.90
E 609-49750-330 Freight Expense	\$154.00	\$279.60	(\$125.60)	\$1,294.30	\$1,331.80	(\$37.50)
E 609-49750-331 Travel Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E 609-49750-340 Advertising	\$0.00	\$280.00	(\$280.00)	\$250.00	\$1,409.00	(\$1,159.00)
E 609-49750-360 Insurance & Bon	\$0.00	\$0.00	\$0.00	\$5,873.13	\$5,300.88	\$572.25
E 609-49750-380 Utility Services	\$982.49	\$906.88	\$75.61	\$6,173.27	\$5,854.44	\$318.83
E 609-49750-400 Repairs & Maint	\$35.14	\$21.42	\$13.72	\$2,835.18	(\$409.37)	\$3,244.55
E 609-49750-405 Depreciation	\$1,564.58	\$1,564.58	\$0.00	\$10,952.06	\$12,516.64	(\$1,564.58)
E 609-49750-432 Uncollectable Ch	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E 609-49750-433 Dues, Fees, Sub	\$0.00	\$1,200.00	(\$1,200.00)	\$1,400.00	\$1,400.00	\$0.00
E 609-49750-500 Capital Outlay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E 609-49750-609 Principle	\$0.00	\$0.00	\$0.00	\$18,451.78	\$17,622.79	\$828.99
E 609-49750-610 Interest	\$0.00	\$0.00	\$0.00	\$5,307.73	\$6,136.72	(\$828.99)
E 609-49750-700 Transfers	\$0.00	\$0.00	\$0.00	\$9,301.88	\$0.00	\$9,301.88
Act Type E Expenditure	\$177,777.59	\$153,259.35	\$24,518.24	\$1,065,112.68	\$845,262.15	\$219,850.53
	\$358,759.93	\$332,107.16	\$26,652.77	\$2,221,999.59	\$1,860,527.69	\$361,471.90

Date: September 22, 2020

To: City of Pelican Rapids

From: Dennis Dalager/Terry Gamble, Operators

O & M Report: August 2020

Water Operation & Maintenance

- Submitted Fluoride Report.
- Collected all required bacteria sampling.
- Checked wells daily.
- Rotated well sequence.
- Well measurements.
- Change chlorine tanks as needed.
- Completed all Work Orders.
- Hawkins Chemical delivery.
- Checked on Water Plant multiple times due to a faulty transducer on water tower level control due to a lightning strike.
- Marks Electric here to troubleshoot communication from water tower to water plant.
- In Control troubleshooting from a distance.

Wastewater Operation & Maintenance

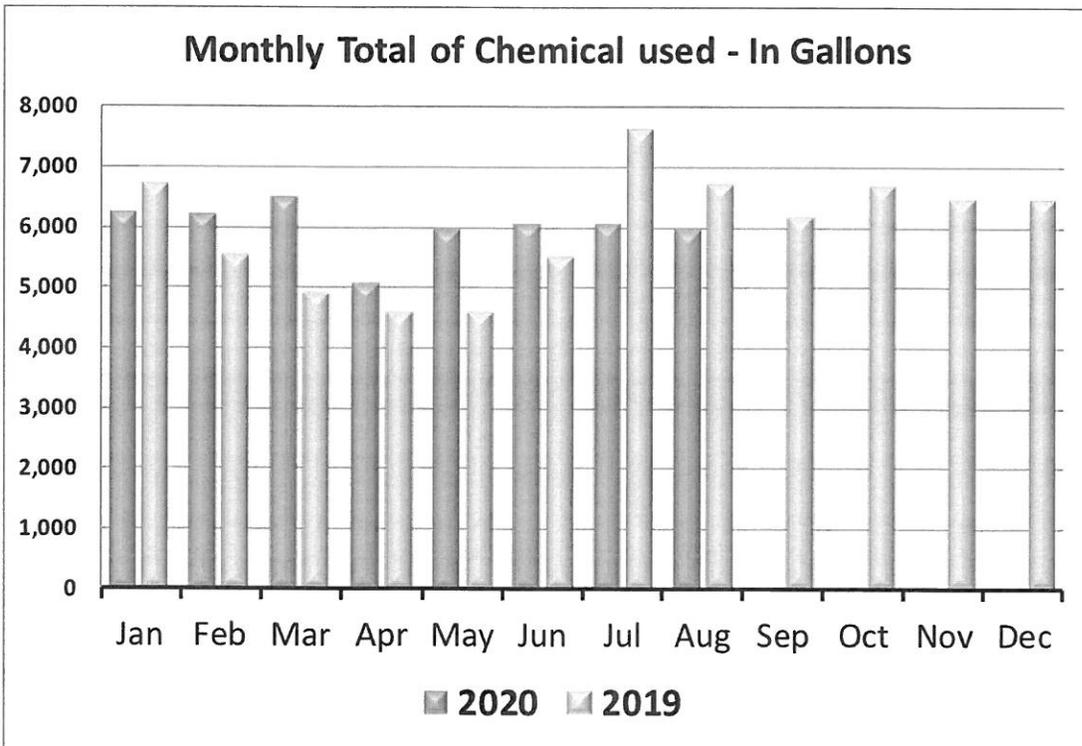
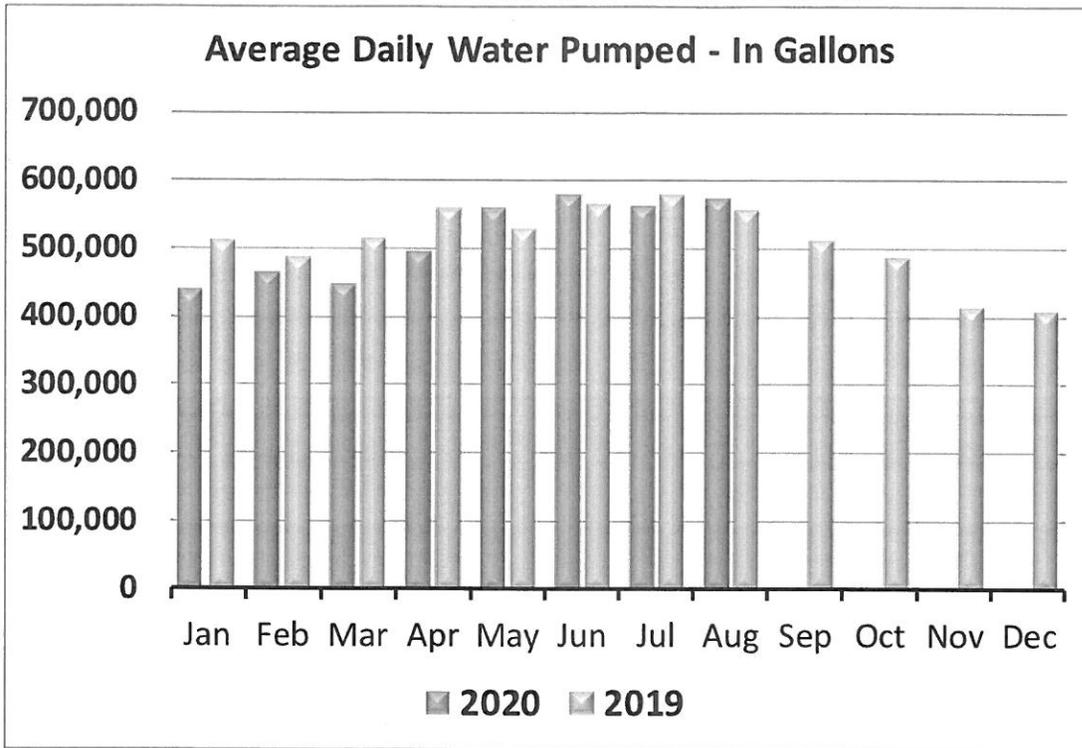
- Performed all required sampling and reporting.
- Test ran the generator.
- Checked Lift Stations daily.
- Transferred from anaerobic pond to aerated pond as needed.
- Received a Ferric delivery from Hawkins.
- Cleaned DO sensors as needed.

