

**CITY OF CIRCLE PINES, MINNESOTA  
REGULAR CITY COUNCIL MEETING**

**January 28, 2020  
7:00 P.M.**

**AGENDA**

1. Call to Order
2. Roll Call

*Dave Bartholomay, Mayor  
Matt Percy, Council Member  
Steve McChesney, Council Member  
Jennifer Rauner, Council Member  
Dean Goldberg, Council Member  
Patrick Antonen, City Administrator*

3. Setting of Agenda

**Note:** Consent Agenda items will be acted on with one motion unless a council member requests their placement on the regular agenda -

4. a. Taxpayer Comments  
b. Council Member Comments  
c. Mayor Comments

**5. COMMITTEE REPORTS**

- a. Utilities Commission
- b. Fire Steering Committee
- c.

**6. COUNCIL BUSINESS**

- a. Consent Agenda

<u>Item</u>	<u>Action</u>
1. Minutes – December 23, 2019 (Enclosed)	Approve
- January 14, 2020 (Enclosed)	Approve
2. General Fund Disbursements (Enclosed)	Approve
3. Police Disbursements (Enclosed)	Approve
4. Fire Disbursements (Presented at Meeting)	Approve
5. Res. 2020-02 Appointment of Election Judges for March 3, 2020 PNP	Approve
6.	Approve

Council Action \_\_\_\_\_

- b. Business Recognition (Verbal)

Council Action \_\_\_\_\_

c. Engagement Letter for Audit Services (Enclosed)

Council Action \_\_\_\_\_

d. \_\_\_\_\_

Council Action \_\_\_\_\_

7. **ADJOURNMENT**

**CITY OF CIRCLE PINES, MINNESOTA  
REGULAR CITY COUNCIL MEETING**

**Tuesday, December 23, 2019  
7:00 p.m.**

**1. CALL TO ORDER**

Mayor Bartholomay called the meeting to order at 7:00 p.m.

**2. ROLL CALL**

Also present were Council Members Rauner, Schweigert and Percy and City Administrator Antonen. Council Member Goldberg was absent.

**3. SETTING OF AGENDA**

Recognition of Council Member Schweigert was added as Item 6g.

**4. COMMENTS**

**a. Taxpayer Comments**

There were no taxpayer comments.

**b. Council Member Comments**

Council Member Percy expressed holiday wishes.

**c. Mayor Comments**

Mayor Bartholomay commented on the following:

- I35W Coalition final meeting
- Special meeting of the Police Governing Board
- Hockey arena reopening at Centennial High School
- National Honor Society induction
- Holiday and new year wishes

**5. COMMITTEE REPORTS**

**a. Utilities Commission**

Mayor Bartholomay reported the commission met December 18 and approved the 2020 union contract and also 2020 non-union compensation. He said the commission also discussed the upcoming 2020 street reconstruction project.

## 6. COUNCIL BUSINESS

### a. Consent Agenda

Items included:

1. Minutes: 12/10/19 Regular Council Meeting
2. General Fund Disbursements
3. Police Disbursements
4. Fire Disbursements
5. Licenses
6. 2020 Garbage and Recycling Rates

City Administrator Antonen noted this is the fifth year of a five-year contract with Waste Management and rates for 2020 will be increased by 1.5 percent. He said the city will be requesting proposals for a new contract soon and he anticipates an increase in recycling rates due to higher costs for recycling.

**MOTION:** Percy moved, seconded by Schweigert, to approve the Consent Agenda as presented. **Motion carried 4-0.**

### b. 2020 Street Reconstruction Project Plans and Specifications – Resolution No. 2019-26

City Administrator Antonen mentioned the plans and specifications are 95 percent complete and the city is waiting for comments from the State before putting the project to bid. He said the planned bid opening date is January 29, 2020, with expected bid award at the following Council meeting.

Council Member Rauner asked if raw materials prices are expected to increase from the last couple street projects. Antonen said the cost of pipe has risen considerably, due to transportation issues, but the last project came in under budget. He added that bonding is also being done at a good time as the rates are near 2 percent.

Mayor Bartholomay commented it is important to begin the process for a street project at this time of year to take advantage of good pricing and planning with contractors.

**MOTION:** Schweigert moved, seconded by Rauner, to approve **Resolution No. 2019-26**, a Resolution Approving Plans and Specifications and Ordering Advertising for Bids for the 2020 Street Project. **Motion carried 4-0.**

**c. Proposed 2020-2022 Union Contract**

City Administrator Antonen mentioned the city last year contracted with Springsted to do a wage and compensation study and based on results of the study and discussions with the salary committee, a contract was negotiated with the union. He said the recommended wage increase, over a three-year period, is 3 percent, 2.75 percent and 2.75 percent.

Mayor Bartholomay noted the percentages have historically also applied to non-union employees.

**MOTION:** Rauner moved, seconded by Percy, to authorize the mayor and city administrator to enter into the 2020-2022 union contract and Memorandums of Understanding based on terms outlined above. **Motion carried 4-0.**

**d. Resolution No. 2019-25 Establishing 2020 Non-union Compensation**

It was noted that non-union compensation is approved on a yearly basis.

