

# Notice & Agenda

## Swift County Board of Commissioners

Tuesday, September 15, 2015

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 September 1, 2015 Regular Meeting
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>Andy Sander, County Engineer</b>
	3-4	Consider approving an agreement with the City of Kerkhoven related to water main replacement on CSAH 35.
11:30 a.m.		<b>Kim Saterbak, County Auditor</b>
	5-6	Receive and review proposed 2016 ditch assessments
	7-19	Consider approval of the three year contract with Clifton Larson Allen to provide annual audit services for the years ended December 31, 2015, 2016, and 2017.
	None	Forfeiture Policy Discussion
12:00 p.m.		<b>Lunch break</b>
1:00 p.m.		<b>Jennifer Frost, RDA Executive Director</b>
	20-26	Consider making a loan to Do-Mat's for \$125,000 from the Swift County Revolving Loan Fund (federal funds balance).
1:05 p.m.		<b>Other Business</b>
	27-32	2016 Budget Discussion <ul style="list-style-type: none"><li>- Consider approving a resolution on the 2016 preliminary Budget and Levy for Swift County</li><li>- Consider approving a resolution setting the 2016 Truth in Taxation meeting for Dec 1, 2015 at 6:00 PM</li></ul>
	33-35	Consider approving a resolution on the 2016 Budget and Levy for the HRA
	33, 36-37	Consider approving a resolution on the 2016 Budget and Levy for the RDA
	None	Strategic Plan Update
2:30 p.m.		<b>Adjournment</b>

## **SWIFT COUNTY BOARD MINUTES**

### **September 1, 2015**

Chairman Peter Peterson called the meeting to order at 9:00 AM with all present. Also in attendance were County Administrator Mike Pogge-Weaver, County Attorney Danielle Olson, County Auditor Kim Saterbak, and Amanda Ness.

Chairman Peter Peterson asked if there were any changes to the agenda. There were none.

**09-01-15-01** Commissioner Hendricks moved and Commissioner Rudningen seconded to approve the agenda as presented. Motion carried unanimously.

**09-01-15-02** Commissioner Rudningen moved and Commissioner Edward Pederson seconded to approve the Consent Agenda which consisted of: (1) Minutes from the August 18, 2015 Meeting, and (2) Approval of a resolution setting a wheelage tax in 2016 for transportation improvements in Swift County. Motion carried unanimously.

**09-01-15-03** Commissioner Fox moved and Commissioner Edward Pederson seconded to approve the Commissioner warrants as follows: Revenue: \$59,459.65; Solid Waste: \$8,697.71; Road and Bridge: \$284,871.11; County Ditches: \$27,994.64; and Human Services, \$83.58 which includes the following bills over \$2,000: Anoka County Human Services, \$2,000.00; CliftonLarsonAllen LLP, \$10,000.00; Dooley Petroleum Inc., \$15,295.68; Glacial Plains Cooperative, \$3,704.96; Law Enforcement Technology Group LLC, \$31,218.22; Maney International of Alexandria, \$3,502.77; MN Dept of Transportation, \$3,335.17; Morris Sealcoat and Trucking Inc., \$246,904.30; Ron Ringquist, \$8,629.19; Swanston Equipment, \$2,627.45; Neil Tangen, Attorney, \$2,765.12; Upper MN Valley RDC, \$3,396.00; K. VanHeuveln Inc., \$16,162.17; and Waste Management of Northern Minnesota, \$7,907.03. Motion carried unanimously.

Board and Committee Reports were given as follows: Commissioner Fox reported on Chippewa River Watershed, Chip-Swift Ditch #9, SPCC, and SCBH. Commissioner Edward Pederson reported on Ditch #9 and DAC. Commissioner Rudningen reported on Prairie Lakes Youth, Health Insurance Committee, and Enhancing the Organization. Commissioner Hendrickx reported on AMC Planning Committee, SPCC, and Prairie Waters. Chairman Peter Peterson reported on Prairie Five Community Action Council and HRA.

Chairman Peter Peterson opened the floor for Citizen's Comments. There were none.

Maggie Boese of Countryside Public Health gave the board a presentation on the Safe Communities Coalition.

Senator Lyle Koenen and Representative Tim Miller gave a legislative update.

Woodland Centers CEO Rick Lee gave the board an update.

The board recessed for a short break and reconvened at 10:40 AM.

Auditor Kim Saterbak presented the board with a bid for tax-forfeiture property in the City of Appleton parcels #22-0291-000 and #22-0297-100 from Bill and Ann Hanson.

**09-01-15-04** Commissioner Rudningen moved and Commissioner Edward Pederson seconded to deny the request which was amended to table the request for one month. Motion carried unanimously.

Administrator Pogge-Weaver presented the board with the 2016 Preliminary Budget.

Administrator Pogge-Weaver also updated the board on the health insurance committee, a possible new plan from the Sportsman's Club of Benson, and the building space needs study.

Administrator Pogge-Weaver further requested approval of an MOU between AFSCME Local #2538 – Human Services Unit and Swift County on implementation of the Classification and Compensation Study.

**09-01-15-05** Commissioner Hendrickx moved and Commissioner Rudningen seconded to approve the MOU resolution. Motion carried unanimously.

There was no strategic plan update.

**09-01-15-06** Commissioner Rudningen moved and Commissioner Edward Pederson seconded to adjourn. Motion carried unanimously.

Meeting adjourned at 12:24 PM.

