

**AGENDA
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, OCTOBER 14, 2014 – 5:00 PM**

CALL TO ORDER:

CALL OF ROLL:

DETERMINATION OF A QUORUM:

- 1. Future of Parcel 40.00149.00 – David Murphy**
- 2. Bygland Bike Lanes – Steve Emery**
- 3. Request for Cell Tower Location – Nancy Ellis**
- 4. Parking by Neil Law Office – Nancy Ellis**
- 5. Request for Carpeting at Fire Station No. 1 – Gary Larson**
- 6. Request for Street Repair – Jason Stordahl**
- 7. COPS Office Grant – Mike Hedlund**
- 8. Request for Towards Zero Death Grant – Mike Hedlund**
- 9. Request to Purchase of Radios – Mike Hedlund**
- 10. Seasonal Pay Plan – David Murphy**
- 11. Selection of Auditing Services – Karla Anderson**
- 12. October 28th and November 4th Meetings – Megan Nelson**

ADJOURN:

Upcoming Meetings

Regular Council Meeting – October 21, 2014 – 5:00 PM – Council Chambers
Work Session – October 28, 2014 – 5:00 PM – Training Room
Regular Council Meeting – November 4, 2014 – 5:00 PM – Council Chambers
Work Session – November 11, 2014 – 5:00 PM – Training Room

Request for Council Action

Date: 10/08/14

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Dale Helms, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: David Murphy, City Administrator

RE: Parcel 40.00149.00

Recently the City was contacted by Huntsville Township. They asked the Administration Office about a piece of property that is owned by the City and is located outside of city limits. The reasoning for them to contact the City was to see if there was a lease in place for this property because it is in violation of the Township's zoning ordinance. There are two maps provided that show where the property is along Bylgand Road.

At this time the City has been approached by an interested party who would like to purchase the property.

Staff needs direction from the council on how to move forward with this issue. Currently there is no lease agreement in place. The Council could consider selling it, have a lease agreement drafted, or not moving forward with either but making sure this property is in compliance with the Huntsville Township Zoning Ordinance. The ordinance the township is referring to is Section 13.43 dealing with the conduct of home occupations and what is allowed in an agricultural zoned area.

At least one representative will be present at the meeting from Huntsville Township. The interested party that would like to purchase the property has been notified this item will be on the agenda for discussion.



Old Highway 220

Explore



Request for Council Action

Date: October 9, 2014

To: East Grand Forks City Council, Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Henry Tweten, Chad Grassel, Mark Olstad and Dale Helms.

Cc: File

From: Steve Emery, P.E.

RE: Bike Lane Proposal – Business Highway 2 to Central Middle School & South Point Elementary

Background:

We have been working with Mr. Vetter on a proposed Bike Lane / Bike Markings (Sharrows) project from US Business Highway 2 South on 2nd Ave NE and continuing along Bygland Road SE out to the Central Middle School including Bike Markings on 13th ST SE to South Point Elementary.

This proposal includes the construction of a designated bike lane from US Business Highway 2 South along 2nd Ave NE and continuing along Bygland Road up to the point fire station. From this point continuing South along Bygland Road sharrows would be installed out to the Central Middle School and also along 13th ST SE to South Point Elementary School. This proposal would still allow for parking along both sides of Bygland Road SE.

The following is the proposed budget for the project:

PROPOSED BUDGET

	<u>Option No. 1</u>
Construction	\$53,957.50
Plans / Specifications	\$5,395.75
Staking / Inspection	\$2,697.88
Contingencies	\$3,777.03
Administration / Legal	<u>\$1,618.73</u>
TOTAL PROJECT COST	\$67,446.88

PROPOSED FUNDING

City (To be determined)	<u>\$67,446.88</u>
TOTAL PROJECT COST	\$67,446.88

Recommendation:

Council to budget for improvements as well as apply for TAP funding which covers 80% construction cost.

Enclosures:

Engineers Estimate of Cost

We will bring to meeting drawings showing the proposed improvements.

