

# Notice & Agenda

## Swift County Board of Commissioners

Tuesday, November 18, 2014

11:00 AM

Swift County Board Room – 301 14<sup>th</sup> St N, Benson, MN

If you need any type of accommodation to participate in this meeting, please contact the County Administrator at 320-314-8399 at least 48 hours prior to the meeting. Times are only estimates and items may be taken out of order.

<u>Time</u>	<u>Reference</u>	<u>Item</u>
11:00 a.m.		<b>Call to Order and Roll Call</b>
11:01 a.m.		<b>Approve Agenda</b>
11:03 a.m.		<b>Consent Agenda</b>
	1-2	(1) Minutes from the November 2, 2014 Regular Meeting
	3-4	(2) Consider giving consent for the Swift County HRA to apply a special assessment on property at 315 Clara Avenue, Murdock, MN in the amount of \$6,250.00
	5-24	(3) Consider approving 2014 Audit Engagement Letter
11:04 a.m.		<b>Consider Approval of Commissioner warrants and review Auditor warrants reviewed</b>
11:05 a.m.		<b>Commissioner and Board reports</b>
11:20 a.m.		<b>County Administrator report</b>
11:25 a.m.		<b>Citizens Comments</b>
11:25 a.m.		<b>County Auditor Kim Saterbak</b>
	25-29	Review third quarter 2014 Executive Departmental Budget Report
11:35 a.m.		<b>Andy Sander, County Engineer</b>
	30-31	Consider approval for final SAP 076-620-021 to Riley Bros for a mill and overlay project west of Benson on CSAH 20.
	32-33	Consider approval of a resolution to move funds from the municipal state aid account to the regular state aid account.
11:45a.m.		<b>Adjournment</b>

## **SWIFT COUNTY BOARD MINUTES**

### **November 4, 2014**

Chairman Fox called the meeting to order at 10:30 AM with all members present as well as County Administrator Mike Pogge-Weaver, County Attorney Robin Finke, and Amanda Ness.

Administrator Pogge-Weaver requested an addition to the agenda for review of the Treasurer's 3<sup>rd</sup> Quarter Cash and Investments Report prior to Other Business.

**11-04-14-01** Commissioner Hendrickx moved and Commissioner Klemm seconded to approve the agenda with the noted addition. Motion carried unanimously.

**11-04-14-02** Commissioner Rudningen moved and Commissioner Peterson seconded to approve the Consent Agenda which consisted of: (1) Minutes from the October 21, 2014 Meeting (2) Minutes from the October 21, 2014 Closed Session (3) Appointment of Brian Samuelson to the SCBH Board of Directors and (4) Approval of AMC Delegates.

**11-04-14-03** Commissioner Klemm moved and Commissioner Rudningen seconded to approve the Commissioner warrants as follows: Revenue: \$10,749.67; Road and Bridge: \$92,853.55; Solid Waste: \$10,732.85; Welfare & Family Services: \$83.58; Current/School District Agency: \$696,397.47; and County Ditches Fund: \$7,234.59 which includes the following bills over \$2,000: AAA Striping Service Co, \$26,148.92; Dlt Solutions Inc, \$2,775.46; Glacial Plains Cooperative, \$3,206.62; Holmgren Tree Spraying Service, \$15,180.00; Riley Brothers Companies, \$38,269.28; Three D Specialties, \$2,960.50; School Dist #2853 Treasurer, \$161,109.02; School Dist #768 Treasurer, \$6,895.40; School Dist #775 Treasurer, \$110,427.38; School Dist #777 Treasurer, \$417,964.13; Van Heuveln General Contracting Inc, \$5,896.34; and Waste Management of Northern Minnesota, \$9,122.88. Motion carried unanimously.

Board and Committee Reports were given as follows: Chairman Fox reported on Hospital Board and SPCC. Commissioner Klemm reported on Safety Committee, Extension Committee, Hospital Governmental Board, and the MN Public Sector Collaborative. Commissioner Peterson reported on Hospital Governmental Board, Countryside Public Health, Prairie Five, and HRA. Commissioner Rudningen reported on Extension Committee, and Technology Committee. Commissioner Hendrickx reported on RDC and District AMC Meetings.

Administrator Pogge-Weaver updated the board on the health insurance fund activity and balance, the MOU's regarding the classification and compensation study sent to the AFSCME groups, and the upcoming session for the County Reorganization Study.

Administrator Pogge-Weaver further presented the board with revisions to County Policies: 201 – Personnel Policy related to Minnesota's Women's Economic Security Act, 105 – New Board Member Orientation, and a revision to County Policy 201 by adding 201.158 related to Employee Paid Benefits

**11-04-14-04** Commissioner Rudningen moved and Commissioner Peterson seconded to approve the revisions to policies. Motion carried unanimously.

County Treasurer Ron Vadnais presented the board with the 3<sup>rd</sup> Quarter Cash and Investment Report.

Administrator Pogge-Weaver presented the board with the position description and pay grade for a GIS Coordinator which would be a Grade 16, non-supervisory position under the Courthouse Union Group.

**11-04-14-05** Commissioner Hendrickx moved and Commissioner Rudningen seconded to approve the GIS Coordinator position description and pay grade. Motion carried unanimously.

Administrator Pogge-Weaver further presented the board with a contract with Pictometry for a Spring 2015 aerial flight.

**11-04-14-06** Commissioner Rudningen moved and Commissioner Hendrickx seconded to approve the contract with Pictometry. Motion carried unanimously.

The board recessed at 11:18 AM and reconvened at 1:00 PM.

The board met with Richard and Irina Fursman to work on the Swift County Strategic and Organization Development Plan.

Chairman Fox adjourned the meeting at 4:06 PM.