**MOTION:** Percy moved, seconded by Rauner, to approve **Resolution No. 2019-25**, a Resolution Establishing the 2020 Schedule of Pay and Compensation. **Motion carried 4-0.**

**e. Encroachment Agreement with Magellan Pipeline**

City Administrator Antonen explained the Magellan pipeline runs through the entire metro area and there is a 10-foot easement in the area of the city's iron-enhanced sand filter project. He said it was determined during construction of project that a pipeline encroachment agreement was required in order to run pipes to the lift station and pond.

In addition, Antonen said there is also an easement amendment required as the area of Magellan's easement was 20 to 25 feet west of where the pipe is actually located.

Council Member Percy asked when it was determined the pipe was not where Magellan thought it was. Antonen responded it was shortly before construction, so city engineers surveyed and staked the area to confirm the location.

Mayor Bartholomay noted the original right-of-way agreement was signed by past mayor Carl Eck in 1959.

**MOTION:** Schweigert moved, seconded by Percy, to approve an encroachment agreement with Magellan Pipeline. **Motion carried 4-0.**

**f. Easement Amendment with Magellan Pipeline**

**MOTION:** Rauner moved, seconded by Schweigert, to approve the amended easement with Magellan Pipeline. **Motion carried 4-0.**

**g. Recognition of Council Member Schweigert**

Mayor Bartholomay mentioned that Council Member Schweigert has served a four-year term on the council and was also a longtime member of the Centennial Fire District. On behalf of the council, he expressed thanks and appreciation to Schweigert and presented him with a plaque in recognition of his service.

Schweigert commented it has been an honor to serve his neighbors and friends.

**7. ADJOURNMENT**

**MOTION:** Schweigert moved, seconded by Rauner, to adjourn the meeting at 7:33 p.m. **Motion carried 4-0.**

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**Mayor**

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**Clerk**

**CITY OF CIRCLE PINES, MINNESOTA  
REGULAR CITY COUNCIL MEETING**

**Tuesday, January 14, 2020  
7:00 p.m.**

**1. CALL TO ORDER**

Mayor Bartholomay called the meeting to order at 7:00 p.m.

Oaths of Office were administered to Mayor Bartholomay, Council Member Percy and new Council Member McChesney.

**2. ROLL CALL**

Also present were Council Members McChesney, Goldberg, Rauner and Percy and City Administrator Antonen.

**3. SETTING OF AGENDA**

There were no changes to the agenda.

**4. COMMENTS**

**a. Taxpayer Comments**

There were no taxpayer comments.

**b. Council Member Comments**

There were no council member comments.

**c. Mayor Comments**

Mayor Bartholomay commented on the following:

- Monthly meeting with retired firefighters
- Grand reopening of Centennial hockey arena
- Christmas tree pickup Friday, January 17
- Elected and newly elected officials meetings on January 24
- Letter of resignation from Planning Commission member Steve McChesney
- Garbage collection delay, possible options and solutions

## 5. COMMITTEE REPORTS

There were no committee reports.

## 6. COUNCIL BUSINESS

### a. Consent Agenda

Items included:

1. General Fund Disbursements
2. Police Disbursements
3. Fire Disbursements
4. Licenses
5. Resolution No. 2020-01 Appointing Election Judges

Mayor Bartholomay commented there is an upcoming special election on February 11 and a Presidential Nomination Primary on March 3.

**MOTION:** Percy moved, seconded by Rauner, to approve the Consent Agenda as presented. **Motion carried 5-0.**

### b. Council Appointments Boards and Commissions

Mayor Bartholomay explained the process for Council appointments and appointment of board and commission members.

### b. Council Annual Appointments

#### 1. Official Newspaper

*Quad Community Press* Publisher Carter Johnson summarized his newspaper's electronic offerings and coverage and said circulation remains stable.

Mayor Bartholomay commented that the newspaper does a great job. City Administrator Antonen praised the reporter's attention to accuracy.

**MOTION:** Goldberg moved, seconded by Rauner, to approve the *Quad Community Press* as the official newspaper for the City of Circle Pines. **Motion carried 5-0.**

#### 2. Official Depositories

**MOTION:** Percy moved, seconded by McChesney, to designate US Bank, Anoka Hennepin Federal Credit Union, Ehlers Financial, PMA Financial

Network, Inc. (4M Fund), RBC Capital Markets, and Wells Fargo Bank as Official Depositories for the City of Circle Pines. **Motion carried 5-0.**

3. Official Signatories

**MOTION:** Goldberg moved, seconded by McChesney, to designate as Official Signatories for the City of Circle Pines the following persons: from Council, Dave Bartholomay and Jennifer Rauner; and from Staff, Patrick Antonen and Kate Manson. **Motion carried 5-0.**

4. Civil Attorney

Mayor Bartholomay noted that Shelley Ryan from Hoff Barry, P.A. is the current Civil Attorney.

Prosecution Attorney

Bartholomay added that Pat Sweeney from Eckberg Lammers, P.C. is the current Prosecution Attorney.

City Administrator Antonen noted staff is very happy with service provided by the civil and prosecution attorneys and it is staff's recommendation to keep these attorneys.

**MOTION:** Rauner moved, seconded by Goldberg, to designate Shelley Ryan from Hoff Barry, P.A. as Civil Attorney for the City of Circle Pines; and Pat Sweeney from Eckberg Lammers, P.C. as Prosecution Attorney for the City of Circle Pines. **Motion carried 5-0.**

5. Engineer

Mayor Bartholomay noted that Eric Eckman and WSB and Associates is the current city engineering firm.