ENGINEER'S PRELIMINARY ESTIMATE OF COST

Bygland Road Bike Lane



Business Highway 2 - Middle School

10/9/2014

DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL AMOUNT
REMOVE AND REPLACE CONCRETE CURB & GUTTER	LIN FT	50	\$ 25.00	\$1,250.00
COMMON EXCAVATION	CU YD	25	\$ 25.00	\$625.00
AGGREGATE BASE (CV)	CU YD	20	\$ 50.00	\$1,000.00
BITUMINOUS PAVEMENT	SQ YD	91	\$ 45.00	\$4,095.00
SIGN PANEL AND POSTS	EACH	50	\$ 300.00	\$15,000.00
PAVEMENT MESSAGE (BIKE SYMBOL W/ARROW AND SHARROWS)	EACH	120	\$ 200.00	\$24,000.00
8 IN SOLID LINE WHITE - EPOXY	LIN FT	6390	\$ 1.25	\$7,987.50
ESTIMATED CONSTRUCTION PROJECT TOTAL =				\$53,957.50
PLANS / SPECIFICATIONS (10%)=				\$5,395.75
STAKING / INSPECTION (5%)=				\$2,697.88
CONTINGENCIES (7%)=				\$3,777.03
ADMINISTRATION / LEGAL (3%)=				\$1,618.73
ESTIMATED TOTAL PROJECT COST =				\$67,446.88

Request for Council Action

Date: October 14, 2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: Nancy Ellis, City Planner

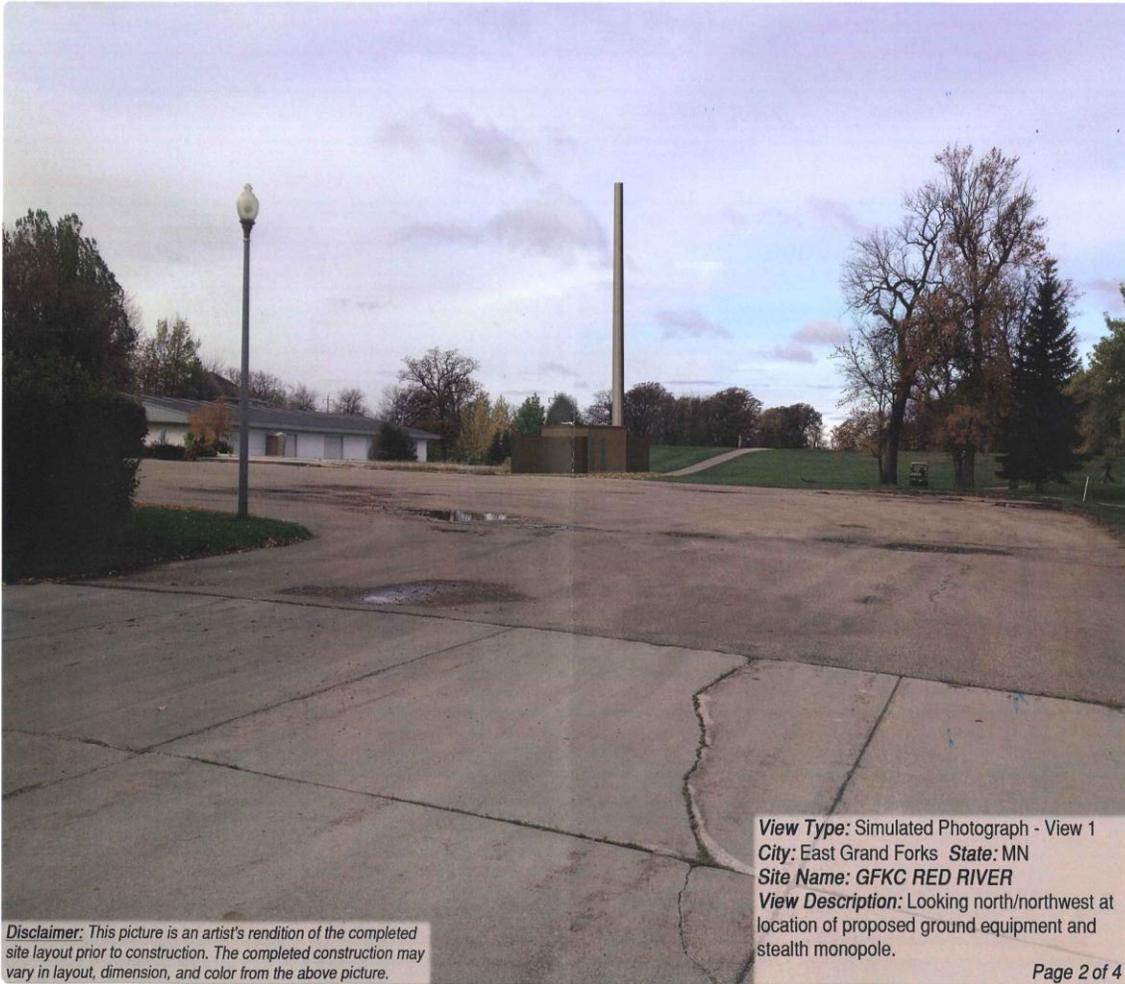
RE: Verizon Wireless cell tower proposal on city property