WITNESSED:

\_\_\_\_\_  
Joe Fox, Chair

ATTEST:

\_\_\_\_\_  
Michel Pogge-Weaver, Clerk of the Board

DRAFT



# Request for Board Action

BOARD MEETING DATE:  
November 18, 2014

## Commissioner's Report

### Department Information

ORIGINATING DEPARTMENT: Swift County HRA	REQUESTOR: Vicki Syverson	REQUESTOR PHONE: 320-843-4676
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### Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Consider giving consent for the Swift County HRA to apply a special assessment on property at 315 Clara Avenue, Murdock, MN in the amount of \$6,250.00	
AGENDA YOU ARE REQUESTING TIME ON: Consent Agenda	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
IS THIS MANDATED? No	EXPLANATION OF MANDATE:
BACKGROUND/JUSTIFICATION: The Swift County HRA desires to make a revolving loan to the home owner at 315 Clara Avenue in Murdock in order that they can complete sewer repairs to their property.. The property owners have attempted but have been unable to obtain traditional financing for the project due to the low amount involved. The Swift County HRA is request the Board consent for the ability to place a special assessment on property in the name of Swift County to secure the loan.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED?	

### Budget Information

FUNDING: The loan is being made with funding from the HRA.
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### Review/Recommendation

COUNTY ATTORNEY: Robin Finke	COUNTY ADMINISTRATOR: Mike Pogge-Weaver
RECOMMENDATIONS: Reviewed and approved the loan to form.	RECOMMENDATIONS: Approve
COMMENTS: n/a	COMMENTS: None





# Request for Board Action

BOARD MEETING DATE:  
November 18, 2014

## Commissioner's Report

### Department Information

ORIGINATING DEPARTMENT: Auditor	REQUESTOR: Kim Saterbak	REQUESTOR PHONE: 320-843-6108
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### Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Consider approving a renewal of the audit engagement with Clifton Larson Allen, LLP	
AGENDA YOU ARE REQUESTING TIME ON: Consent Agenda	ARE YOU SEEKING APPROVAL OF A CONTRACT? Yes
IS THIS MANDATED? No	EXPLANATION OF MANDATE: n/a
BACKGROUND/JUSTIFICATION: The board is asked to approve engagement letter with CliftonLarsonAllen specifying the legal relationship and responsibilities of the audit firm and the County.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED?	

### Budget Information

FUNDING: n/a
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### Review/Recommendation

COUNTY ATTORNEY: Robin Finke	COUNTY ADMINISTRATOR: Mike Pogge-Weaver
RECOMMENDATIONS: Will review prior to execution	RECOMMENDATIONS: Approve
COMMENTS: None	COMMENTS: None



# CliftonLarsonAllen

CliftonLarsonAllen LLP  
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14275 Golf Course Drive, Suite 300  
Baxter, MN 56425-8674  
218-828-0100 | fax 218-828-9503  
CLAconnect.com

October 30, 2014

County Board of Commissioners and Management  
Swift County  
301 14<sup>th</sup> Street N, Box 288  
Benson, Minnesota 56215

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP (CLA) will provide for Swift County (“you,” “your,” or “the entity”) for the year ended December 31, 2014.

Douglas P. Host is responsible for the performance of the audit engagement.

## **Audit services**

We will audit the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of Swift County, as of and for the year ended December 31, 2014, and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity’s basic financial statements. The following RSI will be subjected to certain limited procedures, but will not be audited.

1. Management’s discussion and analysis
2. Budgetary comparison schedules
3. Schedule of funding progress – other postemployment health care benefits

We will also evaluate and report on the presentation of the following supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole:

1. Schedule of expenditures of federal awards
2. Combining and individual fund statements
3. Other supporting schedules, as applicable

## **Nonaudit services**

We will also provide the following nonaudit services:

- Preparation of your financial statements, schedule of expenditures of federal awards, and related notes
- Preparation of adjusting journal entries

### **Audit objectives**

The objective of our audit is the expression of opinions about whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Our audit will include tests of your accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express opinions and render the required reports. We will perform procedures on the financial information of Swift County-Benson Hospital (or request other auditors to perform procedures on the financial information of Swift County-Benson Hospital) to enable us to express our opinions. We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

The objectives of our audit also include:

- Reporting on internal control related to the financial statements and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Reporting on internal control related to major programs and expressing an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133.

The *Government Auditing Standards* report on internal control over financial reporting 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 our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The OMB Circular A-133 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Both reports will state that the report is not suitable for any other purpose.

We will issue written reports upon completion of our audit of your financial statements and compliance with requirements applicable to major programs. We will make reference to Babcock, Langbein, and Company's audit of Swift County Housing and Redevelopment Authority in our report on your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the

engagement. If our opinions on the financial statements are other than unmodified or the single audit compliance opinion is other than unqualified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements or material noncompliance caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements or an opinion on compliance, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue reports, or withdrawing from the engagement.

As part of our audit, we will also perform the procedures and provide the report required by the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*.

#### **Auditor responsibilities, procedures, and limitations**

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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 basic financial statements.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements or noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards*, and OMB Circular A-133. Because we will not perform a detailed examination of all transactions, material misstatements, 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 entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

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 or on major programs. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come 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. We will include such matters in the reports required for a single audit.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic financial statements and compliance in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Tests of controls may be performed to test the effectiveness of certain controls that we

consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a 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*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we identify during the audit that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. 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*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that may have occurred that are required to be communicated under *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the "OMB Circular A-133 Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of these procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

We will evaluate the presentation of the schedule of expenditures of federal awards accompanying the financial statements in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the schedule to determine whether the information complies with U.S. GAAP and OMB Circular A-133, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the schedule to the underlying accounting records and other records used to prepare the financial statements or to the financial statements themselves.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

### **Management responsibilities**

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements, RSI, and the schedule of expenditures of federal awards in accordance with U.S. GAAP. Management is also responsible for identifying all federal awards received, understanding and complying with the compliance requirements, and for the preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Management is responsible for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for the design, implementation, and maintenance of effective internal control, including internal control over compliance, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity 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 entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report. Additionally, as required by

OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review upon the beginning of audit fieldwork.