WITNESSED:

\_\_\_\_\_  
Peter Peterson, Chair

ATTEST:

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



# Request for Board Action

BOARD MEETING DATE:  
September 15th, 2015

## 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 approving an agreement with the City of Kerkhoven related to water main replacement on CSAH 35.	
AGENDA YOU ARE REQUESTING TIME ON: 11:25 am	ARE YOU SEEKING APPROVAL OF A CONTRACT? yes
IS THIS MANDATED? no	EXPLANATION OF MANDATE:
BACKGROUND/JUSTIFICATION: County was planning on doing some repairs to CSAH 35 in Kerkhoven the city said that they would like to do some work to the water line under the roadway before the county paves the road.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? none	

### Budget Information

FUNDING:	<a href="#">Click here to enter text.</a>
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### Review/Recommendation

COUNTY ATTORNEY: Danielle Olson	COUNTY ADMINISTRATOR: Mike Pogge-Weaver
RECOMMENDATIONS: Was not submitted for review	RECOMMENDATIONS: Approve
COMMENTS: n/a	COMMENTS: None



August 10, 2015

# CITY OF KERKHOVEN

208 10TH STREET NORTH  
KERKHOVEN, MINNESOTA 56252

CITY OFFICE  
(320) 264-2581

POLICE DEPT. - (320) 264-5972  
MAINT. DEPT. - (320) 264-1275

Andy Sander  
Swift County Engineer  
1635 Hoban Ave.  
Benson MN 56215

Re: City of Kerkhoven  
Watermain Replacement  
WSN#356A0022

Dear Mr. Sander:

Swift County has notified the City of Kerkhoven that some work is proposed on County Road 35 (14<sup>th</sup> Street) from north of TH12 to Idaho Avenue. The City of Kerkhoven wishes to replace the watermain under this street.

A meeting was held onsite on June 2, 2015 to discuss the improvements. It was agreed that the City of Kerkhoven would reclaim the bituminous full width in the project area. Swift County agreed to place the bituminous in the project area in 2016.

This letter will serve as an agreement between the City of Kerkhoven and Swift County for the proposed work. The City is authorized to proceed with the watermain replacement on County 35 upon both parties signing this letter.

The plans for the proposed City watermain are attached.

If you have any questions, please advise.

Sincerely,  
City of Kerkhoven

Brian Thompson  
Mayor

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Andy Sander  
Swift County Engineer



# Request for Board Action

BOARD MEETING DATE:  
September 15, 2015

## Commissioner's Report

### Department Information

ORIGINATING DEPARTMENT: Auditor	REQUESTOR: Kim Saterbak	REQUESTOR PHONE: 320-843-4069
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### Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Receive and review proposed 2016 ditch assessments	
AGENDA YOU ARE REQUESTING TIME ON: 11:30 am	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
IS THIS MANDATED? No	EXPLANATION OF MANDATE: n/a
BACKGROUND/JUSTIFICATION: Attached are the proposed 2016 ditch assessments. They will be reviewed with the board at your September 15 <sup>th</sup> meeting. Formal action of the proposed assessments will occur on October 6, 2015	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? None	

### Budget Information

FUNDING: n/a
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### Review/Recommendation

COUNTY ATTORNEY: Danielle Olson	COUNTY ADMINISTRATOR: Mike Pogge-Weaver
RECOMMENDATIONS: Was not submitted for review	RECOMMENDATIONS: Review
COMMENTS: n/a	COMMENTS: None

## Proposed 2016 Ditch Assessments

			Proposed 2016 Levy
9770	REP JT COUNTY DITCH #19	\$	30,000
9834	REPAIR JUDICIAL DITCH #2		2,000
9851	REPAIR JUDICIAL DITCH #5		25,000
9877	REPAIR JUDICIAL DITCH #8		150,000
9882	REPAIR JUDICIAL DITCH #21 (s, k, & c)		5,000
9930	LATERAL "A" CO DITCH #62		1,000
9933	REPAIR COUNTY DITCH #1		5,000
9946	REPAIR COUNTY DITCH #58		5,000
9947	REPAIR IMP EXT COUNTY DITCH #52		5,000
9957	REPAIR COUNTY DITCH #55		5,000
9960	REPAIR COUNTY DITCH #62		15,000
9962	REPAIR COUNTY DITCH #7		5,000
9965	REPAIR COUNTY DITCH #14		20,000
9966	REPAIR COUNTY DITCH #15		100
9977	REPAIR COUNTY DITCH #24		10,000
9978	REPAIR COUNTY DITCH #8		2,000
9988	REPAIR COUNTY DITCH #66		1,000
n/a	REPAIR LAT "A" JUD DITCH #19		12,000
		\$	<b>298,100</b>



# Request for Board Action

BOARD MEETING DATE:  
September 15, 2015

## 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 approval of the three year contract with Clifton Larson Allen to provide annual audit services for the years ended December 31, 2015, 2016, and 2017.	
AGENDA YOU ARE REQUESTING TIME ON: 11:30 am	ARE YOU SEEKING APPROVAL OF A CONTRACT? Yes
IS THIS MANDATED? Yes	EXPLANATION OF MANDATE: Contracts must be approved by the Board
BACKGROUND/JUSTIFICATION: Clifton Larson Allen has submitted their proposal to provide annual audit services for years ended December 31, 2015, 2016, and 2017. The proposal is contingent on the approval by the State Auditor's Office to release Swift County from state audit requirements per our request dated October 7, 2014.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED?	