**MOTION:** McChesney moved, seconded by Percy, to designate Eric Eckman and WSB and Associates as city engineering group.

Council Member Percy commented that WSB has done a great job and has been the city engineering firm for a long time. He suggested looking at other options from time to time to make sure the city is getting the best in terms of service and pricing. Percy asked what the policy is on this.

City Administrator Antonen responded that staff has checked pricing on projects such as the iron-enhanced sand filter project, but does want some continuity with street projects as the city is two projects away from finishing the

entire city. He agreed it is good to check to prices and said the increase this year for WSB was about 2 percent.

Mayor Bartholomay commented the city is clearly satisfied with the work of WSB, and asked the city administrator to check with colleagues to find out who has requested bids and if the pricing is in line with what other cities are paying.

Council Member Rauner agreed that pricing should be checked and stated she would be reluctant to change engineers before the last street project.

**Motion carried 5-0.**

6. Mayor Pro Tem

Mayor Bartholomay noted that this person acts on behalf of Mayor when the Mayor is unable to attend meetings and currently Council Member Percy is Mayor Pro Tem.

**MOTION:** Rauner moved, seconded by Goldberg, to designate Council Member Percy as Mayor Pro Tem for the City of Circle Pines.

**Motion carried 5-0.**

COUNCIL COMMITTEE APPOINTMENTS

7. Police Governing Board

Mayor Bartholomay explained the mayor is required to be on this board, in addition to one council member and an alternate. Council Member Goldberg is currently the representative and Council Member Rauner is alternate.

**MOTION:** Percy moved, seconded by McChesney, to appoint for a one-year term Mayor Bartholomay and Council Member Rauner as representatives and Council Member Goldberg as alternate to the Police Governing Board.

**Motion carried 5-0.**

8. Fire Steering Committee

The Joint Powers Agreement calls for appointment of two representatives and an alternate. Currently Council Members Percy and Schweigert served as members and Council Member Goldberg was alternate.

**MOTION:** Percy moved, seconded by Rauner, to appoint for a one-year term Council Members Percy and Goldberg as representatives and Council Member McChesney as alternate to the Fire Steering Committee.

**Motion carried 5-0.**

9. Anoka County Fire Protection Council

Mayor Bartholomay noted Council Member Schweigert was representative, with Council Member Percy as alternate.

It was noted this group covers all districts within the Anoka County area.

**MOTION:** Goldberg moved, seconded by Rauner, to appoint for a one-year term Council Member Goldberg as representative and Council Member Percy as alternate to the Anoka County Fire Protection Council. **Motion carried 5-0.**

10. Cable Commissioner

Either the mayor or a council member serves a one-year term and Council Members Percy and Rauner have both served as the City Council representative. Council Member McChesney offered to serve.

Council Member Percy suggested there be an alternate in case the representative is not able to attend.

**MOTION:** Rauner moved, seconded by Goldberg, to appoint for a one-year term Council Member McChesney as representative and Council Member Rauner as alternate to the Cable Commission. **Motion carried 5-0.**

12. Anoka County Airport Advisory Commission

Council Member McChesney expressed interest and mentioned he previously served as a citizen on this commission. Council Member Percy offered to serve the second slot on the commission.

**MOTION:** Goldberg moved, seconded by Percy, to appoint Council Members McChesney and Percy to two-year terms on the Anoka County Airport Advisory Commission. **Motion carried 5-0.**

**c. City Survey Results**

Mayor Bartholomay mentioned that sometimes the comments are as valuable as the percentages in these results. He said the comments are anonymous and all are categorized and distributed to each department.

City Administrator Antonen commented there were 209 responses to the city survey, down from 297 last year. He said the participation rate was 20 percent and highlights included 81 percent rating of the city as excellent or good; fire and police services ranked excellent or good at 74 and 78 percent respectively; 76 percent rated condition of streets and snow plowing excellent

or good; 85 percent ranked parks and trails as excellent or good; and 90 percent of respondents felt the city has excellent or good quality of services.

Bartholomay added he was previously named to a committee appointed by the Legislature to work with the state auditor's office to develop tools to encourage cities to conduct surveys and also provide help with costs of a survey. It was noted the amount received by Circle Pines helps cover a subscription cost for the survey.

Antonen indicated there may be survey mechanisms possible in the new Connect system planned for this year.

Council Member Goldberg commented it's remarkable that the percentages of good and excellent are fairly consistent throughout the survey results. He expressed pride in the survey results.

#### **d. Ordinance No. 158 Short-term Rentals**

City Administrator Antonen mentioned the city has had complaints about short-term rentals in the city recently. He said he consulted with the city attorney to look at ways to resolve the problems and the recommendation was to amend the city's rental licensing code as all rentals in the city are licensed. He said the amendment would involve defining the length of a short-term rental to make it a 30-day minimum.

Antonen said the requested action is for the council to approve the first reading of Ordinance No. 158. He added that council may also waive second reading and order summary publication of the ordinance.

Council Member Goldberg commented he is glad the council is addressing the issue. He asked how a landlord could be prevented from misrepresenting the length of stay when marketing the home. Antonen said the difficult part of any ordinance is enforcement and we will rely on the police department to keep an eye on it.