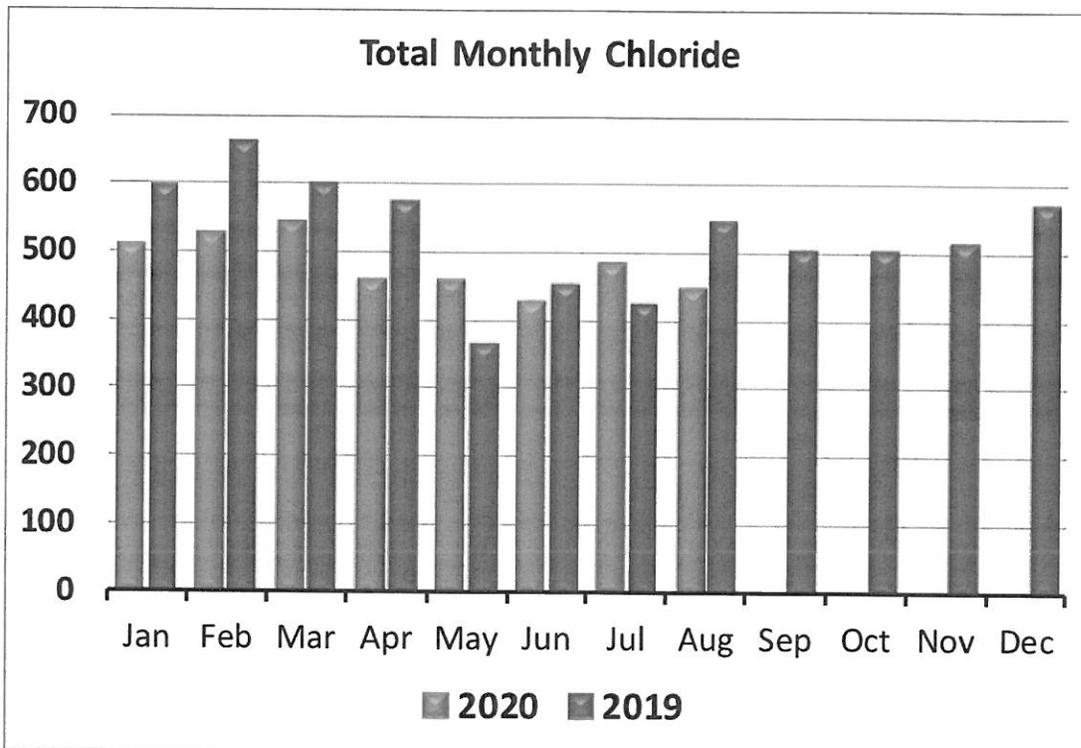
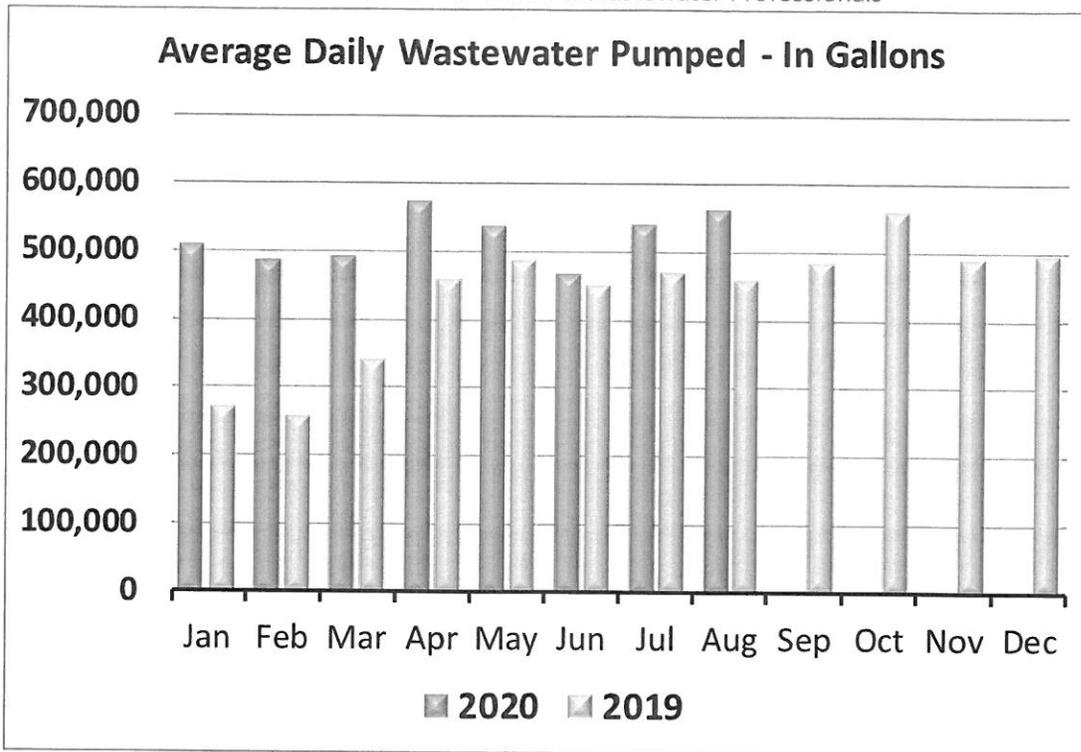
- Greased each clarifier.
- Inspected blower gauges and filters daily.
- A lot of I&I coming into the plant due to heavy rainfall.
- Cleaned final clarifiers.
- New air filters on generator.
- Pumped primary sludge as needed.
- Replaced reflector and housing.
- Adjusted rake screen.
- Worked on Chlorine regulator.
- Greased blower #2 blower building.
- Changed out board for inlet control panel due to lightning strike. (A surge protector could help protect these from going out).

PeopleService INC.

Water & Wastewater Professionals

		August-20	July-20	August-19
Water				
	Units			
Average Daily Pumped	gallons	575,209	563,000	556,000
Maximum Daily Pumped	gallons	731,000	703,000	767,000
Total Monthly Pumped	gallons	17,834,000	17,453,000	17,240,000
Average Daily Fluoride Conc.	mg/L	0.70	0.65	0.90
Fluoride used	gallons	352.00	268.00	149.00
Total Chlorine Residual	mg/L	0.47	0.51	0.63
Chlorine used	lbs	343.00	410.00	589.00
Phosphorus				
Phos Influent	mg/L	7	9	11
Phos Effluent	mg/L	0.40	0.60	0.40
Phos Effluent Permit Limit	mg/L	1	1	1
Phos Effluent Loading	kg/YTD	303.60	252.50	445.00
Phos Effluent Loading Permit Limit	kg/YTD	1,257.60	1,257.60	1,257.60
Chemical Used	gallons	5,938.00	6,049.00	6,698.00
Total Chloride	mg/L	446.00	484.00	544.00
Effluent Flow				
Average Daily	gallons	562,000	541,000	460,000
Maximum Daily	gallons	814,000	683,000	656,000
Total Monthly	gallons	17,421,000	16,759,000	14,271,000
Precipitation Monthly Total	Inches	7.77	8.90	3.00
Contract True-Ups - Current Contract Year				
Item	Budgeted Amount	Amount Spent	% of Budget	% of Time
Maintenance Budget	\$16,093.00	\$22,876.00	142%	67%
Total	\$16,093.00	\$22,876.00	142%	67%