### Budget Information

FUNDING: n/a
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### Review/Recommendation

COUNTY ATTORNEY: Danielle Olson	COUNTY ADMINISTRATOR: Mike Pogge-Weaver
RECOMMENDATIONS: Was not submitted for review prior to the meeting. Will review to form prior to final execution.	RECOMMENDATIONS: Approve
COMMENTS: n/a	COMMENTS: None



# CliftonLarsonAllen

CliftonLarsonAllen LLP  
PO Box 648, Brainerd, MN 56401-0648  
14275 Golf Course Drive, Suite 300  
Baxter, MN 56425-8674  
218-828-0100 | fax 218-828-9503  
CLAconnect.com

August 26, 2015

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 years ended December 31, 2015, 2016, and 2017. Please note that if the Minnesota Office of the State Auditor does not allow Swift County to continue to utilize a CPA firm to conduct its audit for these fiscal years, this engagement letter will be cancelled.

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 years ended December 31, 2015, 2016, and 2017, 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, as applicable
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.

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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 2015. 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.

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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.

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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) for the 2015 audit, \$59,700 (\$55,300 for the audit and \$4,400 for the preparation of the financial statements and notes) for the 2016 audit, and \$61,500 (\$56,700 for the audit and \$4,800 for the preparation of the financial statements and notes) for the 2017 audit. These estimates include auditing three major programs for single audit purposes for each year audited. 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 have entered into a HIPAA Business Associate Agreement (BAA).

**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***

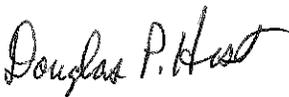
CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement and the BAA.

**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: \_\_\_\_\_



# Request for Board Action

BOARD MEETING DATE:  
September 15, 2015

## Commissioner's Report

### Department Information

ORIGINATING DEPARTMENT: RDA	REQUESTOR: Jennifer Frost	REQUESTOR PHONE: 320-842-4769
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### Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Consider making a loan to Do-Mat's for \$125,000 from the Swift County Revolving Loan Fund (federal funds balance).	
AGENDA YOU ARE REQUESTING TIME ON: 1:00 PM	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
IS THIS MANDATED? No	EXPLANATION OF MANDATE: NA
BACKGROUND/JUSTIFICATION: RDA Loan Committee met on 9/8 to review a \$125k loan application from Do-Mats, Inc. for land purchase, new building construction and equipment for a grocery store and leased space for a pharmacy and off sale liquor. Total project cost: \$3.7M. Committee recommended Approval to allow request to USDA REAP to move forward. Approval is contingent upon positive cash flow of the project when all parties to the deal have acted, including prospective lessees, if applicable. Amount recommended is \$125k at 3% for 10 years with a shared 2nd pro-rata position on all business assets including RE. No funds disbursement will be made until Loan Committee reviews final plan. 9 month approval window due to construction timeline (typically only 90 days).	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED?	RDC WesMN Fund approved \$100k on 7/20 (shared 2nd all – 4%, 10 years), Agralite – REED fund pending \$600k, Klein Bank \$2.8M pending USDA REAP approval.

### Budget Information

FUNDING: Swift County RLF Federal Funds balance ~\$265k available to lend, so sufficient funds exist.
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### Review/Recommendation

COUNTY ATTORNEY: Danielle Olson	COUNTY ADMINISTRATOR: Mike Pogge-Weaver
RECOMMENDATIONS: Was not submitted for review.	RECOMMENDATIONS: Review and take an action
COMMENTS: n/a	COMMENTS: None

Swift County Rural Development Authority (RDA)  
Loan Application

FOR OFFICE USE ONLY

DO NOT WRITE BELOW THIS LINE

DATE: 9/8/15

NAME OF BORROWER: Do Mats, Inc.

AMOUNT OF LOAN REQUESTED: \$125,000

LOAN:  Approved  Denied

AMOUNT OF LOAN APPROVED: ~~\$125k~~ INTEREST RATE: 3%

NUMBER OF PAYMENTS: 120

PAYMENT SCHEDULE: monthly

LOAN SOURCE(S) USED BY RDA AND AMOUNT(S): Swift County RLF

COLLATERAL AND POSITION: Shared pro-rata second all business assets.

LOAN CLOSING DATE: TBD - 9 month holding for approval

COMMENTS: (If loan was denied or approved with conditions, state reasons, conditions and recommendations.)

Rec- Approval contingent on final plan cash flowing. No funds will be disbursed until final plan presented to loan committee. Provisional approval recommended now to accompany USDA application to secure guaranty.

LOAN REVIEW COMMITTEE SIGNATURES

DATE

Amanda Ness

9-8-15

Andy Simone

9-8-15

Edward Leavens

9-8-15

APPLICANT SIGNATURES

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**REVOLVING LOAN FUND**

**I. APPLICANT INFORMATION**

Name of Business DoMats, Inc.  
 Business Address 2004 Minnesota Ave.  
 City Berison Zip code 56215 Business Phone 320 842-7221  
 Website www.domats.com

Applicant Name Timothy Mattheisen Title President  
 Address 1730 Stone Ave.  
 City Benson State MN Zip code 56215  
 Contact Phone 320 842-7221 E-mail address tim@domats.com

Type of Business:  Sole Proprietorship     Corporation     Partnership  
 Limited Liability Corporation     Limited Liability Partnership

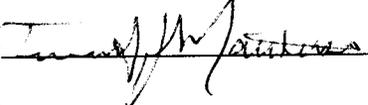
Please list individuals with ownership share in the Business:

Name	Address	Phone	%Ownership
<u>Timothy Mattheisen</u>	<u>1730 Stone Ave. - Benson</u>		<u>100%</u>

**TO BE SIGNED BY APPLICANT**

I have willfully furnished this information to the entity indicated on page one of this applications, for the purpose of applying for a loan.