You are responsible for ensuring that management is reliable and 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, such as records, documentation, and other matters, and for the accuracy and completeness of that information, and for ensuring the information is reliable and properly reported; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements. You are also responsible for providing us access to component information, those charged with governance of components, component management, and component auditors (including relevant audit documentation and communications).

Management is responsible for providing us with, or making arrangements to facilitate (1) unrestricted communication between us and the component auditor(s) to the extent permitted by law or regulation; (2) communications between the component auditor(s), those charged with governance of the component(s), and component management, including communications of significant deficiencies and material weaknesses in internal control; (3) communications between regulatory authorities and the component(s) related to financial reporting matters; (4) access to component information, those charged with governance of the component(s), component management, and the component auditor(s) (including relevant audit documentation requested by us); and (5) permission to perform work, or request a component auditor to perform work, on the financial information of the component(s).

You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (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 schedule of expenditures of federal awards.

Management is responsible for the preparation of other supplementary information in accordance with U.S. GAAP. 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. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us 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 engagements or 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.

#### **Responsibilities and limitations related to nonaudit services**

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will prepare a draft of your financial statements, schedule of expenditures of federal awards, and related notes. Since the preparation and fair presentation of the financial statements and schedule of expenditures of federal awards is your responsibility, you will be required to acknowledge in the representation letter our assistance with preparation of the financial statements and schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. You have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements and schedule of expenditures of federal awards.
- We will propose adjusting journal entries as needed. You will be required to review and approve those entries and to understand the nature of the changes and their impact on the financial statements.

#### **Use of financial statements**

The financial statements and our report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the audited financial statements in a document, such as an annual report or an offering document, should be

done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

If we agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

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

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

#### **Engagement administration and other matters**

We expect to begin our audit procedures in December 2014. Please inform us of the planned timing of your year-end inventory procedures, and we may, depending on materiality, observe the counting of your year-end inventory procedures.

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

At the conclusion of the engagement, we will complete the auditor sections of the electronic Data Collection Form SF-SAC and perform the steps to certify the Form SF-SAC and single audit reporting package. It is management's responsibility to complete the auditee sections of the Data Collection Form. We will create the single audit reporting package PDF file for submission; however, it is management's responsibility to review for completeness and accuracy and electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be electronically submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

We will provide copies of our reports to the entity; 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.

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely matter to Minnesota Office of the State Auditor, 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 CLA 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 seven years after the report release date or for any additional period requested by the Minnesota Office of the State Auditor. If we are aware that a federal awarding agency, pass-through entity, 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.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our relationship with you is limited to that described in this letter. As such, you understand and agree that we are acting solely as independent accountants. We are not acting in any way as a fiduciary or assuming any fiduciary responsibilities for you. We are not responsible for the preparation of any report to any governmental agency, or any other form, return, or report or for providing advice or any other service not specifically recited in this letter.

*Government Auditing Standards* require that we make our most recent external peer review report publicly available. The report is posted on our website at [www.CLAconnect.com/Aboutus/](http://www.CLAconnect.com/Aboutus/).

#### **Mediation**

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you, including this engagement, shall be submitted to non-binding mediation by written notice

("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

#### **Time limitation**

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, any action or legal proceeding by you against us must be commenced within twenty-four (24) months ("Limitation Period") after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

#### **Fees**

We estimate that our fees for these services will be \$59,700 (\$55,300 for the audit and \$4,400 for the preparation of the financial statements and notes) and includes auditing three major programs for single audit purposes.. The above fee includes travel and other out-of-pocket costs such as report production, word processing, postage, copies, telephone, etc. The fee estimate is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fee for services will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimate. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will 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 even if we have not issued our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

#### ***Changes in accounting and audit standards***

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in

the letter increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

***Other fees***

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf. You and your attorney will receive a copy of every subpoena or request we are asked to respond to. You can control the costs of any discovery process or document request by informing us which requests you would like us to act on.

***Finance charges and collection expenses***

You agree that if any statement is not paid within 30 days from its date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

**HIPAA Business Associate Agreement**

To protect the privacy and provide for the security of any protected health information, as such is defined by the Health Insurance Portability and Accountability Act of 1996, as amended from time to time, and the regulations and policy guidances thereunder (HIPAA), Swift County and CLA shall enter into a HIPAA Business Associate Agreement (BAA) in the form attached hereto. If the attached HIPAA Business Associate Agreement is acceptable, please sign, date, and return it to us.

**Consent**

***Consent to use financial information***

Annually, we assemble a variety of benchmarking analyses using client data obtained through our audit and other engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by ET Section 301 of the AICPA Code of Professional Conduct. Your acceptance of this engagement letter will serve as your consent to use of Swift County's information in these cost comparison, performance indicator, and/or benchmarking reports.

***Subcontractors***

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement and the BAA.

**Agreement**

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between us. If you have any questions, please let us know. Please sign, date, and return the enclosed copy of this letter to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and our respective responsibilities.

Sincerely,

**CliftonLarsonAllen LLP**



Douglas P. Host, CPA  
Principal  
218-825-2948  
Doug.host@CLAconnect.com

Enclosure

**Response:**

This letter correctly sets forth the understanding of Swift County.

Authorized governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Authorized management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## HIPAA BUSINESS ASSOCIATE AGREEMENT

THIS HIPAA BUSINESS ASSOCIATE AGREEMENT (“Agreement”) is made by and between Swift County (hereinafter referred to as “Client”) and CliftonLarsonAllen LLP (hereinafter referred to as “CLA”). This Agreement is effective as of the date signed by Client.