Datecompleted	Equipment	Location	Notes	Task	Id
8/3/2020	Grit Pump	5264 Pelican Rapids, MN	Oil good /Belt OK	Inspection	12463
8/6/2020	MAIN AIR COMPRESSOR	6264 Pelican Rapids, MN	Air line drain daily no unusual noise	Monthly PM	12479
8/6/2020	WELL #15	6264 Pelican Rapids, MN	Clean filters	Monthly PM	12480
8/11/2020	Air Compressor (RAS/WAS Building)	5264 Pelican Rapids, MN	Oil good Belts OK	Monthly PM	12449
8/11/2020	Air Exchange Unit	5264 Pelican Rapids, MN	cleaned filters reinstalled	Monthly PM	12450
8/11/2020	Algae Sweepers	5264 Pelican Rapids, MN	Washed off clarifier with hydrant hose\ replaced brushes in may	Inspection	12451
8/11/2020	Blower #1 Blower Building	5264 Pelican Rapids, MN	il good belts OK filters gauges check daily/ Changed inside filter 7-16	Monthly PM	12452
8/11/2020	Blower #2 Blower Building	5264 Pelican Rapids, MN	il good belts OK filters gauges check daily/ Changed inside filter 7-16	Monthly PM	12453
8/11/2020	Blower #2 (Preliminary Treatment)	5264 Pelican Rapids, MN	il good belts OK filters gauges check daily/ Changed inside filter 7-16	Service Equipment	12454
8/11/2020	Blower #3 (Preliminary Treatment)	5264 Pelican Rapids, MN	oil good belts OK filters gauges check daily/ Changed inside filter 7-16	Service Equipment	12455
8/11/2020	Chemical Pump #1	5264 Pelican Rapids, MN	Pump check daily all OK	Monthly PM	12456
8/11/2020	Chemical Pump #2	5264 Pelican Rapids, MN	Pump check daily all OK	Monthly PM	12457
8/11/2020	DO Sensor	5264 Pelican Rapids, MN	D O probes cleaned on 8/4, 8/10 and will be cleaned on 8/17, 8/24, and 8/31,2020 By Jerald	Monthly PM	12458
8/11/2020	Grit Vortex	5264 Pelican Rapids, MN	oil levels ok	Inspection	12464
8/11/2020	Influent Pump #1 (Pretreatment Bldg)	5264 Pelican Rapids, MN	No leaks no unusual noises	Inspection	12467
8/11/2020	Influent Pump #2 (Pretreatment Bldg)	5264 Pelican Rapids, MN	No leaks no unusual noises	Inspection	12468
8/11/2020	Influent Pump #3 (Pretreatment Bldg)	5264 Pelican Rapids, MN	No leaks no unusual noises	Inspection	12469

8/11/2020	John Deere Tractor	5264 Pelican Rapids, MN	Plenty of grease all over tractor	Service Equipment	12470
8/11/2020	Primary Clarifier #1	5264 Pelican Rapids, MN	Changed oil in gear box, replace scum scrapers	Service Equipment	12473
8/11/2020	Grit Cyclone Classifier	5264 Pelican Rapids, MN	Checked oil levels and belts ok	Monthly PM	13068
8/19/2020	Air Conditioner Outside Unit	5264 Pelican Rapids, MN	Cleaned filters on air conditioners	Inspection	12448
8/19/2020	Final Clarifier #3	5264 Pelican Rapids, MN	oil full greased all zirks	Service Equipment	12459
8/19/2020	Final Clarifier #4	5264 Pelican Rapids, MN	Oil full greased all zirks	Service Equipment	12460
8/19/2020	Grit Pump	5264 Pelican Rapids, MN	checked oil levels in gear boxes	Inspection	12462
8/19/2020	Industrial Lift Station	5264 Pelican Rapids, MN	Cleaned floats test high level alarm pulled pumps for inspection	LS Monthly PM	12466
8/19/2020	Lift Station 2nd Avenue	5264 Pelican Rapids, MN	Tested high level alarm cleaned floats	LS Monthly PM	12471
8/19/2020	Lift Station 2nd Avenue	5264 Pelican Rapids, MN	cleaned floats vacuumed out grease tested high level alarm	LS Monthly PM	12472
8/19/2020	Primary Clarifier #2	5264 Pelican Rapids, MN	greased unit prepping for rake replacement.	Service Equipment	12474
8/19/2020	AIR DRYER SYSTEM	6264 Pelican Rapids, MN	Inspected and cleaned air dryer	Monthly PM	12477
8/19/2020	BLOWER	6264 Pelican Rapids, MN	Belt looks good tension ok oil level full	Monthly PM	12478
8/24/2020	Generator	5264 Pelican Rapids, MN	Run Generator under load once and ran with no load. Replaced are filters.	Inspection	12461
8/24/2020	Industrial Lift Station	5264 Pelican Rapids, MN	Cleaned floats. reset breakers checked panel.	Inspection	12465
8/24/2020	Screen Rake Unit	5264 Pelican Rapids, MN	Adjusted chain tensioners cleared rakes	Monthly PM	12475

8/24/2020

FIRE EXTINGUISHERS

5264 Pelican Rapids, MN

Full charge on fire extinguisher turned
upside down several times.

Inspection

12476



DEDICATED TO A STRONGER GREATER MINNESOTA

The CGMC is fighting for Greater Minnesota cities throughout the COVID-19 pandemic.

Looking Out for Your Bottom Line

- Leading efforts to demand this year’s LGA be paid on time and in full
- Fought for Greater MN cities’ fair share of federal CARES Act dollars
- Successfully fought against a prohibition on new local sales taxes
- Pushing for more budgetary tools and increased flexibility for cities