Goldberg suggested revisiting the fines for violating the ordinance and make them severe enough to deter violators. He said he'd like to see the first offense be around \$500 and subsequent offenses be in the \$1,000s. Antonen said the city attorney would need to be consulted to determine if fine amounts are reasonable according to State law.

Jamie McLain, 22-year resident of Circle Pines, commented there have been disruptions with short-term rentals in his neighborhood. He said there is one next door to him and it has caused disturbances such as noise, unfamiliar people and police being called on one occasion. He said he does not expect to

live next to a “hotel.” He said the property is also being used as a duplex in a single-family zoning area.

A neighbor to McLain commented that rental properties are better than having properties unoccupied, but short-term rentals are a business in a nonbusiness neighborhood. He also expressed concern about strangers in the neighborhood.

**MOTION:** Percy moved, seconded by Rauner, to approve First Reading of **Ordinance No. 158**, an Ordinance Amending City of Circle Pines City Code, Chapter 16, Section 1600- Housing Code, to Prohibit Short-term Rentals, waive Second Reading and order summary publication.

Goldberg asked where the fines are addressed. Antonen said it is in a separate section and if that needs a correction, it can be done at the next meeting.

Council Member Percy commented he doesn't think there is a need in Circle Pines to provide short-term rentals in a residential community as there is a lot of capacity in surrounding cities. He said he'd be in support of an initial warning for first-time offenders only. Bartholomay agreed and said it's possible for owners to “stumble into it by mistake.”

Council Member Rauner commented that this type of ordinance is not for telling residents what they can and cannot do with their property, the council is just trying to keep the city and its citizens safe. Goldberg said there are about 30 to 35 percent of properties in Circle Pines that are rentals and it's not the rental itself that's an issue – it's the way that it's being used.

**Motion carried 5-0.**

**e. ZAYO Broadband Agreement**

City Administrator Antonen explained that Circle Pines city hall and all government buildings in Anoka County are connected to fiber by the Connect Anoka County (CAC) network which is run by ZAYO, so this is the connectivity services agreement that basically renews our agreement with ZAYO for another term.

He said the last time it was renewed was 10 years ago and this term is for five years beginning February 17, 2020. He said the CAC connects the internet at city hall. Mayor Bartholomay mentioned this is how the broadband is connected at city hall, the police department, library and fire station.

Antonen added that the county is planning on significant upgrades to the fiber network over the next couple years and there will be no charge to the city for upgrading the system.

Council Member Percy asked what the city is currently paying for internet service. Antonen said it is about \$400 per month.

**MOTION:** Rauner moved, seconded by McChesney, to renew the Connectivity Services Agreement with Anoka County Contract #2011-0125/C0000609 with Amendment 1, and approve Amendment No. 2 to the contract to provide for continued services through August 16, 2025. **Motion carried 5-0.**

## 7. ADJOURNMENT

**MOTION:** Goldberg moved, seconded by Percy, to adjourn the meeting at 8:32 p.m. **Motion carried 5-0.**

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**Mayor**

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**Clerk**

Invoice	Seq	Type	Description	Invoice Date	Total Cost	Per
<b>01/22/2020</b>						
<b>31460 CRYSTEEL TRUCK EQUIPMENT, INC</b>						
FP176154	1	Invoice	MACK/STERLING BLADE GUIDES	01/28/2020	78.96	01/20
Total FP176154:					78.96	
Total 31460 CRYSTEEL TRUCK EQUIPMENT, INC:					78.96	
<b>40165 DAKOTA SUPPLY GROUP</b>						
F298111	1	Invoice	SHOP LED LIGHTS 5	01/28/2020	118.67	01/20
Total F298111:					118.67	
Total 40165 DAKOTA SUPPLY GROUP:					118.67	
<b>40278 DEARBORN NATL LIFE INS CO</b>						
012820	1	Invoice	FEB LIFE/DISABILITY	01/28/2020	80.50	01/20
012820	2	Invoice	FEB LIFE/DISABILITY	01/28/2020	64.15	01/20
012820	3	Invoice	FEB LIFE/DISABILITY	01/28/2020	46.60	01/20
012820	4	Invoice	FEB LIFE/DISABILITY	01/28/2020	118.25	01/20
012820	5	Invoice	FEB LIFE/DISABILITY	01/28/2020	14.78	01/20
012820	6	Invoice	FEB VOL LIFE	01/28/2020	183.44	01/20
Total 012820:					507.72	
Total 40278 DEARBORN NATL LIFE INS CO:					507.72	
<b>40326 DELTA DENTAL OF MN</b>						
CNS0000397	1	Invoice	FEB DENTAL	01/28/2020	658.00	01/20
Total CNS0000397233:					658.00	
Total 40326 DELTA DENTAL OF MN:					658.00	
<b>100135 JIMMY'S JOHNNYS, INC</b>						
160119	1	Invoice	BALDWIN PARK PORTABLE RESTROOM	01/28/2020	54.00	01/20
Total 160119:					54.00	
160120	1	Invoice	GL PORTABLE RESTROOM	01/28/2020	54.00	01/20
Total 160120:					54.00	
Total 100135 JIMMY'S JOHNNYS, INC:					108.00	
<b>130828 MN DEPT OF LABOR &amp; INDUSTRY</b>						
DECEMBER	1	Invoice	4TH QTR SURCHARGE	12/31/2019	616.40	12/19
Total DECEMBER0030352019:					616.40	
Total 130828 MN DEPT OF LABOR & INDUSTRY:					616.40	
Total 01/22/2020:					2,087.75	