- § I understand the information provided may be reviewed by the appropriate staff, and/or Board(s).
- § I understand that the information I have provided may be made public according to the laws of the State of Minnesota.
- § I am fully aware that if my loan is approved, I will be responsible to pay legal fees incurred by the loan originator and filing or search fees associated with the loan made to me and/or my business.
- § I understand that if approved, the funds provided are a loan and must be paid back to the lender(s) in the time and under the conditions agreed to at the time of approval.

Applicant Signature  Date 6-26-15  
 Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

**REVOLVING LOAN FUND  
 Application**

**II. NATURE OF LOAN REQUEST**

What is the nature of the business?

Selling groceries at retail

Brief description of the project for which funding is sought

Land Purchase, New Building Construction, and Equipment for a Grocery Store and leased space for a pharmacy and off sale liquor

How much cash equity are you planning to invest in your business venture? \$ \_\_\_\_\_

Total Project Cost \$ 3,756,555. Amount of Public Loan Request \$ 125,000.

Term 10 years Interest Rate 3 %

Collateral Shared 2nd Position all business assets incl. RE

Type of Project:  Existing Business Expansion  New Business

Purchase of Existing Business

Other, please explain \_\_\_\_\_

Direct impact of this project on local tax base \$ 1.3 m (est. taxable value increase)

Projected job generation within a two-year time frame as a result of this loan:

Existing jobs	+ Jobs Created	= Total
<u>34</u>	<u>2-3</u>	<u>36-37</u>

List other benefits to the community you believe will be directly attributable to your project:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Proposed  
Final Structure pending  
Approvals

**III. SOURCES AND USES OF FUNDS**

Please complete this section for the funding sources you are applying to, or have commitments from for this project.

Sources and Use of Funds				upper Mn Valley RDA	REED	UNKNOWN	
Purposes for which funds are to be used	Swift County	Banks	Equity	Other (specify)	Other (specify)	At This Time Other (specify)	Total
Property Acquisition	\$	\$160,000	\$	\$	\$	\$	\$160,000.
Site Improvement		375,580					375,580
Building Renovation							
New Construction		1,401,583			600,000	25,816	2,027,399.
Machinery & Equipment	125,000	720,253.		100,000		86,323	153,323 880,253.
Working Capital							
Inventory							
Debt Financing	Typically N/A						
Contingencies Other (Specify)		150,000					150,000.
Legal Other (Specify)		10,000					10,000.
<b>TOTAL</b>	<b>125,000</b>	<b>2,817,416</b>		<b>100,000</b>	<b>600,000</b>	<b>114,139</b>	<b>3,756,555</b>

Project Cost and Request Summary				upper Mn Valley RDA	REED	Un Known	
	Swift County	Bank	Equity	Other specify	Other specify	Other specify	Total
Amount	\$125,000	\$2,817,416	\$	\$100,000	\$600,000	\$114,139	\$3,756,555.
% of Project Cost	3.3%	75%		2.7%	15.9%	3.1%	100%
Term (years)	10			10			
Amortization	10			10			
Interest Rate	3%			4%			
Debt Service	965			1012			132,000
Lien Position	shared 2nd	1st		shared 2nd	shared 2nd		
Collateral	All	All		All	All		
First Pmt Date	TBD						
<b>TOTAL</b>							

**IV. JOB CREATION/RETENTION INFORMATION**

Provide the following information on the jobs you expect to create and/or retain due to the loan from the Swift County loan program

Job Title	# of Jobs	Hourly Wages	Annual Salary	Are jobs Perm. Or Temp?	Are jobs Full or Part-time?	Expected Hiring Date

Jobs Creation Timetable: Indicate in the following table the quarter following receipt of loan funds when jobs will be added to the firm

*Unknown - Jobs will be added when needed.*

Job Title	# of Jobs	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 5	Qtr 6	Qtr 7	Qtr 8

Additional information regarding job creation or retention that may be helpful to the loan committee:

*All current employees will be retained - 34 existing jobs*

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**V. APPLICATION CHECKLIST**

**The following items must be provided to staff at least one week prior to consideration by the public lender(s).**

**To be completed by Applicant:**

- Application (with assistance by staff or others if needed). The application must be signed by the applicant(s) to be considered complete.
- Business plan (see guide provided by staff).
- Historical financial information for the past three years including cash flows, profit and loss statements, and balance sheets
- Projected financial information for the next three years including monthly cash flow for the first year, annual cash flow for the next two years, profit and loss statements, and balance sheets
- Personal financial statement, less than 90 days old, for each person with a 20% or greater share of ownership in the business
- Authorization form, one for each individual seeking financing from the public entity
- Current business financial statements, less than 30 days old
- List of current debts, both business and personal, indicating original loan amount, purpose, lender, term and interest rate, payment amount and frequency, status, and maturity date
- Letters from appropriate offices regarding liens and judgments on record against both the business and owners
- A letter from the applicant stating reasons the loan is needed; why the project could not be funded by private sources; stating that the business will operate in the proposed location for at least five years after the loan is made; stating that the business does not have any ongoing adverse action on record with OSHA, EPA, MPCA, NLRB, FSA or other State or Federal agencies; and stating that the project will result in no adverse environmental impacts.