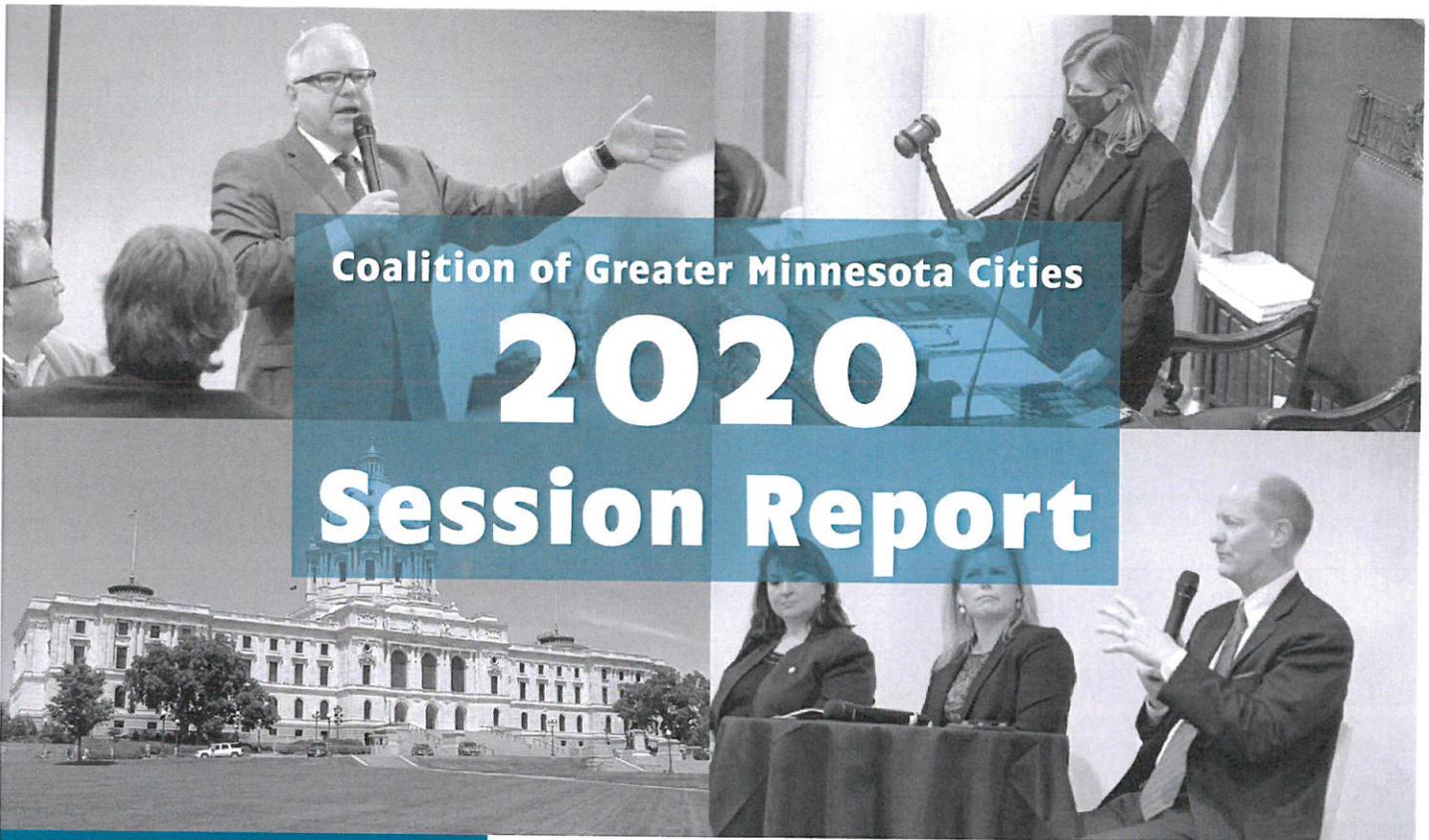
Labor & Employment Support

- Hosts webinars to help cities navigate public employment concerns
- Consistently communicate up-to-date legal guidance and resources
- Publish in-depth reports on how COVID-19 directly impacts public employment

Investing in Your Recovery

- Pushing for a bonding bill to support Minnesota’s economy
- Helped craft COVID-19 small business loan legislation
- Fought for new investment and reforms to solve the child care shortfall
- Examined a regional approach to re-opening businesses with Gov. Walz

For more COVID-19 resources and tools for cities, visit the CGMC website at greatermncities.org/resources/covid-19/.



Coalition of Greater Minnesota Cities

2020

Session Report

Session Timeline

February 6: CGMC holds pre-session press conference

February 11: Legislative session begins

March 11: CGMC Legislative Action Day

March 16: Governor issues “stay at home” order, Legislature goes on hiatus

April 6: Legislature returns with limited in-person activities

May 18: Session adjourns

June 12: First special session begins

June 20: First special session ends

July 13: Second special session begins

July 20: Second special session ends

When the Legislature reconvened in February, Minnesota had a \$1.5 billion budget surplus, low unemployment and high expectations for a productive session.

What a difference a few weeks can make.

On March 11, more than 100 city leaders from across Greater Minnesota traveled to St. Paul for CGMC’s Legislative Action Day. COVID-19 still seemed like a problem that was happening somewhere far away from Minnesota. But just days later the Legislature went on an unexpected hiatus, businesses and schools closed their doors, and Minnesotans joined the rest of the nation in hunkering down at home amid a global pandemic unlike anything the world had seen in more than 100 years.

Minnesota — and most of the world — had come to a sudden halt.

In the weeks and months that followed, CGMC jumped in to help our member cities navigate these uncertain times. We created a COVID-19 resources page on our website (greaterminncities.org/resources/covid-19/); sent out multiple emails with advice on labor and employment issues, meeting laws and public facilities; surveyed our members to gauge their top concerns; held several webinars; led a Zoom meeting with Governor Walz; and increased production of our CGMC in Brief newsletter — all while continuing to fight for Greater Minnesota cities at the Legislature.

Read on for more information about the 2020 legislative session and CGMC’s continued role as the leading advocate for Greater Minnesota communities.

Infrastructure needs pile up as bonding bill remains in limbo

CGMC's top priority this session was the passage of a large capital investment package ("bonding bill") that funds critical infrastructure needs. With Minnesota experiencing record-low interest rates, a AAA bond rating and significant bonding capacity—and more than \$5.3 billion in bonding requests—we pushed for a bill that totals at least \$1.5 billion in general obligation bonds.

In the fall of 2019, the House and Senate Capital Investment Committees toured dozens of potential bonding projects and held informational hearings around the state. City leaders and CGMC staff participated in several of the meetings to advocate for Greater Minnesota's needs.

In January, Gov. Walz unveiled his \$2.03 billion bonding plan, which included many CGMC priorities. Once session began, the House continued to hold multiple hearings on bonding, but the Senate held only one, focused solely on transportation.

In February, CGMC held a press conference where several city leaders spoke about the need for a bonding bill that funds water infrastructure, child care facilities, economic development programs and other needs. Bonding was also the main focus of our annual Legislative Action Day in March.

CGMC bonding priorities

- At least a \$1.5B bill
- \$200M in water infrastructure funding through the Public Facilities Authority
- \$20M for the Greater Minnesota Business Development Public Infrastructure Grant Program
- \$20M for child care facilities grants
- \$10M for public infrastructure to support housing
- \$200M for local roads & bridges

When the Legislature returned from its hiatus and the session deadline neared, the House and Senate scrambled to put their versions of the bonding bill up for a vote. On May 16, the House voted down a nearly \$2 billion bill, while the Senate voted down a \$998 million bill the following day. Neither chamber was able to secure the two-thirds majority needed to pass a bonding bill, and session adjourned without one.

Knowing a special session was ahead, CGMC continued to press for a \$1.5 billion bill by sending letters to legislative leaders, issuing an "action alert" that urged members to contact their local legislators and penning a guest column (bit.ly/CGMC-bonding-column).

Frustratingly, two special sessions came and went without a bonding bill. Legislative leaders said they had reached an agreement on the size of the bill, \$1.35 billion, but the bill failed to pass during the July special session.

There continues to be discussion about the potential for more special sessions this summer and fall. Despite the waning construction season, CGMC continues to emphasize the importance of the bonding bill and urge legislators to pass a \$1.5 billion bill that addresses critical needs.



CGMC held a press conference (via conference call) to highlight the need for a bonding bill. From left: Foley City Administrator Sarah Brunn, Little Falls Mayor Greg Zylka, CGMC Media & Communications Director Julie Liew, CGMC Executive Director Bradley Peterson and Initiative Foundation Vice President Don Hickman.

CGMC fights for fair share of CARES Act funding

On March 27, Congress passed the \$2 trillion Coronavirus Aid, Relief and Economic Security Act (CARES Act) to address economic ramifications caused by the COVID-19 pandemic.

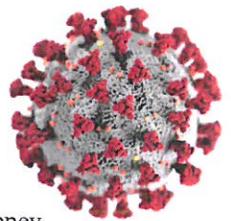
Minnesota received \$2 billion under the CARES Act. The federal government recommended \$841 million go to local governments for expenses related to COVID-19 response efforts, but the specific distribution amounts and mechanisms were left up to the state.