Invoice	Seq	Type	Description	Invoice Date	Total Cost	Per
<b>01/23/2020</b>						
<b>30640 CINTAS</b>						
4040441087	1	Invoice	Shop Cleaning	01/28/2020	9.32	01/20
4040441087	2	Invoice	Shop Cleaning	01/28/2020	9.33	01/20
Total 4040441087:					18.65	
4040441095	1	Invoice	CH Cleaning	01/28/2020	76.90	01/20
Total 4040441095:					76.90	
Total 30640 CINTAS:					95.55	
<b>31137 CONNEXUS ENERGY</b>						
123119	1	Invoice	Dec. Electric	12/31/2019	317.65	12/19
123119	2	Invoice	Dec. Electric	12/31/2019	342.43	12/19
123119	3	Invoice	Dec. Electric	12/31/2019	73.17	12/19
123119	4	Invoice	Dec. Electric	12/31/2019	73.17	12/19
123119	5	Invoice	Dec. Electric	12/31/2019	448.93	12/19
123119	6	Invoice	Dec. Electric	12/31/2019	1,466.56	12/19
Total 123119:					2,721.91	
Total 31137 CONNEXUS ENERGY:					2,721.91	
<b>31510 CURTIS 1000, INC</b>						
IN2793964	1	Invoice	AP Checks	01/28/2020	484.97	01/20
IN2793964	2	Invoice	AP Checks	01/28/2020	20.21	01/20
Total IN2793964:					505.18	
Total 31510 CURTIS 1000, INC:					505.18	
<b>90200 INNOVATIVE OFFICE SOLUTION,LLC</b>						
IN2793964	1	Invoice	Pens/Post It Flags/misc	01/28/2020	14.65	01/20
IN2793964	2	Invoice	Pens/Post It Flags/misc	01/28/2020	.61	01/20
Total IN2793964:					15.26	
IN2826171	1	Invoice	Batteries/Folders/Sanitizer	01/28/2020	23.26	01/20
IN2826171	2	Invoice	Batteries/Folders/Sanitizer	01/28/2020	.97	01/20
Total IN2826171:					24.23	
Total 90200 INNOVATIVE OFFICE SOLUTION,LLC:					39.49	
<b>110204 KNOWLAN'S SUPER MARKETS</b>						
12820	1	Invoice	Shop Supplies Coffee	01/28/2020	1.60	01/20
12820	2	Invoice	Shop Supplies Coffee	01/28/2020	1.60	01/20
Total 12820:					3.20	
Total 110204 KNOWLAN'S SUPER MARKETS:					3.20	

Invoice	Seq	Type	Description	Invoice Date	Total Cost	Per
130409	MENARDS - BLAINE					
II10026348	1	Invoice	Shop AED	01/28/2020	262.50	12/19
II10026348	2	Invoice	Shop AED	01/28/2020	175.00	12/19
Total II10026348:					437.50	
Total 130409 MENARDS - BLAINE:					437.50	
Total 01/23/2020:					3,802.83	
Grand Totals:					5,890.58	

Report GL Period Summary

Vendor number hash: 0  
Vendor number hash - split: 0  
Total number of invoices: 0  
Total number of transactions: 0

Report Criteria:

Invoice Detail.GL Account = 10110100-506477506710,70210100-702499702730

Report Criteria:  
 Report type: Summary

GL Period	Check Issue Date	Ck No	Payee	Description	Check Amount
01/20	01/21/2020	13034	APPLIED CONCEPTS, INC	2020 FORD EXPLORER NEW SQUAD	2,895.00
01/20	01/21/2020	13035	BULBS.COM	BULBS	239.40
01/20	01/21/2020	13036	CENTENNIAL UTILITIES	UTILITIES DEC	656.37
01/20	01/21/2020	13037	CONNEXUS ENERGY	ELECTRIC DEC	3,022.56
01/20	01/21/2020	13038	CONSOLIDATED COMMUNICATIONS	COMMUNICATIONS JANUARY	393.44
01/20	01/21/2020	13039	DEARBORN NATIONAL	FEB LIFE/DISABILTY ADD ED EFT 12/2	1,525.34
01/20	01/21/2020	13040	HOLIDAY COMPANIES	FUEL DEC	2,546.81
01/20	01/21/2020	13041	OFFICE OF MN IT SERVICES	WAN SERVICES DEC	43.20
01/20	01/21/2020	13042	OPTUM	MONTHLY SERVICE FEE DEC	30.00
01/20	01/21/2020	13043	QUILL CORPORATION	OFFICE SUPPLIES BINDERS/COPY PA	210.34
01/20	01/21/2020	13044	TRITECH SOFTWARE SYSTEMS	WEB EVID/BARCODE PRINTER & HAR	1,823.68
01/20	01/14/2020	2020001	HEALTH PARTNERS	HEALTH INS FEB CANCEL JC INS	7,341.92
Grand Totals:					<u>20,728.06</u>