**If approved Applicant must provide:**

- Proof that the public lender is listed as a loss payee on the item(s) financed for the duration of the loan, annual proof will be provided
- Proof that public lender is listed as beneficiary on life insurance policy for balance of loan

**To be completed by financial institution(s):**

- Letter(s) stating amount of loan(s) for this project, and their terms and conditions
- Letter(s) of denial including reasons for denial

**To be completed by staff:**

- Credit check
- Communicate with lender(s)
- Assist applicant complete application and supporting documentation

**To be signed by applicant:**

I have willfully furnished this confidential information to the Swift County Rural Development Authority for the purpose of applying for a loan. I understand that this information will be reviewed by the Swift County RDA Staff and will be available for review by the SCRDA Loan Committee.

  
Signature

6-26-15  
Date



# Request for Board Action

BOARD MEETING DATE:  
September 15, 2015

## Commissioner's Report

### Department Information

ORIGINATING DEPARTMENT: Administration	REQUESTOR: Mike Pogge-Weaver	REQUESTOR PHONE: 320-314-8399
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### Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Review the 2016 Budget and Levy for Swift County and consider the following actions: <ol style="list-style-type: none"> <li>1. Consider approving a resolution on the 2016 preliminary Budget and Levy for Swift County</li> <li>2. Consider approving a resolution setting the 2016 Truth in Taxation meeting for Dec 1, 2015 at 6:00 PM</li> </ol>	
AGENDA YOU ARE REQUESTING TIME ON: Other Business	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
IS THIS MANDATED? Yes	EXPLANATION OF MANDATE: The County Board is required to approve preliminary levies and budgets prior to September 30. They are also required to set the TNT meeting by September 30.
BACKGROUND/JUSTIFICATION: Attached are resolutions setting preliminary 2016 budget and levy along with the 2016 TNT public hearing for December 1, 2015 at 6:00 PM. Based on the discussion that occurred at the September 1st meeting, I am proposing two revisions to the preliminary budget.  The first change is to add \$188,885 to be used for the purchase of an ambulance for Appleton in 2016. As discussed at the board meeting on September 1 <sup>st</sup> , I propose that we use loan repayments from CNH-I for this versus increasing the levy for this one-time purchase.  The second item is to add \$200,000 for potential technology improvements in Human Services. At the meeting on September 1 <sup>st</sup> , I discussed the concern of ensuring that our employees have the right tools to do their jobs and the need for more technology. Based on that discuss, commissioners suggested looking at increasing the levy to 4.0% to fund potential technology improvements. Just one of the potential solutions would cost in the range of \$200,000. Staff is not in the position to make a final recommendation to the board but is requesting that the board consider approving a preliminary levy with this \$200,000 increase in funding and allow staff to research various options and report back to the board prior to setting the final levy in December.  The attached sheet titled 2016 Preliminary Budget - Possible Levies lists three options. The first approves the preliminary gross levy presented on September 1 <sup>st</sup> at \$9,858,967. The second increases the gross levy to an overall increase of 4% over 2015 or \$74,842 to \$9,933,909. The final increases the gross levy by \$200,000 over what was presented on September 1 to \$10,058,967. One of these three options needs to be selected by the board and added to the attached resolution. The 2015 Gross Levy was \$9,565,848.  Approving the preliminary budget and levy will set the maximum levy for 2016. The board may still adjust the levy to a lower sum when the final budget is adopted in December.  The board needs to take two actions on September 15th. First approve a resolution setting the 2016 budget and levy and second approve a resolution setting the 2016 TNT public hearing.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? None	

## Budget Information

<b>FUNDING:</b> These actions set the 2016 preliminary budget and levy for the County.
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## Review/Recommendation

<b>COUNTY ATTORNEY:</b> Danielle Olson	<b>COUNTY ADMINISTRATOR:</b> Mike Pogge-Weaver
<b>RECOMMENDATIONS:</b> Was not submitted for review	<b>RECOMMENDATIONS:</b> Approve
<b>COMMENTS:</b> n/a	<b>COMMENTS:</b> None

2016 Preliminary Budget  
Change between the September 1st Draft and the September 15th Draft

Account Number	Description	Sept 1 Preliminary Budget	Sept 15 Preliminary Budget	Change	Notes
<b>Ambulance</b>					
01-490-000-0000-6603	Furniture & Equipment Purchase	0	118,885	118,885	Purchase of Ambulance for Appleton
<b>Human Services</b>					
11-404-600-0010-6612	Funded Depreciation	0	200,000	200,000	Holding account for potential technology improvements in Human Services

## Levy Changes

<b>General Revenue</b>					
Account Number	Description	Sept 1 Preliminary Budget	Sept 15 Preliminary Budget	Change	Notes
11-404-600-0000-5001	Current Tax	468,415	668,415	200,000	Increase to Human Services Levy Amount for potential technology

## Proposed Levy

	Sept 1 Preliminary Budget	Sept 15 Preliminary Budget	Change
2016 Gross Levy	9,858,967	10,058,967	
2015 Gross Levy	9,565,848	9,565,848	
2016 Gross Levy Total Increase	293,119	493,119	
<b>2016 Gross Levy Percentage Increase</b>	<b>3.06%</b>	<b>5.15%</b>	<b>2.09%</b>
2016 Net Levy	9,708,302	9,908,302	
2015 Net Levy	9,406,965	9,406,965	
2016 Net Levy Total Increase	301,337	501,337	
<b>2016 Net Levy Percentage Increase</b>	<b>3.20%</b>	<b>5.33%</b>	<b>2.13%</b>