### RECITALS

**WHEREAS**, Client is a “covered entity” within the meaning of 45 CFR § 160.103;

**WHEREAS**, CLA provides accounting, consulting, or other services to Client and, in connection therewith, Client wishes to disclose “protected health information” within the meaning of 45 CFR § 160.103 to CLA and CLA wishes to receive protected health information and, on behalf of Client, create, maintain, or transmit protected health information (collectively, “Client’s PHI”);

**WHEREAS**, CLA is a “business associate” within the meaning of 45 CFR § 160.103;

**WHEREAS**, Client and CLA intend to protect the privacy and provide for the security of Client’s PHI in compliance with the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act of 2009, and the regulations and policy guidance thereunder (“HIPAA Rules”);

**WHEREAS**, the HIPAA Rules require that Client receive adequate assurances that CLA will comply with certain obligations with respect to Client’s PHI and, accordingly, the parties hereto desire to enter into this Agreement for the purpose of setting forth in writing the terms and conditions for the use, disclosure, and safeguarding of Client’s PHI, including provisions required by the HIPAA Rules as the same may be amended from time to time;

**NOW, THEREFORE**, in consideration of the foregoing recitals and mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### TERMS OF AGREEMENT

**1. Obligations and Activities of CLA.**

a. Permitted and Required Uses and Disclosures. CLA shall not use or disclose Client’s PHI except as permitted or required by this Agreement or as required by law. Specifically, CLA agrees as follows:

i. CLA may only use or disclose Client’s PHI as necessary to perform the services set forth in the service agreement, if any, between Client and CLA, to perform functions, activities, or services for, or on behalf of, Client as requested by Client from time to time, or as required by law.

ii. CLA shall use or disclose only the “Minimum Necessary” amount of information, as such term is defined in the HIPAA Rules, required to conduct the authorized activities herein, except that CLA will limit disclosures to a limited data set as set forth in 45 CFR § 164.514(e)(2) as required by the HIPAA Rules.

iii. CLA may not use or disclose Client's PHI in a manner that would violate Subpart E of 45 CFR Part 164 if done by Client, except that CLA may use or disclose Client's PHI for the proper management and administration of CLA or to carry out the legal responsibilities of CLA, provided the use or disclosures are required by law or CLA obtains reasonable assurances from the person to whom the information is disclosed that Client's PHI will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies CLA of any instances of which it is aware in which the confidentiality of Client's PHI has been breached.

iv. CLA may use Client's PHI to provide "data aggregation services" relating to the health care operations of Client within the meaning of 45 CFR § 164.501.

v. CLA shall not disclose Client's PHI in a manner that would violate any restriction thereof which has been duly communicated to CLA.

vi. Except as permitted by the HIPAA Rules, CLA shall not directly or indirectly receive remuneration in exchange for any of Client's PHI unless authorized in writing by Client.

b. Safeguards. CLA shall use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of Client's PHI other than as provided in this Agreement.

i. Administrative Safeguards. CLA shall implement all required administrative safeguards pursuant to 45 CFR § 164.308 as such are made applicable to business associates pursuant to the HIPAA Rules. Additionally, CLA shall either implement or properly document the reasons for non-implementation of all administrative safeguards of 45 CFR § 164.308 that are designated as "addressable" as such are made applicable to business associates pursuant to the HIPAA Rules.

ii. Physical Safeguards. CLA shall implement all required physical safeguards pursuant to 45 CFR § 164.310 as such are made applicable to business associates pursuant to the HIPAA Rules. Additionally, CLA shall either implement or properly document the reasons for non-implementation of all physical safeguards of 45 CFR § 164.310 that are designated as "addressable" as such are made applicable to business associates pursuant to the HIPAA Rules.

iii. Technical Safeguards. CLA shall implement all required technical safeguards pursuant to 45 CFR § 164.312 as such are made applicable to business associates pursuant to the HIPAA Rules. Additionally, CLA shall either implement or properly document the reasons for non-implementation of all technical safeguards of 45 CFR § 164.312 that are designated as "addressable" as such are made applicable to business associates pursuant to the HIPAA Rules.

c. Reporting of Disclosures. CLA shall report to Client any use or disclosure of Client's PHI not provided for by this Agreement of which CLA becomes aware, including any acquisition, access, use or disclosure (i.e., "breach") of "unsecured

protected health information,” within the meaning of 45 CFR § 164.403, and any security incident of which CLA becomes aware. CLA shall make such report to Client without unreasonable delay and in no case later than sixty (60) calendar days following discovery of the breach. CLA’s notice to Client shall include all information needed by Client to provide notice to affected individuals and otherwise satisfy the requirements of 45 CFR § 164.410.

d. CLA’s Subcontractors. CLA may disclose Client’s PHI to one or more subcontractors and may allow its subcontractors to create, receive, maintain, or transmit Client’s PHI on behalf of CLA. CLA shall obtain satisfactory assurances from any such subcontractor that it will appropriately safeguard Client’s PHI in accordance with 45 CFR § 164.314(a) and shall ensure that the subcontractor agrees in writing to the same or more stringent restrictions, conditions, and requirements that apply to CLA with respect to Client’s PHI. Upon CLA contracting with a subcontractor regarding Client’s PHI, CLA shall provide Client written notice of such executed agreement and copy of agreement.

e. Satisfying Requests for Access. CLA shall make available to Client Client’s PHI in a “designated record set,” within the meaning of 45 CFR § 164.501, as Client may require to satisfy its obligations to respond to a request for access pursuant to 45 CFR § 164.524. If CLA receives a request for access directly from an individual or an individual’s designee, CLA shall forward such request within five (5) calendar days to Client for Client to fulfill. Alternatively, if directed by Client and agreed to by CLA, CLA shall make available to the individual or the individual’s designee Client’s PHI in a designated record set, as necessary to satisfy the requirements of 45 CFR § 164.524. CLA shall provide such access within thirty (30) calendar days of receiving a request for access and shall confirm to Client in writing that such request has been fulfilled.