Name	Vendor #	Invoice	Seq	Type	Description	Invoice Date	Pmt Due Date	Total Cost	GL Account	GL Period
<b>01/14/2020</b>										
<b>80250 HEALTH PARTNERS</b>										
HEALTH PA	80250	947812	1	Invoi	HEALTH INS FEB CANCEL JC INS	01/14/2020	01/14/2020	7,341.92	901-42-2100-130	01/20
Total 80250 HEALTH PARTNERS:								7,341.92		
Total 01/14/2020:								7,341.92		

1/14/2020 GL Period Summary

GL Period	Amount
01/20	7,341.92
Grand Totals:	7,341.92

Name	Vendor #	Invoice	Seq	Type	Description	Invoice Date	Pmt Due Date	Total Cost	GL Account	GL Period
<b>01/15/2020</b>										
<b>11300 APPLIED CONCEPTS, INC</b>										
APPLIED C	11300	360306	1	Invoi	2020 FORD EXPLORER NEW SQUAD SET UP	01/15/2020	01/15/2020	2,895.00	901-42-2100-550	01/20
Total 11300 APPLIED CONCEPTS, INC:								2,895.00		
<b>20650 BULBS.COM</b>										
BULBS.CO	20650	DV7379	1	Invoi	BULBS	01/15/2020	01/15/2020	239.40	901-42-2100-202	01/20
Total 20650 BULBS.COM:								239.40		
<b>30480 CENTENNIAL UTILITIES</b>										
CENTENNI	30480	123119	1	Invoi	UTILITIES DEC	12/31/2019	01/15/2020	656.37	901-42-2100-380	12/19
Total 30480 CENTENNIAL UTILITIES:								656.37		
<b>31137 CONNEXUS ENERGY</b>										
CONNEXU	31137	123119	1	Invoi	ELECTRIC DEC	12/31/2019	01/15/2020	3,022.56	901-42-2100-380	12/19
Total 31137 CONNEXUS ENERGY:								3,022.56		
<b>31170 CONSOLIDATED COMMUNICATIONS</b>										
CONSOLID	31170	011520	1	Invoi	COMMUNICATIONS JANUARY	01/15/2020	01/15/2020	393.44	901-42-2100-321	01/20
Total 31170 CONSOLIDATED COMMUNICATIONS:								393.44		
<b>80440 HOLIDAY COMPANIES</b>										
HOLIDAY C	80440	123119	1	Invoi	FUEL DEC	12/31/2019	01/15/2020	2,546.81	901-42-2100-212	12/19
Total 80440 HOLIDAY COMPANIES:								2,546.81		
<b>150250 OFFICE OF MN IT SERVICES</b>										
OFFICE OF	150250	DV1912	1	Invoi	WAN SERVICES DEC	12/31/2019	01/15/2020	43.20	901-42-2100-386	12/19
Total 150250 OFFICE OF MN IT SERVICES:								43.20		
<b>170165 QUILL CORPORATION</b>										
QUILL COR	170165	383583	1	Invoi	OFFICE SUPPLIES BINDERS/COPY PAPER M	01/15/2020	01/15/2020	210.34	901-42-2100-201	01/20
Total 170165 QUILL CORPORATION:								210.34		
<b>200275 TRITECH SOFTWARE SYSTEMS</b>										
TRITECH S	200275	264519	1	Invoi	WEB EVID/BARCODE PRINTER & HARDWAR	12/31/2019	01/15/2020	1,823.68	901-42-2100-570	12/19
Total 200275 TRITECH SOFTWARE SYSTEMS:								1,823.68		
Total 01/15/2020:								11,830.80		

1/15/2020 GL Period Summary

GL Period	Amount
01/20	3,738.18
12/19	8,092.62
Grand Totals:	11,830.80

GL Period

Amount

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Name	Vendor #	Invoice	Seq	Type	Description	Invoice Date	Pmt Due Date	Total Cost	GL Account	GL Period
------	----------	---------	-----	------	-------------	--------------	--------------	------------	------------	-----------

01/21/2020

40278 DEARBORN NATIONAL

DEARBOR	40278	012120	1	Invoi	FEB VOL LIFE	01/21/2020	01/21/2020	405.92	901-21850	01/20
DEARBOR	40278	012120	2	Invoi	FEB LIFE/DISABILTY ADD ED EFT 12/2019	01/21/2020	01/21/2020	1,119.42	901-42-2100-130	01/20

Total 40278 DEARBORN NATIONAL:

1,525.34

150400 OPTUM

OPTUM	150400	951003	1	Invoi	MONTHLY SERVICE FEE DEC	12/31/2019	01/21/2020	30.00	901-42-2100-130	12/19
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Total 150400 OPTUM:

30.00

Total 01/21/2020:

1,555.34

1/21/2020 GL Period Summary

GL Period	Amount
01/20	1,525.34
12/19	30.00
Grand Totals:	1,555.34

Grand Totals:

20,728.06

Report GL Period Summary

GL Period	Amount
01/20	12,605.44
12/19	8,122.62
Grand Totals:	20,728.06

Vendor number hash: 996795  
 Vendor number hash - split: 1037073  
 Total number of invoices: 12  
 Total number of transactions: 13

Terms Description	Invoice Amount	Discount Amount	Net Invoice Amount
Open Terms	20,728.06	.00	20,728.06
Grand Totals:	20,728.06	.00	20,728.06

**RESOLUTION NO. 2020-02**

**STATE OF MINNESOTA  
COUNTY OF ANOKA  
CITY OF CIRCLE PINES**

**RESOLUTION APPOINTING ELECTION JUDGES FOR GENERAL ELECTION  
TO BE HELD March 3, 2020**

**WHEREAS**, the City of Circle Pines will be conducting a General County Commissioner Election on March 3, 2020; and

**WHEREAS**, pursuant to Minnesota Statutes Section 204B.21, election judges for precincts in a General Election must be appointed by the City Council; and

**WHEREAS**, persons selected to serve meet all requirements of MN statute and county administrative policy, and have been trained and certified pursuant to law.