2016 Preliminary Budget  
Possible Levies

	September 1 Preliminary Levy	Increase Net Levy to 4%	Increase Net Levy by \$200,000 over 9/1 Preliminary Budget
Gross Levy	\$ 9,858,967	\$ 9,933,909	\$ 10,058,967
CPA	\$ 188,286	\$ 188,286	\$ 188,286
Operating Levy	\$ 9,670,681	\$ 9,745,623	\$ 9,870,681
Special Levies	\$ 37,621	\$ 37,621	\$ 37,621
Total Final Net Levy	\$ 9,708,302	\$ 9,783,244	\$ 9,908,302
Change in Net Levy		\$ 74,942	\$ 200,000

**RESOLUTION  
ADOPTING PRELIMINARY SWIFT COUNTY  
2016 BUDGET & LEVY**

Motion by Commissioner \_\_\_\_\_ Seconded by Commissioner \_\_\_\_\_

WHEREAS, pursuant to Minnesota Statute 275.065, subdivision 1, the County’s 2016 Preliminary Budget and Levy must be adopted by September 30, 2015; and

WHEREAS, the county Board recognizes that its levy may be adjusted to a lower sum at the time of final adoption in December, 2015.

THEREFORE BE IT RESOLVED that the Swift County Board of Commissioners hereby adopts its 2016 preliminary budget, dated September 15, 2015 and attached hereto as Appendix A.

BE IT FURTHER RESOLVED that the preliminary levy payable in 2016 be set as follows:

Gross Levy	\$ X,XXX,XXX
CPA	\$ 188,286
<hr/>	
Operating Levy	\$ X,XXX,XXX
Special Levies	\$ 37,621
<hr/>	
Total Final Net Levy	\$ X,XXX,XXX

Adopted on a \_\_\_\_\_ vote by the Swift County Board of County Commissioners the 15th day of September 2015.

Swift County Board of Commissioners

\_\_\_\_\_  
Peter Peterson, Chairman

ATTEST:

\_\_\_\_\_  
Michel J. Pogge-Weaver  
County Administrator and Clerk of the Board

Fox \_\_\_\_\_  
P. Peterson \_\_\_\_\_

Hendrickx \_\_\_\_\_  
Rudninge \_\_\_\_\_

E. Pederson \_\_\_\_\_

**RESOLUTION**  
**SETTING PAYABLE 2016 TRUTH-IN-TAXATION HEARING**

Motion by Commissioner \_\_\_\_\_ Seconded by Commissioner \_\_\_\_\_

WHEREAS, pursuant to Minnesota Statute, the County is required to set and hold a Truth-in-Taxation public hearing.

THEREFORE BE IT RESOLVED that the Swift County Board of Commissioners hereby moves the December 1, 2015 regular 9:00 AM Swift County Board of Commissioner meeting to 4:00 PM; and

BE IT FURTHER RESOLVED that the Swift County, Minnesota, Payable 2016 Truth-in-Taxation hearing shall be at 6:00 PM on Tuesday, December 1, 2015.

Adopted on a \_\_\_\_\_ vote by the Swift County Board of County Commissioners the 15th day of September 2015.

Swift County Board of Commissioners

\_\_\_\_\_  
Peter Peterson, Chairman

ATTEST:

\_\_\_\_\_  
Michel J. Pogge-Weaver  
County Administrator and Clerk of the Board

Fox \_\_\_\_\_  
P. Peterson \_\_\_\_\_

Hendrickx \_\_\_\_\_  
Rudningen \_\_\_\_\_

E. Pederson \_\_\_\_\_



# Request for Board Action

BOARD MEETING DATE:  
September 15, 2015

## Commissioner's Report

### Department Information

ORIGINATING DEPARTMENT: Administration	REQUESTOR: Mike Pogge-Weaver	REQUESTOR PHONE: 320-314-8399
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### Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Review the 2016 Budgets and Levies for the HRA and RDA and consider the following actions: <ol style="list-style-type: none"> <li>1. Consider approving a resolution on the 2016 Budget and Levy for the HRA</li> <li>2. Consider approving a resolution on the 2016 Budget and Levy for the RDA</li> </ol>	
AGENDA YOU ARE REQUESTING TIME ON: Other Business	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
IS THIS MANDATED? Yes	EXPLANATION OF MANDATE: The County Board is required to approve preliminary levies and budgets for special taxing districts prior to September 15.
BACKGROUND/JUSTIFICATION: Attached are the 2016 requested budgets and resolutions approving the corresponding 2016 levy requests. The HRA is requesting a \$100,000 increase and the RDA is requesting the same levy for 2016 as they requested and were approved for 2015. The HRA levy request is \$145,000 and the RDA is \$87,000.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? None	

### Budget Information

FUNDING: These actions set the 2016 preliminary budget and levies for the HRA and RDA.
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### Review/Recommendation

COUNTY ATTORNEY: Danielle Olson	COUNTY ADMINISTRATOR: Mike Pogge-Weaver
RECOMMENDATIONS: Was not submitted for review	RECOMMENDATIONS: Approve
COMMENTS: n/a	COMMENTS: None

**RESOLUTION**

**APPROVING THE AUTHORIZATION OF THE SPECIAL BENEFIT TAX  
PURSUANT TO MINNESOTA STATUTES 469.033, SUBD.6 FOR  
THE HOUSING AND REDEVELOPMENT AUTHORITY OF SWIFT COUNTY, MN**