f. Satisfying Requests for Amendment. CLA shall make any amendments to Client’s PHI in a designated record set, as Client may require to satisfy its obligations to respond to a request for amendment pursuant to 45 CFR § 164.526. If CLA receives a request for amendment directly from an individual or an individual’s designee, CLA shall forward such request within ten (10) calendar days to Client for Client to fulfill. Alternatively, if directed by Client and agreed to by CLA, CLA shall make an amendment to Client’s PHI in a designated record set, as necessary to satisfy the requirements of 45 CFR § 164.526. CLA shall make such amendment within sixty (60) calendar days of receiving a request for amendment and shall confirm to Client in writing that such request has been fulfilled.

g. Internal Practices. CLA shall make its internal practices, books and records relating to the use and disclosure of Client’s PHI available to the Secretary of the United States Department of Health and Human Services or his or her designee for purposes of determining compliance with the HIPAA Rules.

h. Accounting. CLA shall document disclosures of Client’s PHI and information related to such disclosures and otherwise maintain and make available the information required to provide an accounting of disclosures to the Client as necessary to permit the Client to respond to a request for an accounting pursuant to 45 CFR § 164.528. If CLA receives a request for an accounting directly from an individual or an individual’s designee, CLA shall forward such request within ten (10) calendar days to Client for

Client to fulfill. Alternatively, if directed by Client and agreed to by CLA, CLA shall provide an accounting as necessary to satisfy the requirements of 45 CFR § 164.528. CLA shall satisfy such request within sixty (60) calendar days of receiving a request for an accounting and shall confirm to Client in writing that such request has been fulfilled.

i. Policies and Procedures; Documentation. CLA shall develop appropriate policies and procedures relating to its compliance with the administrative, physical, and technical safeguards set forth in Section 1.b. and shall document, retain, and update such policies and procedures as required by 45 CFR § 164.316.

j. Compliance as if Covered Entity. To the extent CLA is to carry out one or more of the obligations imposed on the Client as a “covered entity” under Subpart E of 45 CFR Part 164, CLA shall comply with the requirements of said Subpart E that apply to the Client in the performance of such obligations.

2. Client Obligations. Client shall provide notice to CLA of any of the following:

a. Any limitations in the notice of privacy practices of Client under 45 CFR § 164.520, as well as any changes to such limitations, to the extent that such limitation may affect CLA’s use or disclosure of Client’s PHI.

b. Any changes in, or revocation of, the permission by an individual to use or disclose his or her protected health information, to the extent that such changes may affect CLA’s use or disclosure of Client’s PHI.

c. Any restriction on the use or disclosure of protected health information that Client has agreed to or is required to abide by under 45 CFR § 164.522, to the extent that such restriction may affect CLA’s use or disclosure of Client’s PHI.

Client shall not request CLA to use or disclose Client’s PHI in any manner that would not be permissible under the HIPAA Rules if done by Client, except that Client may request CLA to provide to Client “data aggregation services” relating to the health care operations of the Client within the meaning of 45 CFR § 164.501, as permitted by 45 CFR § 164.504(e)(2)(i)(B).

3. Termination of Agreement.

a. This Agreement shall terminate on the earliest to occur of an expiration or termination date, the date either party terminates the Agreement “for cause,” as described in Section 3.b., the date CLA terminates as described in Section 3c., or pursuant to Section 5 upon either party’s failure to negotiate or enter into an amendment to this Agreement.

b. Termination for Cause. A breach of any provision of this Agreement by either party, as determined by the non-breaching party, shall constitute a material breach of the Agreement and shall provide grounds for termination of the Agreement for cause if the breaching party is unable to cure such breach to the other party’s satisfaction within ten (10) days following written notice of such breach. The breaching party shall cooperate with the other party as necessary to mitigate the extent of any unauthorized disclosures of Client’s PHI or any damages or potential damages and liability under the

HIPAA Rules caused by any violation of this Agreement or other unauthorized use of Client's PHI.

c. Termination by CLA. Upon thirty (30) days' advance written notice, CLA shall have the right to terminate this Agreement if Client imposes additional restrictions or requirements regarding the use, disclosure, or maintenance of Client's PHI that CLA reasonably determines will materially affect CLA's ability to perform its responsibilities under this Agreement or will materially increase CLA's costs to perform its responsibilities under this Agreement.

**4. Treatment of Client's PHI after Termination.** Upon termination of this Agreement for any reason, CLA, with respect to Client's PHI, shall:

a. Retain only that portion of Client's PHI which is necessary for CLA to continue its proper management and administration or to carry out its legal responsibilities;

b. Return to Client or, if agreed to by Client, destroy remaining Client's PHI that CLA still maintains in any form and retain no copies of such Client's PHI;

c. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information to prevent use or disclosure of Client's PHI, other than as provided for in this Section, for as long as CLA retains any Client's PHI;

d. Not use or disclose Client's PHI retained by CLA other than for the purposes for which Client's PHI was retained and subject to the same conditions, as set forth in Section 2, which applied prior to termination;

e. Return to Client or, if agreed to by Client, destroy remaining Client's PHI retained by CLA when it is no longer needed by CLA for its proper management and administration or to carry out its legal responsibilities and retain no copies of such Client's PHI;

f. Obtain or ensure the destruction of any Client's PHI created, received, or maintained by any of CLA's subcontractors; and

g. Within thirty (30) calendar days after termination of this Agreement, certify in a written statement signed by a senior officer of CLA, that all Client's PHI has been returned or disposed of as required above.