**NOW THEREFORE LET IT BE RESOLVED THAT**, The City Council of Circle Pines as follows:

- 1) The individuals listed on Attachment A are hereby appointed to serve as election judges for the General County Commissioner Election to be held on March 3, 2020.
- 2) In the event circumstances require judges to be appointed in addition to the persons named in this resolution, the Clerk of Election is authorized to appoint as necessary, provided that the persons appointed meet all requirements of MN statute and administrative policy.

Adopted this 28th day of January, 2020 by the City Council of the City of Circle Pines.

**ATTEST:**

\_\_\_\_\_  
**Dave Bartholomay, Mayor**  
(Seal)

\_\_\_\_\_  
**Patrick Antonen, City Administrator**

## **Judge Board Report, 2020 Presidential Nomination Election Primary Election, Tuesday, March 3, 2020**

### **Circle Pines P-1**

Centennial Fire Station #1, 2 East Road, Circle Pines, MN 55014

Nadine Bishop, Head Judge

Jill Perron, Assistant Head Judge

Don Bisila

Jacqueline Cottingham-Zierdt

Beck Deters

Susan Moore

Sandra Rand

Dale Randall

Linda Whitney

### **Circle Pines P-2**

Lesley Lillgren

Peggy Sandmann

Janice Boyer-Kellerman

Maria Davis

Nancy Ehrmantraut

Kim Kelso

Mark Leichtle

Bonnie Joy Rae

Karen Thompson

Susan Ziemer



PRINCIPALS

Thomas A. Karnowski, CPA  
Paul A. Radosevich, CPA  
William J. Lauer, CPA  
James H. Eichten, CPA  
Aaron J. Nielsen, CPA  
Victoria L. Holinka, CPA/CMA  
Jaclyn M. Huegel, CPA  
Kalen T. Karnowski, CPA

January 16, 2020

Ms. Kate Manson  
City of Circle Pines  
200 Civic Heights Circle  
Circle Pines, MN 55014

Dear Ms. Manson:

Enclosed are two copies of an engagement letter which explain and confirm the basic services we expect to perform in conjunction with your upcoming audit. Also enclosed is a copy of our most recent peer review report.

Assuming the letter adequately describes the services you desire, please sign both copies, return one to our office, and keep the other copy for your files.

Please do not hesitate to contact me if you believe the letter should be modified or if you have any questions.

Sincerely,

MALLOY, MONTAGUE, KARNOWSKI, RADOSEVICH & CO., P.A.

A handwritten signature in black ink that reads "Aaron Nielsen". The signature is written in a cursive, flowing style.

Aaron J. Nielsen, CPA  
Principal

AJN:wls

Enclosures



PRINCIPALS

Thomas A. Karnowski, CPA  
Paul A. Radosevich, CPA  
William J. Lauer, CPA  
James H. Eichten, CPA  
Aaron J. Nielsen, CPA  
Victoria L. Holinka, CPA/CMA  
Jaclyn M. Huegel, CPA  
Kalen T. Karnowski, CPA

January 16, 2020

To the City Council and Management  
of the City of Circle Pines  
200 Civic Heights Circle  
Circle Pines, MN 55014

Dear Councilmembers and Management:

We are pleased to confirm our understanding of the services we are to provide the City of Circle Pines (the City) for the year ended December 31, 2019. 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 as of and for the year ended December 31, 2019. 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's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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's 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) MD&A
- 2) GASB-required supplementary pension and other post-employment benefits information (as needed)

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

- 1) Combining and individual fund statements and schedules (as needed), presented as supplemental information

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

5353 Wayzata Boulevard • Suite 410 • Minneapolis, MN 55416 • Phone: 952-545-0424 • Fax: 952-545-0569 • www.mmkr.com

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information:

- 1) Introductory information
- 2) Statistical section or other supplemental information (as applicable)

We will perform the required State Legal Compliance Audit conducted in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Legal Compliance Audit Guide*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, and will include such tests of the accounting records and other procedures we consider necessary to enable us to conclude that, for the items tested, the City has complied with the material terms and conditions of applicable legal provisions.

We will also prepare a management report for the City Council and administration. This report will communicate such things as our concerns regarding accounting procedures or policies brought to our attention during our audit, along with recommendations for improvements. The report will also contain certain financial comparisons and analysis, and a summary of legislative activity affecting Minnesota cities.

Our services will not include an audit in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), which would only be required if the City expended \$750,000 or more in federal assistance funds during the year. If the City is required to have a Single Audit of federal assistance funds, this engagement letter would need to be modified.

### **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 will include tests of the accounting records of the City and other procedures we consider necessary to enable us to express such opinions. We will make reference to another auditor's audit of required components if necessary in our report on your financial statements. We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to management and the City Council 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 on the financial statements 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 the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will 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.