CGMC jumped in to fight for Greater Minnesota to receive a fair share of the funding. We joined forces with other local government groups to work with legislators and members of the Walz administration on a formula to provide equitable funding to every county, city and township in the state.

By the time the June special session began, all four legislative leaders had agreed on the formula. A bill passed with strong bipartisan support in the Senate, but the House amended it to include unrelated spending measures. The Senate refused to accept the amendments, and the special session adjourned without a CARES Act bill. As a result, funding decisions were left up to Gov. Walz.

CGMC was highly critical, both publicly and in private talks with lawmakers and the Walz administration, of the delay in getting the money out to cities. After days of mounting pressure, Gov. Walz ultimately decided to distribute all \$841 million to local governments using the formula previously agreed upon by legislative leaders and supported by CGMC.

For information on how your city can access and use its CARES Act funding, please consult the Minnesota Department of Revenue.



CGMC continues to seek solutions to the child care shortage

In addition to seeking funding for child care facilities through the bonding bill, CGMC teamed up with our partner organization, the Greater Minnesota Partnership (GMNP), to pursue legislation to fund two successful existing programs that aim to increase child care access in Greater Minnesota and attract and retain providers:

Minnesota Initiative Foundations Child Care Grants - We sought \$4 million to expand efforts by the six Initiative Foundations to assist child care providers in business planning, mentoring and workforce development to stabilize the provider marketplace in Greater Minnesota.

DEED Child Care Grants - We sought \$10 million (with 50% dedicated to Greater Minnesota) for grants for child care business start-ups or expansions, training, facility modification, employee retention and licensing assistance.

Early in the year, House DFL leadership announced child care as their top priority for the 2020 session and that



Tim Penny testified in support of a bill to fund the Minnesota Initiative Foundations' efforts to improve child care access.

they planned to commit \$500 million of the projected budget surplus for investments in child care and early childhood education. Most of the funds would go toward raising the Child Care Assistance Program (CCAP) reimbursement rate and scholarships for families choosing high-rated providers. The proposal also included CGMC's priorities: \$10 million for DEED child care grants and \$4 million to support the work of the Initiative Foundations.

Unfortunately, as the pandemic took hold and the budget surplus vanished, the House moved away from this plan.

One of the early bills passed in the state's response to the pandemic created a \$30 million grant program to support child care providers who served essential workers during the shelter-in-place order. Providers in Greater Minnesota were awarded 53% of the allocated funds.

During the June special session, the Legislature increased funding for the CCAP program, which helps cover child care costs for more than 30,000 low-income children across the state. Before this bill, Minnesota faced losing up to \$5.5 million in federal funding because the state's CCAP reimbursement rates were below the federal requirement. The new \$85 million investment will come from two federal sources.

The child care crisis has been a major problem in Greater Minnesota for several years, and the pandemic has made it even worse. CGMC and GMNP will continue to work with legislators and other organizations to seek solutions to this vexing problem.

CGMC pursues plans to boost housing in Greater Minnesota

In the fall of 2019, CGMC and GMNP surveyed business and community leaders and hosted two regional working sessions to help identify issues and opportunities for housing in Greater Minnesota.

Coming out of those sessions, we developed three legislative proposals to address housing concerns:

- \$5 million for the Greater Minnesota Fix-up Fund to assist cities in rehabilitating dilapidated housing
- \$2.5 million in state bonds to create a grant program for public infrastructure needed for new housing development
- \$2 million for the Workforce Housing Development Fund and changes in the program to allow grants of up to 50% of the project costs



Jackson Economic Development Coordinator Tom Nelson, Sen. Kent Eken and Melrose City Administrator Colleen Winter testified in support of a proposal to help Greater Minnesota cities repair dilapidated housing.

Although each of the three bills was heard in at least one of the bodies, the COVID-19 pandemic eliminated the possibility of any new general fund spending this session that was not tied to addressing the pandemic.

Given that our housing bills were heard this session and there was general support for the ideas in concept, we are well-positioned to being them forward again in 2021.

Help for small businesses

The COVID-19 pandemic and related shutdown orders hit small businesses especially hard. CGMC and GMNP played an active role in urging the Legislature to implement means of support such as emergency grants and loans to help keep small businesses afloat.

One of the few bright spots of the June special session was the passage of a new Small Business Relief Grant Program. Of the \$62.5 million allocated to the program, 50% will go to businesses in Greater Minnesota. The deadline to apply for grants has since passed and recipients will be selected through a lottery.



CGMC explores strategy to prevent 'forever chemicals' from entering wastewater treatment facilities

One environmental issue that rose to the forefront for CGMC this year was per- and polyfluoroalkyl substances (PFAS), a class of long-lasting "forever" chemicals linked to various health concerns. Due to their widespread use in items such as cookware, water-resistant products and firefighting foam, many states including Minnesota have ramped up efforts to regulate PFAS.

CGMC partnered with the League of Minnesota Cities on a bill to create the "Municipal PFAS Source Reduction Initiative," a three-pronged approach focused on studying the sources of PFAS, developing strategies to prevent PFAS from entering wastewater plants, and educating wastewater professionals and the public on PFAS and habits that result in them entering the environment. We sought \$500,000 for this initiative.

The proposal was well-received by



legislators, but the committee chairs in both bodies prevented it from moving forward. The Senate chair would not hear the bill because it would spend money, while the House chair refused to hear it because he was opposed to any bill that would create a study group.

CGMC, working with the League, also spent a significant time pushing back against problematic legislation related to PFAS. We successfully stopped House legislation that could have made cities liable for the presence of PFAS in their wastewater. We also pushed back

on legislation that would have required the premature creation of water quality standards for a subcategory of PFAS within two years.

The CGMC will continue to work on municipal PFAS source reduction and we plan to meet with the MPCA over the summer to determine next steps.

CGMC's other top environmental issues

- Chloride
- Class 3 & 4 Waters/Salty Parameters
- Permit fee increases
- Microplastics and other emerging contaminants
- Reestablishment of Wastewater and Water Operator Council
- Nitrogen and nitrate standards

Looking ahead to 2021 and beyond

The COVID-19 pandemic will undoubtedly leave lasting impacts on the state and local communities.

Perhaps the biggest obstacle in the near future will be the state budget. In February, Minnesota had a \$1.5 billion surplus, the largest in state history. By May, the surplus had morphed into a \$2.4 billion deficit.

What do budget woes mean for LGA?

When the budget projection was released in May, CGMC sent a letter urging legislators and Gov. Walz to continue to make LGA payments on time and in full. We also spoke out in the media about the increased importance of LGA as cities deal with unanticipated expenses caused by the pandemic.

We remain hopeful that 2020 LGA payments will be distributed as planned. However, as the state budget outlook becomes clearer in the coming months, CGMC and city leaders must continue to vigorously defend LGA.

Transportation funding takes a hit

Since transportation continues to be a contentious issue at the Capitol, we entered the 2020 session knowing that an agreement on a major transportation funding plan was unlikely. We did not, however, anticipate a global pandemic would wreak havoc on the state's existing transportation revenues.

The number of people using the roads and buying gas and vehicles took a nosedive this spring. Minnesota Department of Transportation (MnDOT) estimates that revenues from the gas tax and motor vehicle sales taxes, which provide millions for the state's transportation system, will see dramatic decreases this year.

MnDOT has indicated that the revenue losses will not impact 2020 municipal street aid distributions or this year's highway projects. However, the impact on funds available for 2021 could be significant.