If the parties mutually agree that return or destruction is not feasible, this Agreement shall continue to apply to Client's PHI and, without limitation to the foregoing, the obligations of CLA under this Agreement shall survive the termination of this Agreement with respect to any Client's PHI retained by CLA. CLA shall limit further use and disclosure of Client's PHI to those purposes that make the return or destruction of Client's PHI infeasible.

**5. Amendment to Comply with Law.** The parties acknowledge that state and federal laws relating to electronic data security and privacy are rapidly evolving and that



11. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall remain in full force, if the essential terms and conditions of this Agreement for each party remain valid, binding, and enforceable.

12. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties on the matters contained herein. All prior and contemporaneous negotiations and agreements between the parties on the matters contained in this Agreement are superseded by this Agreement.

13. **Non-Waiver.** No failure or delay in exercising any right or remedy under this Agreement and no course of dealing between the parties operates as a waiver or estoppel of any right, remedy, or condition. A waiver made in writing on one occasion is effective only in that instance and only for the purpose that it is given and is not to be construed as a waiver on any future occasion.

14. **Governing Law.** This Agreement shall be governed, construed, and interpreted in accordance with the laws of the State of Minnesota without regard to such state's conflict of laws provisions.

IN WITNESS WHEREOF, the parties have signed this Agreement.

Swift County

CliftonLarsonAllen LLP

By: \_\_\_\_\_

By: Douglas P. West

Print Name: \_\_\_\_\_

Print Name: Douglas P. West

Title: \_\_\_\_\_

Title: Principal

Date: \_\_\_\_\_

Date: 10-30-14



# Request for Board Action

BOARD MEETING DATE:  
November 18, 2014

## Commissioner's Report

### Department Information

ORIGINATING DEPARTMENT: Auditor	REQUESTOR: Kim Saterbak	REQUESTOR PHONE: 320-843-6108
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### Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: 3rd Quarter Executive Departmental Budget Report	
AGENDA YOU ARE REQUESTING TIME ON: 11:25 am	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
IS THIS MANDATED? No	EXPLANATION OF MANDATE: N/A
BACKGROUND/JUSTIFICATION: Attached is the 3rd Quarter Executive Departmental Budget Report Executive Departmental Budget Report that will be reviewed at the Commission's meeting.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? N/A	

### Budget Information

FUNDING: N/A
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### Review/Recommendation

COUNTY ATTORNEY: Robin Finke	COUNTY ADMINISTRATOR: Mike Pogge-Weaver
RECOMMENDATIONS: N/A	RECOMMENDATIONS: N/A
COMMENTS: N/A	COMMENTS: N/A

**SWIFT COUNTY  
BUDGET TO ACTUAL COMPARISON - 3rd QTR 2014**

Fund	Department	Expense	Revenue	Actual Expenses		Annual Budget		
				Current Yr	Prior Year	Current Yr	Prior Yr	
01	003	General Government	Includes Alliance Pipeline payment of \$179,231.99	Sending out request for Reimbursements from the State of MN, townships, and other taxing districts for their portion of the Alliance payments.	\$ 397,700	\$ 166,191	\$ (8,000)	\$ (8,000)
	5	Board of Commissioners			\$ 151,957	\$ 162,832	\$ 235,225	\$ 244,475
01	021	Law Library			\$ 14,503	\$ 12,088	\$ 23,475	\$ -
	31	County Administrator	Increase due to additional employees added during the year.		\$ 144,789	\$ 107,588	\$ 207,565	\$ 154,700
	40	County Auditor	Decrease due to wage and benefits decreasing of approx 50% from May 2013 forward.	Year end entry to reallocate auditor time.	\$ 117,253	\$ 181,647	\$ 174,600	\$ 143,052
	41	County Treasurer		Revenue has averaged about \$13,175 through 3rd Qtr over the last 4 years.	\$ 138,341	\$ 131,730	\$ 197,820	\$ 186,936
	42	County Assessor		Income is generate during the second quarter for City Assessments.	\$ 151,489	\$ 169,277	\$ 223,405	\$ 251,291
01	043	Public Examiners	One more invoice will be received from Clifton Allen, usually in December, for the balance of the contracted amount. Hildi inc. finished and billed the GASB 45 note for 2015 - 2017 for an amount of \$3260.		\$ 49,876	\$ 47,775	\$ 60,000	\$ 61,000
01	044	License and Permits		Most licensing will occur in June & July				
01	060	Data Processing		Human Services will reimburse this account in April County will reimburse in December	\$ 45,059	\$ 52,059	\$ 70,000	\$ 75,500
01	080	Election	Election expenses report are for the Primary Election.	Billing to the Cities/Townships will occur in the 4th Qtr for the Primary and General Election expenses	\$ 30,077	\$ 7,795	\$ 57,990	\$ 4,000
01	090	County Attorney		Money comes from the forfeiture fund-paid randomly	\$ 294,993	\$ 276,612	\$ 400,750	\$ 370,141
01	100	Land Records	Still waiting for billing from the scanning company of \$25,000 - \$30,000	Down from prior years thru September - \$105,000 in 2013, \$99,995 in 2012.	\$ 144,671	\$ 140,894	\$ 284,680	\$ 245,971
01	110	Courthouse			\$ 145,162	\$ 110,702	\$ 213,620	\$ 195,672
	111	County Museum Building	Approximately \$15,000 - \$20,000 will be spent in the 4th Qtr on utilities.		\$ 10,461	\$ 27,283	\$ 52,555	\$ 168,672
	112	CPHS Building		\$ 10,879	\$ 3,035	\$ 51,830		
	113	Prairie 5 Building		\$ 16,705	\$ 3,033	\$ 52,555		
	114	Rental House		\$ -	\$ -	\$ -		
	120	County Medical Insurance			\$ (576)	\$ (124,255)	\$ -	
	122	Veterans Services		Revenue is up approx \$6,000 from prior year - mainly due to more van reimbursements	\$ 99,314	\$ 93,922	\$ 141,040	\$ 145,518
	123	Planning & Zoning		The Block Grant is recorded YTD.	\$ 55,556	\$ 22,757	\$ 82,375	\$ 82,790
01	148	Technology Committee			\$ 2,585	\$ 5,403	\$ 19,600	\$ 17,300
	149	Tech Support			\$ 75,869	\$ 66,472	\$ 145,350	\$ 138,040