Motion by Commissioner \_\_\_\_\_ Seconded by Commissioner \_\_\_\_\_

**WHEREAS**, the Housing and Redevelopment Authority of Swift County, Minnesota ( the HRA) was created by the Swift County Board of Commissioners pursuant to Minnesota Statutes, Section 469.004; and

**WHEREAS**, pursuant to such action, the HRA was granted all powers and duties of a Housing and Redevelopment Authority under the provisions of the Municipal Housing and Redevelopment Act, Minnesota Statutes, Section 469.001 to 469.047 ( formally 462.411-462.711) (“The Act”) and

**WHEREAS**, the HRA desires to levy such a special benefit tax in the amount of \$145,000 which is less than 0.0185% of taxable market value upon all taxable property, both real and personal, within the HRA’s area of operation; and

**WHEREAS**, the levy of such a special benefit tax is subject to the consent of the Board of Commissioners of Swift County, Minnesota; and

**WHEREAS**, the HRA is also required pursuant to Section 469.033, Subd. 6, of the Act to, in connection with the levy of such a special benefit tax, formulate and file a budget in accordance with the budget procedure of the County in the same manner as required of the executive departments of the County, and the amount of the tax levy for the following year shall be based on that budget and approved by the Board Commissioners of Swift County;

**NOW THEREFORE, BE IT RESOLVED** that the Board of Commissioners of Swift County, Minnesota hereby accepts the 2016 budget and consents to the levy of a special benefit tax for taxes payable in 2016 within the Authority’s taxing jurisdiction in the amount of \$145,000 for purposes outlined and authorized by Minnesota Statutes 469.001 to 469.047, but in no case shall the dollar levy for the HRA exceed the limitations prescribed by Minnesota Statutes, Section 469.027 to 469.033.

Adopted on a \_\_\_\_\_ vote by the Swift County Board of County Commissioners the 15th day of September 2015.

Swift County Board of Commissioners

\_\_\_\_\_  
Peter Peterson, Chairman

ATTEST:

\_\_\_\_\_  
Michel J. Pogge-Weaver  
County Administrator and Clerk of the Board

Fox \_\_\_\_\_  
P. Peterson \_\_\_\_\_

Hendrickx \_\_\_\_\_  
Rudningen \_\_\_\_\_

E. Pederson \_\_\_\_\_

Resolution 15-08-01

The Housing and Redevelopment Authority of Swift County, Minnesota  
Resolution Approving the  
Authorization of the Special Benefit Tax  
Pursuant to Minnesota Statutes 469.033, Subd.6

**Whereas**, the Housing and Redevelopment Authority of Swift County, Minnesota ( the HRA) was created by the Swift County Board of Commissioners pursuant to Minnesota Statutes, Section 469.004; and

**Whereas**, pursuant to such action, the HRA was granted all powers and duties of a Housing and Redevelopment Authority under the provisions of the Municipal Housing and Redevelopment Act, Minnesota Statutes, Section 469.001 to 469.047 ( formally 462.411-462.711) ("The Act") and

**Whereas**, the HRA desires to levy such a special benefit tax in the amount of    \$145,000    which is less than 0.0185% of taxable market value upon all taxable property, both real and personal, within the HRA's area of operation; and

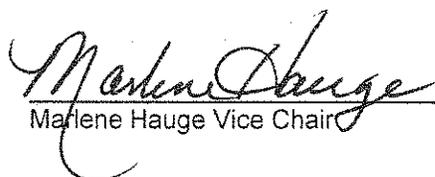
**Whereas**, the levy of such a special benefit tax is subject to the consent of the Board of Commissioners of Swift County, Minnesota; and

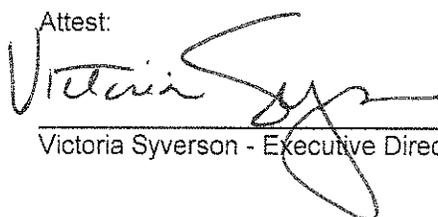
**Whereas**, the HRA is also required pursuant to Section 469.033, Subd. 6, of the Act to, in connection with the levy of such a special benefit tax, formulate and file a budget in accordance with the budget procedure of the County in the same manner as required of the executive departments of the County, and the amount of the tax levy for the following year shall be based on that budget and approved by the Board Commissioners of Swift County;

**Now Therefore, be it resolved** that the duly appointed Board of Commissioners of the Housing and Redevelopment Authority of Swift County, Minnesota hereby submits its approved 2016 administrative budget and authorizes a request for a levy of a special benefit tax for taxes payable in 2016 within the Authority's taxing jurisdiction in the amount of    \$145,000    for purposes outlined and authorized by Minnesota Statutes 469.001 to 469.047, but in no case shall the dollar levy for the HRA exceed the limitations prescribed by Minnesota Statutes, Section 469.027 to 469.033.

**Be it further resolved**, that the consent resolution of the Board of Commissioners of Swift County to this special tax be attached to this resolution and made part of it upon approval by the Board of Commissioners of Swift County.