CGMC leads the way

As we all cope with the challenges ahead, CGMC will continue to play a key role in advocating for the needs and concerns facing Greater Minnesota

cities. Looking ahead to the November election and 2021, CGMC is ready to fight for the issues that are important to your city!



About the CGMC

The Coalition of Greater Minnesota Cities is dedicated to a strong Greater Minnesota. Our mission is to develop viable, progressive communities through strong economic growth and good local government.

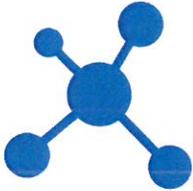
We support fair property taxes, sensible environmental regulation, a balanced transportation system, sound land use planning and effective economic development tools to meet that goal.

Visit us at
greatermncities.org



CGMC Environmental Program Emerging Issues & Continued Advocacy

Legislative Issues



Per- and Polyfluoroalkyl Substances (PFAS)

PFAS are a class of pervasive chemicals that have been linked to various health concerns and have been found in a variety of waterbodies across the state. PFAS can be removed from drinking water through expensive treatment, but there is no technologically feasible method for removing them from wastewater.

CGMC's Role: We plan to focus on source reduction strategies at the Legislature and with the Minnesota Pollution Control Agency (MPCA), as well as defend against any proposals that seek to place liability on cities for the presence of PFAS in wastewater or drinking water.

Chloride

More than 100 cities may be facing chloride limits in their wastewater permits, but there is no feasible method to remove chloride at a wastewater facility. Most cities will need a variance from these permit requirements, and a variance will still require efforts by the city to reduce chloride. Some cities may be required to install central water softening, but others may be able to address the issue by working with citizens to remove and/or upgrade home water softening equipment.

CGMC's Role: We are pushing for legislative funding for grants to assist cities with the removal or upgrade of home water softeners. We will also continue to monitor this issue, submit comments, and take other steps to support chloride variances.



Reestablishment of Wastewater and Water Operator Advisory Council

The Wastewater and Water Operator Advisory Council provided operators from our cities an opportunity to help shape the requirements and regulations governing their operations, but the statutory authority for this council lapsed. MPCA sought to reestablish this council during the 2020 legislative session, but the legislation stalled.

CGMC's Role: We supported this legislation and will continue to do so.

Microplastics

Tiny bits of plastic, known as microplastic, are appearing in waters across the globe. By themselves, plastics may cause harm to humans and animals, but this concern is compounded because PFAS and other contaminants may accumulate on microplastics. Federal regulators and state legislators are looking at ways to mitigate this risk.

CGMC's Role: We are monitoring this issue to ensure that sole responsibility for addressing microplastics is not placed on municipal wastewater facilities.



Funding for Innovative Approaches and Climate Impact

As the cost of wastewater treatment increases, cities are looking to alternative approaches to address water quality issues and the impacts of the changing climate. Current state funding may not always support innovative projects because they do not fit into traditional program definitions.

CGMC's Role: CGMC is exploring how current funding programs can be improved and/or how new programs might be created to support innovative water quality approaches.



CGMC Environmental Program Emerging Issues & Continued Advocacy

Legal & Regulatory Issues



Integrating Wastewater Permitting in Watershed Framework

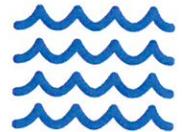
At the directive of the Legislature, state and local agencies have been moving toward a water quality framework based on watersheds, but to date permitting for wastewater facilities had not been well integrated into that approach.

CGMC's Role: We are working with MPCA to explore better and more cost-effective ways to integrate wastewater permitting into the watershed framework. This work will include an informational webinar for municipal wastewater operators and examining whether further legislation is needed to assist in this integration.

Lake Pepin TMDL

Nearly two-thirds of Minnesota's watersheds drain into Lake Pepin and are therefore subject to the Lake Pepin Total Maximum Daily Load (TMDL) plan. This plan seeks to impose phosphorus limits on cities' wastewater and stormwater even though data shows the lake is no longer impaired.

CGMC's Role: We joined with other local government advocacy organizations to bring a contested case action on the TMDL. We hope to negotiate a solution with the MPCA on this issue.



Nitrogen and Nitrate Standards (EPA Nutrient Criteria)

The federal Environmental Protection Agency is developing nutrient criteria for lakes that will regulate nitrogen and nitrate. These standards could have major negative economic impacts for municipal wastewater facilities.

CGMC's Role: CGMC is participating in the federal rulemaking process and will monitor state developments.

Class 3 & 4 Waters/Salty Parameters

Multiple CGMC members have unnecessary permit limits based on MPCA's outdated Class 3 and 4 water quality standards, which have caused major impediments to economic development (i.e. Luverne and TruShrimp). In addition to the cities that currently have problematic permit limits, more than 20 CGMC members are slated to receive outdated permit limits unless MPCA updates the underlying water quality standards.

CGMC's Role: We are engaging with MPCA to push for revised Class 3 and 4 water quality limits and for the revision of permits with outdated limits.



Proposed Permit Fee Increase

MPCA is seeking to impose a fee increase on water quality related permits to generate more funding for its water quality operations. A significant portion of this increase will fall on municipalities.

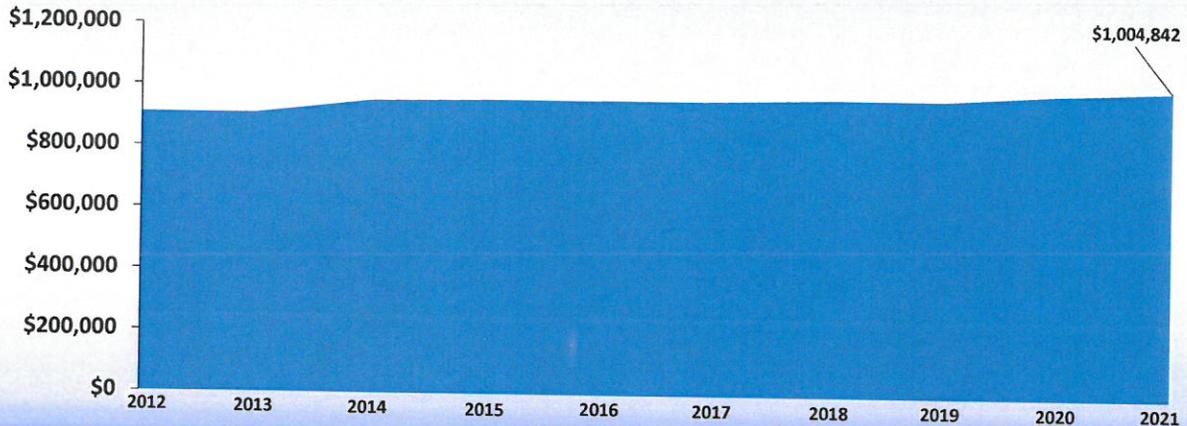
CGMC's Role: We continue to push for increased general fund spending for water quality operations, rather than requiring local municipalities to pay for these increases.