**SWIFT COUNTY  
BUDGET TO ACTUAL COMPARISON - 3rd QTR 2014**

01	200	Sheriff	Majority of the 800 Mhz expense has been paid in the 1st Qtr.	Income is up from 2013 800 Mhz radio.	\$	1,218,886	\$	898,175	\$	1,452,680	\$	1,243,058
01	202	911 Distribution			\$	34,418	\$	14,879	\$	197,000	\$	42,339
01	204	Coroner			\$	5,511	\$	10,355	\$	15,000	\$	15,000
01	205	Jail		More jail usage year to date compared to prior - \$22,954 in 2013 th	\$	559,321	\$	562,516	\$	898,145	\$	884,750
01	251	Grant 6W Community Corrections	Paid in the 2nd & 3rd Qtr - up \$20,000 from 2013.		\$	180,803	\$	161,584	\$	180,804	\$	161,590
01	261	Restorative Justice			\$	36,508	\$	35,406	\$	52,985	\$	84,479
01	280	Emergency Management		State Emergency Money \$29,656 was received in March and May	\$	55,413	\$	51,902	\$	72,420	\$	73,611
01	400	Countryside Public Health			\$	88,762	\$	86,177	\$	88,762	\$	86,177
01	406	Youth Programs			\$	75,523	\$	73,800	\$	104,160	\$	103,264
01	520	County Parks	Expenses generated mainly in 2nd & 3rd Qtr	Swift Falls Park Revenue thru Sept 30th is up \$5,000 comparied to 2013	\$	18,392	\$	88,823	\$	435,000	\$	516,000
01	521	Parks & Drainage			\$	151,395	\$	121,241	\$	223,128	\$	197,696
01	600	Extension			\$	76,649	\$	77,718	\$	135,355	\$	137,160
01	602	Agriculture Inspector			\$	10,125	\$	10,125	\$	13,500	\$	13,500
01	603	Predator Control	Gopher Bounty		\$	9,638	\$	7,069	\$	8,000	\$	8,000
01	703	Grants and Appropriations	Not all payments are made Qtrly - the two main annual payments are the Swift County Fair and Historical Society		\$	272,368	\$	333,420	\$	440,163	\$	379,070

\*\*\*\* **Swift County** \*\*\*\*  
Executive Departmental Budget to Actual Review  
As of September 30, 2014



Operational Funds

	Expenditures				Revenues				Net Actual
	Full Year Budget	1/1/2014 09/30/2014 Actual	Variance	PCT	Full Year Budget	1/1/2014 09/30/2014 Actual	Variance	PCT	
1 County General Revenue									
3 General Government	(8,000)	397,700	(405,700)	-4971	5,375,557	3,114,764	(2,260,793)	58	2,717,064
5 Board Of Commissioners	235,225	151,957	83,268	65	0	0	0	0	(151,957)
21 Law Library	23,475	14,503	8,972	62	15,500	12,330	(3,170)	80	(2,173)
31 County Administration	207,565	144,789	62,776	70	0	0	0	0	(144,789)
40 County Auditor	174,600	117,253	57,347	67	57,200	0	(57,200)	0	(117,253)
41 County Treasurer	197,820	138,341	59,479	70	12,600	12,527	(73)	99	(125,814)
42 County Assessor	223,405	151,489	71,916	68	38,500	38,761	261	101	(112,728)
43 Public Examiners	60,000	49,876	10,124	83	0	0	0	0	(49,876)
44 Licenses And Permits	0	0	0	0	4,100	2,770	(1,330)	68	2,770
60 Data Processing	70,000	45,059	24,941	64	24,142	0	(24,142)	0	(45,059)
89 Elections	57,990	30,077	27,913	52	37,200	1,032	(36,168)	3	(29,045)
90 County Attorney	400,750	294,993	105,757	74	13,000	1,139	(11,861)	9	(293,854)
100 Land Records	284,680	144,671	140,009	51	196,000	68,533	(127,467)	35	(76,137)
110 Courthouse	213,620	145,162	68,458	68	0	0	0	0	(145,162)
111 County Museum building	52,555	10,461	42,094	20	0	0	0	0	(10,461)
112 CPHS building	51,830	10,879	40,951	21	0	0	0	0	(10,879)
113 Prairie 5-Counsel Assoc building	52,555	16,705	35,850	32	0	0	0	0	(16,705)
114 Rental House	0	0	0	0	0	500	500	0	500
120 County Medical Insurance	0	(576)	576	0	0	0	0	0	576
122 Veterans Service	141,040	99,314	41,726	70	4,000	16,279	12,279	407	(83,035)
123 Planning And Zoning	82,375	55,556	26,819	67	78,590	78,878	288	100	23,322
148 Technology Committee	19,600	2,585	17,015	13	0	0	0	0	(2,585)
149 Technical Support	145,350	75,869	69,481	52	113,000	70,828	(42,172)	63	(5,040)
200 Sheriff	1,452,680	1,218,886	233,794	84	80,625	116,675	36,050	145	(1,102,210)
202 911 Distribution	197,000	34,418	162,582	17	197,000	53,948	(143,052)	27	19,530
204 Coroner	15,000	5,511	9,489	37	0	0	0	0	(5,511)
205 Jail	898,145	559,321	338,824	62	19,000	25,708	6,708	135	(533,613)
251 Grants 6W Community Corrections	180,804	180,803	1	100	0	0	0	0	(180,803)
261 Restorative Justice	52,985	36,508	16,477	69	0	200	200	0	(36,308)
280 Emergency Management	72,420	55,413	17,007	77	16,500	47,051	30,551	285	(8,362)
400 Countyside Public Health Service	88,762	88,762	0	100	0	0	0	0	(88,762)
406 Youth Programs	104,160	75,523	28,637	73	300	189	(111)	63	(75,333)
520 County Parks	435,000	18,392	416,608	4	428,000	14,497	(413,503)	3	(3,895)
521 Parks And Drainage	223,128	151,395	71,733	68	113,778	12,118	(101,660)	11	(139,277)
600 Extension	135,355	76,649	58,706	57	0	0	0	0	(76,649)
602 Agriculture Inspector	13,500	10,125	3,375	75	0	0	0	0	(10,125)
603 Predator Control	8,000	9,638	(1,638)	120	0	0	0	0	(9,638)
701 Economic Development Grow	0	0	0	0	0	0	0	0	0
703 Grants And Appropriations	440,163	272,368	167,795	62	0	0	0	0	(272,368)