Dated this 27<sup>th</sup> day of July, 2015

  
Marlene Hauge Vice Chair

Attest:  
  
Victoria Syverson - Executive Director

**RESOLUTION  
CONSENTING TO THE SPECIAL BENEFIT TAX FOR  
THE SWIFT COUNTY RURAL DEVELOPMENT AUTHORITY**

Motion by Commissioner \_\_\_\_\_ Seconded by Commissioner \_\_\_\_\_

**WHEREAS**, the Swift County Rural Development Authority (RDA) desires to levy such a special benefit tax in the amount of \$87,000, within the RDA's area of operation; and

**WHEREAS**, the levy of such a special benefit tax is subject to the consent of the Board of Commissioners of Swift County, Minnesota; and

**WHEREAS**, the RDA is also required to, in connection with the levy of such a special benefit tax, formulate and file a budget in accordance with the budget procedure of the County in the same manner as required of the executive departments of the County, and the amount of the tax levy for the following year shall be based on that budget and approved by the Board Commissioners of Swift County;

**NOW THEREFORE, BE IT RESOLVED** that the Board of Commissioners of Swift County, Minnesota hereby accepts the 2016 budget and consents to the levy of a special benefit tax for taxes payable in 2016 within the Authority's taxing jurisdiction in the amount of \$87,000.

Adopted on a \_\_\_\_\_ vote by the Swift County Board of County Commissioners the 15th day of September 2015.

Swift County Board of Commissioners

\_\_\_\_\_  
Peter Peterson, Chairman

ATTEST:

\_\_\_\_\_  
Michel J. Pogge-Weaver  
County Administrator and Clerk of the Board

Fox \_\_\_\_\_  
P. Peterson \_\_\_\_\_

Hendrickx \_\_\_\_\_  
Rudningen \_\_\_\_\_

E. Pederson \_\_\_\_\_

	A	B	C	F	G	U	V	W
1		Swift County RDA						
2			ACTUAL TOTAL	BUDGET TOTAL	BUDGET TOTAL			
3		INCOME	2014	2015	2016			
4	1	Contract Income	-	-				
5	2	Interest Income Financial Inst	592	578	578			
6	3	Interest Income (pass-thru) Loans	7,322	5,317	840			
7	4	Other Income	-	-	-			
8	5	Shared Income CVEC	247,500	49,500	49,500			
9	6	Shared Income CVEC	(123,750)	(24,750)	(24,750)			
10	7	Tax Settlement Levy	87,855	87,000	87,000			
11	8	<b>TOTAL INCOME</b>	<b>219,519</b>	<b>117,645</b>	<b>113,168</b>			
12	9	EXPENSES						
13	10	Ads & Promos	13,782	21,500	1,000			
14	11	Bank Charges	55	120	100			
15	12	Board Mtg Expenses	1,943	3,000	3,000			
16	13	Business Liability Insurance	2,515	2,500	2,600			
17	14	Computer Services	2,667	2,200	600			
18	15	Contract Services	1,814	2,000	9,000			
19	16	Employee Related Costs						
20	17	Employee Benefits	9,088	15,657	15,931			
21	18	Wages	64,030	63,648	64,603			
22	19	Payroll Taxes	3,897	5,096	5,168			
23	20	Workers Compensation Ins	370	370	370			
24	21	Filing Fees	86	-	500			
25	22	Investment Expense	-	4,950	5,445			
26	23	Miscellaneous	3	200	200			
27	24	Office Supplies & Equipment	779	1,650	1,650			
28	25	Postage	43	100	100			
29	26	Printing	725	100	1,000			
30	27	Registrations	764	1,000	1,000			
31	28	Rent	600	-	-			
32	29	Special Projects	38,701	10,700	7,000			
33	30	Subscriptions & Publications	685	1,000	800			
34	31	Telephone	2,799	1,340	1,340			
35	32	Travel Expense: Board	57	500	500			
36	33	Travel Expense: Staff	2,986	3,200	3,200			
37	34	<b>TOTAL EXPENSE</b>	<b>148,388</b>	<b>140,831</b>	<b>124,107</b>			
39	35	<b>Beginning Balance*</b>	<b>173,820</b>	<b>241,091</b>	<b>200,123</b>			
40	36	Income	219,519	117,645	113,168			
41	37	Expenses	148,388	140,831	124,107			
42	38	<b>Ending Balance</b>	<b>244,951</b>	<b>217,905</b>	<b>189,184</b>			
43		Operating reduction - RDA CD PRISON Pledge		(17,781)				
44		Operating Balance Year End Est.		200,123				
45		* Beginning Balance includes only those funds designated as "available to operate"						
46		line 1 = maybe \$2k in grant fees related to small cities (could just go to HRA and they do surveys, postage, etc)						
47		line 3 = for budget 2016 only includes "operating" interest (CNH pass-thru loan)						
48		line 5 = CVEC dsitributions (99,000*est.\$ .50)						
49		line 6 = estimate CVEC distribution share to HRA (half of line 5)						
50		line 9 = no change in levy						
51		line 10 = Place holder for ads and promo items						
52		line 12 = \$50*6 meetings per member for board per diem - discuss relative to meeting with HRA Board - keep the same schedule? Per diem amount?						
53		line 15 = accounting services with CDS \$3k and webpage & social media with GoldenShovel \$6k						
54		line 17 = PERA, Medical, Life, MAPCED						
55		line 18 = 2015 wages plus 1.5%						
56		line 19 = 8% of wages						
57		line 21= miscellaneous filing fees related to loan activity						
58		line 22 = Estimate CVEC corn pool expense (99,000*est.\$ .11)						
59		line 29 = mailboxes, fair, <b>Open Hack &amp; broadband grant related commitments</b> , biomass conference, etc.						
60		line 33 =travel - include biomass C2ER MN? MAPCED qtrly, other...						
61								