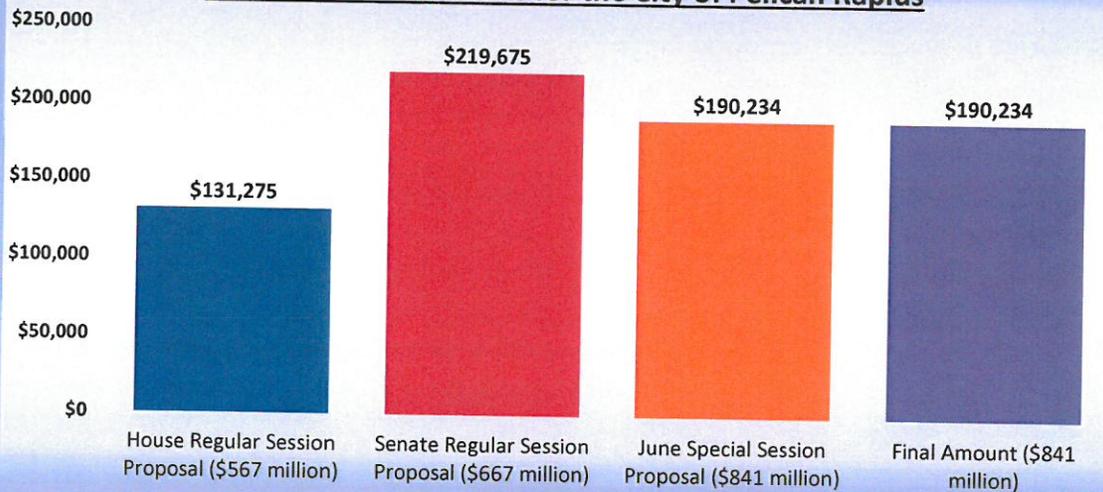
2020 CGMC City Report

Pelican Rapids LGA History 2012-2021



In 2021, the City of Pelican Rapids will receive \$1,004,842 in LGA, which is an increase of \$13,731 compared to 2020 (\$991,111).

CARES Act Distributions for the City of Pelican Rapids



Between the end of the 2020 regular session and the first special session, additional federal guidance clarified the amount suggested for distribution to local governments (an increase from \$667M to \$841M). Despite failure to come to agreement during the June special session, Governor Walz used his administrative powers to authorize distribution of this money on June 25, 2020.



**SAVE
THE
DATE**

Mark your calendar for upcoming
CGMC events:

Fall Conference

Nov. 19-20, 2020, Willmar

Legislative Action Day

Jan. 27, 2021, St. Paul

Summer Conference

July 28-30, 2021, Red Wing

Website

greatermncities.org

Facebook

facebook.com/greatermncities

Twitter

[@greatermncities](https://twitter.com/greatermncities)

YouTube

youtube.com/GreaterMNCities

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Pelican Rapids Pool Committee Meeting Minutes

Monday, August 10, 2020

Kate called the meeting to order at 5:01 pm.

Committee members present were Kate Martinez, Amy King, Rudy Martinez, Mark Dokken, Brady Ballard, and Efrain Franco.

No additions or deletions to the agenda.

Kate moved to approve minutes from July 13, 2020 and Amy seconded. Minutes approved as written.

Each committee member present gave an update on businesses they are working with for donations. Amy will email out a Google Doc to record updates and progress.

Kate put brochures out at various area businesses, and they are by the pool for people to grab.

Alumni challenge has kicked off. It has been put out through the paper, Facebook, etc. We will continue to update it monthly as money comes in. There is not a current dollar update from West Central at this time.

Our next meeting date will be Monday, September 14th at 5:00 pm.

Meeting adjourned at 5:27 pm.

Respectfully submitted,



Amy King, Secretary

Park Board Minutes July 27, 2020

Zoom meeting was called to order at 4:00 PM by Kate. Those present were Kate, Judi, Amy, and Brian

The June minutes were approved

The agenda was approved as is

Brian gave an update on the trees donated by Andrew Johnson. There is no place at Veterans Park to plant them. They will instead be planted this fall across the river on the designated green space. Kate voiced concern regarding the overgrown flower beds at Veterans Park. Brian stated that Dave Gottenborg does not have time to do them anymore and the city crew is very busy this summer. Judi volunteered to attempt to weed them as they are very overgrown.

Amy updated on the new pool progress. The committee has started an Alumni challenge to raise money. Any class donating \$5000. will get their name on the wall.

Update on the trail head location. Kate will be presenting this to the council at their meeting on July 28. Some discussion on signage for trail head was done. Also discussion on sign for peace trail. Steve Foster had at one time volunteered to make the sign for peace trail if materials were provided. This is no longer the plan. Tabled this until future meeting.

Brian states that the swimming pool has been being used and all is going well.

Discussion was held on the park bench being donated by Mark Pergande in memory of his mother Gladys Davis. Decision made to put it in Peterson Park and move the current bench elsewhere.

Discussion was held on the removal of the Turkey Roasters from their current location in Peterson Park. They take up alot of room and kids tend to climb on them. The park board would like to have that additional space for playground. A decision is hoping to be made at the Rotary meeting on July 28.

Discussion was held regarding updating a priority list of projects that the park board would like to see get done. Kate will present a list to Brian for council consideration.

Next meeting date will be August 24, 2020 at 4:00pm by zoom.

Meeting was adjourned.

Submitted by Judith Engebretson, recorder

PLANNING COMMISSION MEETING MINUTES 06/29/2020

8

The Planning Commission of Pelican Rapids met at 5:00 pm. on Monday, June 29, 2020, in Council Chambers, City Hall. Commissioners John Waller III, Kevin Ballard, John Ohman, Dan Husted and John McMillen were present. City Administrator Don Solga, Bob Lindstrom, Amy Baldwin and Secretary Danielle Harthun and were also present.

Chairman John Waller III called the meeting to order.

Motion by Ballard, seconded by Husted to approve the agenda as presented. Motion passed unanimously.

Motion by McMillen, seconded by Ballard to approve the 05/11/2020 Planning Commission minutes. Motion passed unanimously.

Amy Baldwin from Otter Tail County Community Development Agency explained their goals of expanding housing opportunities and promoting business development in Otter Tail County.

The Planning Commission discussed the Faith Church garage. Commissioner Waller reviewed the ordinance and the comp plan and he could not meet the criteria required for a Special Use Permit to allow a garage to be built on the church's residential lot. Bob Lindstrom said the garage would not happen in 2020. The commissioners decided to have the City Attorney review the ordinance and see what the options are.

Sourcewell provided the City of Pelican Rapids with a proposal to update the Comp Plan for \$15,750. Motion by Ohman, seconded by McMillen to recommend the Council accept the Comp plan proposal. Motion passed unanimously.

Commissioner Ballard recommended putting the NW platting on the back burner until after the Comp plan is updated. The Planning Commission can focus on the infill lots for housing. Motion by Ballard, seconded by Husted wait until on the NW platting until the Comp Plan is updated. Motion passed unanimously.

The Planning Commission is still looking for another member.

Motion by Ohman, seconded by Ballard to adjourn the meeting at 6:30 pm. Motion passed unanimously.



Danielle Harthun, MCMC
Secretary to the Planning Commission

PLANNING COMMISSION MEETING MINUTES 07/27/2020

The Planning Commission of Pelican Rapids met at 5:00 pm on Monday, July 27, 2020, in Council Chambers, City Hall. Commissioners John Waller III, Kevin Ballard, John Ohman and John McMillen were present. Dan Husted was absent. City Administrator Don Solga, Secretary Danielle Harthun, Ryan Bauman, Pete and Deb Hart were also present.

Chairman John Waller III called the meeting to order.

Motion by Ballard, seconded by McMillen to approve the agenda with the addition of No. 6 Industrial Park Lot Discussion – Ryan Bauman. Motion passed unanimously.

Motion by Ballard, seconded by McMillen to approve the 06/29/2020 Planning Commission minutes. Motion passed unanimously.

Pete and Deb Hart, 700 SE 2nd Avenue, requested a lot split on parcel 76000200031004. In 2014, a lot split was granted, but they would like to revise the split. A map of the new proposed lot split was provided with the application. Motion by Ballard, seconded by McMillen to recommend Council reverse the 2014 lot split and approved the new lot split. Motion passed unanimously.