Operational Funds

	Expenditures				Revenues				
	Full Year Budget	1/1/2014 09/30/2014 Actual	Variance	PCT	Full Year Budget	1/1/2014 09/30/2014 Actual	Variance	PCT	Net Actual
800 Unallocated	0	0	0	0	0	0	0	0	0
1 County General Revenue	7,003,537	4,890,374	2,113,163	70	6,824,592	3,688,728	(3,135,864)	54	(1,201,647)
	7,003,537	4,890,374	2,113,163		6,824,592	3,688,728	(3,135,864)		(1,201,647)



# Request for Board Action

BOARD MEETING DATE:  
November 18, 2014

## Commissioner's Report

### Department Information

ORIGINATING DEPARTMENT: Highway	REQUESTOR: Andrew Sander	REQUESTOR PHONE: (320) 842-5251
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### Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Consider approval for final SAP 076-620-021 to Riley Bros for a mill and overlay project west of Benson on CSAH 20.	
AGENDA YOU ARE REQUESTING TIME ON: 11:35 am	ARE YOU SEEKING APPROVAL OF A CONTRACT? no
IS THIS MANDATED? Yes	EXPLANATION OF MANDATE: Final contract approval from the County Board required.
BACKGROUND/JUSTIFICATION: The County awarded project SAP 076-620-021 to Riley Bros. and they have completed the work and the Highway Department would like to process final payment on the project.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED?    Awarded the Contract to Riley Bros.	

### Budget Information

FUNDING:	State
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### Review/Recommendation

COUNTY ATTORNEY: Robin Finke	COUNTY ADMINISTRATOR: Mike Pogge-Weaver
RECOMMENDATIONS: Did not review prior to the meeting	RECOMMENDATIONS: Approve
COMMENTS: n/a	COMMENTS: None

## **RESOLUTION**

**WHEREAS**, State Aid Project 076-620-021 has in all things been completed and the County Board being fully advised in the premise.

**NOW THEREFORE BE IT RESOLVED**, that the County of Swift hereby accepts said completed project for and in behalf of the County of Swift and authorizes final payment to Riley Bros. Const., Inc. in the amount of \$44,813.73 for the final contract amount totaling \$684,020.85.

Dated at Benson, Minnesota this 18<sup>th</sup> day of November, 2014.

Swift County Board of Commissioners

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Joe Fox, Chairman

ATTEST:

I, Michel Pogge-Weaver, Administrator in and for the County of Swift, Minnesota, do hereby certify that the above is a true and correct copy of a resolution adopted by the Board of County Commissioners on the 18<sup>th</sup> day of November, 2014.

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Michel Pogge-Weaver, Swift County Administrator



# Request for Board Action

BOARD MEETING DATE:  
November 18, 2014

## Commissioner's Report

### Department Information

ORIGINATING DEPARTMENT: Highway	REQUESTOR: Andrew Sander	REQUESTOR PHONE: (320) 842-5251
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### Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Consider approval of a resolution to move funds from the municipal state aid account to the regular state aid account.	
AGENDA YOU ARE REQUESTING TIME ON: 11:35 AM	ARE YOU SEEKING APPROVAL OF A CONTRACT? no
IS THIS MANDATED? No	EXPLANATION OF MANDATE: n/a
BACKGROUND/JUSTIFICATION: You are only allowed to carry a two year allotment in this account.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? None	

### Budget Information

FUNDING:	State
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### Review/Recommendation

COUNTY ATTORNEY: Robin Finke	COUNTY ADMINISTRATOR: Mike Pogge-Weaver
RECOMMENDATIONS: Did not review prior to the meeting	RECOMMENDATIONS: Approve
COMMENTS: n/a	COMMENTS: None

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COUNTY OF SWIFT

WHEREAS, Minnesota Statute 162.08, Subd 4 (3d), provides that accumulated balances in excess of two years of municipal account apportionments may be spent on projects located outside of municipalities under 5000 population when approved solely by resolution of the county board.

NOW, THEREFORE, BE IT RESOLVED, that the Commissioner of Transportation transfer \$ all funds (all funds) in excess of two years apportionment into the Regular Construction Account.

I, Michel Pogge-Weaver, duly appointed and qualified Administrator in and for the County of SWIFT, State of Minnesota, do hereby certify that the above is a true and full copy of a resolution duly adopted by the County Board of SWIFT County, Minnesota, assembled in (regular)(special) session on the 18th day of November, 2014.

County of SWIFT \_\_\_\_\_  
County Administrator