If information from a component unit is required to be included in the City's financial statements, we will not audit the financial statements of components of which we were not engaged as auditors as of and for the year ended December 31, 2019. Those financial statements will be audited by other auditors whose reports thereon will be furnished to us. We will communicate with the other auditors and reference their audit of the component(s) as necessary. Information from the group component audit will be included in the City's financial statements based on materiality, significance to the audit, and auditor judgement.

#### **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 American Institute of Certified Public Accountants (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 in conformity with U.S. generally accepted accounting principles 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 the 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, including 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 and all accompanying information 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 OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. 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.

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.

#### **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.

The assistance to be supplied by your personnel, including the preparation of schedules and analysis of accounts, typing all cash or other confirmations we request, and locating any invoices selected by us for testing, will be discussed and coordinated with you.

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 Malloy, Montague, Karnowski, Radosevich & Co., P.A. (MMKR) 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 regulatory 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 carryout oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of MMKR 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 regulatory agency. 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.

We expect to begin our audit shortly after the end of your fiscal year and to issue our reports prior to June 30, 2020. Aaron J. Nielsen, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for those services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Unless additional work is requested or circumstances require additional work, we estimate that the basic audit fees will be as follows:

Annual audit of the City	\$24,910 plus direct expenses	/ 32,445
Annual audit of the Centennial Utilities	\$ 7,535 plus direct expenses	

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.

These fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If we find that additional audit procedures are required, or if additional services are requested by the City, those services will be billed at our standard hourly rates. Additional audit procedures might be required for certain accounting issues or events, such as new contractual agreements, transactions and legal requirements of new bond issues, new funds, major capital projects, new tax increment districts, if there is an indication of misappropriation or misuse of public funds, or if significant difficulties are encountered due to the lack of accounting records, incomplete records, or turnover in the City's staff. 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.

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.

If you intend to publish or otherwise reproduce the financial statements, such as in a bond statement, and make reference to our firm name, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

During the year, you might request additional services such as routine advice, assistance in implementing audit recommendations, review of your projections or budgets, and other similar projects. Independence standards allow us to perform these routine services; however, it is important that you understand that we are not allowed to make management decisions, perform management functions, nor can we audit our own work or provide nonaudit services that are significant to the subject matter of the audit.

Please be aware that e-mail is not a secure method of transmitting data. It can be intercepted, read, and possibly changed. Due to the large volume of e-mails sent daily, the likelihood of someone intercepting your e-mail is relatively small, but it does exist. We will communicate with you via e-mail, if you are willing to accept this risk.

To ensure that MMKR's independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

If a dispute occurs related in any way to our services, our firm and the City agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve it. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorney fees and costs of the mediation. Participation in such mediation shall be a condition to either of us initiating litigation. To allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute.

The mediation shall be confidential in all respects, as allowed or required by law, except that our final settlement positions at mediation shall be admissible in litigation solely to determine the identity of the prevailing party for purposes of the awarding of attorney fees.

We both recognize the importance of performing our obligations under this agreement in a timely way and fully cooperating with the other. In the event that either of us fails to timely perform or fully cooperate, the other party may, in its sole discretion, elect to suspend performance or terminate the agreement regardless of the prejudice to the other person. We agree we will give 10 days' written notice of an intent to suspend or terminate, specifying the grounds for our decision, and will give the other an opportunity to cure the circumstances cited as grounds for that decision. In the event of suspension or termination, all fees and costs are immediately due on billing.

We agree that it is important that disputes be discussed and resolved promptly. For that reason, we agree that, notwithstanding any other statutes of limitations or court decisions concerning them, all claims either of us may have will be barred unless brought within one year of the date the complaining party first incurs any damage of any kind, whether discovered or not, related in any way to acts or omissions of the other party, whether or not the complaining party seeks recovery for that first damage and whether or not we have continued to maintain a business relationship after the first damage occurred. Notwithstanding anything in this letter to the contrary, we agree that regardless of where the City is located, or where this agreement is physically signed, this agreement shall have been deemed to have been entered into at our office in Hennepin County, Minnesota, and Hennepin County shall be the exclusive venue and jurisdiction for resolving disputes related to this agreement. This agreement shall be interpreted and governed under the laws of Minnesota.

When requested, *Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our most recent peer review report accompanies this letter.

We appreciate the opportunity to be of service to the City 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 the enclosed copy and return it to us.

Sincerely,

MALLOY, MONTAGUE, KARNOWSKI, RADOSEVICH & CO., P.A.



Aaron J. Nielsen, CPA  
Principal

AJN:wls

Response:

This letter correctly sets forth the understanding of the City of Circle Pines.

City Council Representative

City Management Representative

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



### Report on the Firm's System of Quality Control

To the Principals of Malloy, Montague, Karnowski, Radosevich, and Co., P.A. 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 Malloy, Montague, Karnowski, Radosevich, and Co., P.A. (the firm) in effect for the year ended May 31, 2019. 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, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://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 engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As 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.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Malloy, Montague, Karnowski, Radosevich, and Co., P.A. in effect for the year ended May 31, 2019 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*. Malloy, Montague, Karnowski, Radosevich, and Co., P.A. has received a peer review rating of *pass*.

  
KerberRose SC  
September 25, 2019