Motion by Waller, seconded by McMillen to have Commissioner Ballard talk to Council regarding the lot split. Motion passed unanimously.

Ryan Bauman would like to start an auto repair business in the Industrial Lot. He has been working on putting together a business and building plan. He provided a projected business plan from the Small Business Development Center (SBDC). He is working with a local bank for gap financing. He would like to start building September 2020 and open November 2020. Motion by Waller, seconded by Ballard to recommend the Council convey lot 8 in the Industrial Park with the stipulations that it be built on in a year, not selling the lot and anything else the Council might decide. Commissioner Ohman has concerns with the city giving a lot to a potential business owner when a private person may have a lot to sell. Commissioner Ballard said the city should not be in the real estate business. Motion passed unanimously.

The Planning Commission discussed the Faith Church garage. City Attorney Larson had provided an opinion by email as requested. A variance and special use permit are not applicable in this case. The City would need to rezone the lot to allow for the construction of a garage, or the church could build in the lot the shed is on now. Motion by Ohman, seconded by Ballard to not do a rezone. If the situation should change, they can make a formal request to the Planning Commission. Motion unanimously.

Sourcewell will begin the Comprehensive Plan update in August 2020.

There is still an open position on the Planning Commission.

PLANNING COMMISSION MEETING MINUTES 07/27/2020

Motion by Ballard, seconded by McMillen to adjourn the Planning Commission meeting at 6:31 pm. Motion passed unanimously.

A handwritten signature in cursive script, appearing to read "Danielle Harthun".

Danielle Harthun, MCMC
Secretary to the Planning Commission

APPLICATION AND CERTIFICATE FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF 2 PAGES

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TO OWNER:
 City of Pelican Rapids
 315 North Broadway, PO Box 350
 Pelican Rapids, MN 56573

PROJECT:
 Pelican Rapids Public Library Roof Improvements
 25 W. Mill
 Pelican Rapids, MN 56573

APPLICATION NO: 1
 PERIOD TO: July 31, 2017

Distribution to:
 OWNER
 ARCHITECT
 CONTRACTOR

FROM CONTRACTOR:
 A & R Roofing Co., Inc.
 975 Armour St. NW
 West Fargo, ND 58078

VIA ARCHITECT:
 Design Intent Architects
 103 E. Lincoln Avenue
 Fergus Falls, MN 56537

PROJECT NO: DIA 19514

CONTRACT FOR: **General Contraction - Roofing**

CONTRACT DATE: April 28, 2020

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM	\$	236,630.00
2. Net change by Change Orders	\$	0.00
3. CONTRACT SUM TO DATE (Line 1 ± 2)	\$	236,630.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	78,310.00
5. RETAINAGE:		
a. 10 % of Completed Work (Column D + E on G703)	\$	7,831.00
b. 0 % of Stored Material (Column F on G703)	\$	0.00
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	\$	7,831.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total)	\$	70,479.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	0.00
8. CURRENT PAYMENT DUE	\$	70,479.00
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$	166,151.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS		
NET CHANGES by Change Order		

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: A & R Roofing Co., Inc.

By: Scott Peterson Date: 07/29/2020

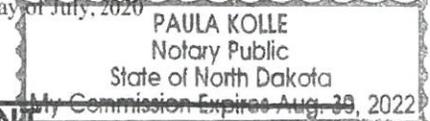
State of: North Dakota

County of: Cass

Subscribed and sworn to before me this 29th day of July, 2020

Notary Public: Paula Kolle

My Commission expires: Aug. 30, 2022



CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of their knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ 70,479.00

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that changed to conform to the amount certified.)

ARCHITECT: [Signature] Date: 9/9/2020

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CONTINUATION SHEET

AIA DOCUMENT G702

PAGE 2 OF 2 PAGES

AIA Document G702. APPLICATION AND CERTIFICATION FOR PAYMENT, containing

APPLICATION NO: 1

Contractor's signed certification is attached.

APPLICATION DATE: 7/29/2020

In tabulations below, amounts are stated to the nearest dollar.

PERIOD TO: 7/31/2020

Use Column I on Contracts where variable retainage for line items may apply.

ARCHITECT'S PROJECT NO: DIA 19514

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G ÷ C)		
Div. 1	General Requirements: Lump Sum	\$6,340	\$0	\$2,020	\$0	\$2,020	32%	\$4,320	
02 1000	Selective Demolition								
	Materials	\$3,050	\$0	\$3,050	\$0	\$3,050	100%	\$0	
	Labor	\$10,350	\$0	\$10,350	\$0	\$10,350	100%	\$0	
06 1000	Rough Carpentry								
	Materials	\$18,570	\$0	\$18,570	\$0	\$18,570	100%	\$0	
	Labor	\$15,350	\$0	\$15,350	\$0	\$15,350	100%	\$0	
07 4100	Metal Roof Panels								
	Materials	\$77,720	\$0	\$12,240	\$0	\$12,240	16%	\$65,480	
	Labor	\$72,340	\$0	\$11,700	\$0	\$11,700	16%	\$60,640	
07 5300	Elastic Sheet Roofing								
	Materials	\$3,720	\$0	\$0	\$0	\$0	0%	\$3,720	
	Labor	\$4,070	\$0	\$0	\$0	\$0	0%	\$4,070	
07 6200	Sheet Metal Flashing and Trim								
	Materials	\$10,910	\$0	\$0	\$0	\$0	0%	\$10,910	
	Labor	\$8,680	\$0	\$0	\$0	\$0	0%	\$8,680	
07 6350	Fascia and Soffit								
	Materials	\$3,110	\$0	\$3,110	\$0	\$3,110	100%	\$0	
	Labor	\$1,920	\$0	\$1,920	\$0	\$1,920	100%	\$0	
07 9000	Sealants								
	Materials	\$250	\$0	\$0	\$0	\$0	0%	\$250	
	Labor	\$250	\$0	\$0	\$0	\$0	0%	\$250	
GRAND TOTALS		\$236,630	\$0	\$78,310	\$0	\$78,310	33%	\$158,320	



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AUDIT ENGAGEMENT LETTER

September 1, 2020

To Honorable Mayor and Members of the City Council and Management
City of Pelican Rapids
PO Box 350
315 North Broadway
Pelican Rapids, Minnesota 56572

We are pleased to confirm our understanding of the services we are to provide the City of Pelican Rapids for the year ended December 31, 2020. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Pelican Rapids as of and for the year ended December 31, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Pelican Rapids' basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Pelican Rapids' RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's discussion and analysis
- 2) Budgeting comparison information
- 3) GASB-required pension information

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

1) Combining non-major fund information

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles, and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minnesota Statute section 6.65, and will include tests of the accounting records of the City of Pelican Rapids and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to the governing board of the City. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of physical inventories, direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the City of Pelican Rapids in conformity with U.S. generally accepted accounting principles, maintain depreciation records, and perform cash to accrual conversions based on information provided by you. We will also submit the annual reporting form with the Minnesota Office of the State Auditor based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform these services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of CarlsonSV LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a federal agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CarlsonSV LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the state or federal regulator. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Dean Birkeland is the engagement principal and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$15,200. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered upon completion of fieldwork and after the final report has been presented. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the City of Pelican Rapids and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign a copy and return it to us.

Very truly yours,

Carlson AV ASP

RESPONSE:

This letter correctly sets forth the understanding of the City of Pelican Rapids:

Management
Signature: _____

Title: _____

Date: _____

Council
Signature: _____

Title: _____

Date: _____