GENERAL INFORMATION

We have received a request from Verizon Wireless looking to construct a monopole cell tower and equipment shelter on City property around near the VFW arena (or other city properties on the south end). I am including a sketch plan of the location and will have the GIS available to see the aerial photo. They are looking at a location to place a tower on the south end and are approaching the City to see if we are interested in leasing land to them. This is in the planning phases only, no permits are requested at this time.

Verizon is proposing to erect a 65' stealth monopole tower with an 11.5' X 29.5' equipment shelter. This facility would fill a void in wireless services caused by a lack of capacity to handle the increasing data usage of Verizon customers. The facility must be set back 200' from the nearest adjacent property. The tower has been designed to blend into the surrounding area like a flag pole.

A Special Use Permit would be required to construct a tower if we find a location to lease to Verizon.



SPECIAL USE PERMIT PROCESS

Within City Code is a section that lists “Criteria For Granting Special Use Permits”. This section states that the applicant must show that standards and criteria in Chapter 10 will be satisfied. These standards and criteria shall include both general requirements for all special uses and, insofar as practicable, requirements specific to each designated special use. In granting a special use permit, the city council shall consider the effect of the proposed use upon the health, safety, and general welfare of occupants of surrounding lands. Among other things, the planning commission and city council shall make the following findings where applicable:

1. The use will not create an excessive burden on public facilities and utilities, which serve or are proposed to serve the area.
2. The use will be sufficiently compatible with, or separated by sufficient distance from, or screened from adjacent land uses so that there will be no deterrence to the use or development of adjacent land and uses.
3. Each structure or improvement is so designed and constructed that it is not unsightly in appearance to the extent that it will hinder the orderly and harmonious development of the district wherein proposed.

4. The use is consistent with the purposes of Chapter 10, and the purposes of the zoning district in which the applicant intends to locate the proposed use.
5. The use is not in conflict with the East Grand Forks Land Use Plan.
6. Adequate measures have been taken to provide ingress and egress so designed as to minimize traffic congestion, provide adequate access to public roads, and provide sufficient on-site parking.

In permitting a new special use permit or alteration upon review of an existing special use permit, the planning commission may recommend, and the city council may impose, in addition to these standards and requirements expressly specified by this Chapter, additional conditions which the planning commission or city council considers necessary to protect the interests of the surrounding area or the City as a whole.

SITE PLAN COMMENTS

In addition to the Special Use Permit requirements, there are Wireless Communications Towers and Antennae regulations within the Zoning Ordinance. The following regulations deal with this type of tower:

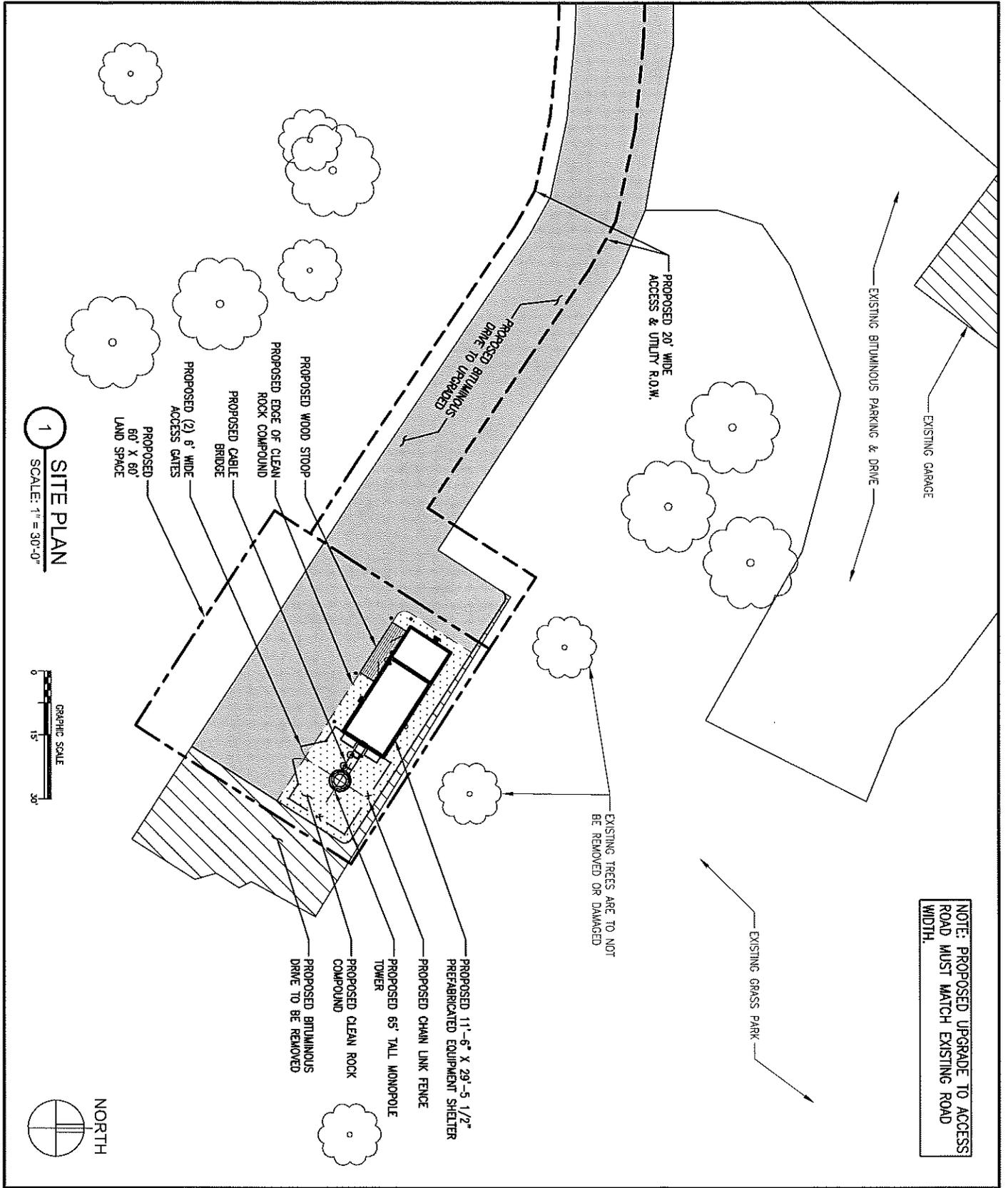
- 1) Wireless communication antennas shall not exceed thirty (30) feet above the maximum building height as per zoning district regulations. The R-1 zoning district has a maximum height requirement of 35 feet above grade, and therefore, the maximum height the tower can be is 65 feet. It meets this requirement.
- 2) Wireless communication antennas shall be set back a minimum of 200 feet from any Residential Zoning District. It meets this requirement.
- 3) Wireless communication antenna and /or tower design shall utilize colors and materials that effectively reduce their visual impact. They appear brown in the simulated photo. Not sure if this is the color the City would want.
- 4) A landscaped bufferyard of not less than 15 feet in depth shall be placed around the entire perimeter of the wireless communication facility being utilized for commercial purposes. A landscaping plan with listed plantings must be submitted for review.
- 5) The tower and equipment shelter must have sufficient structural capacity to accommodate 3 users. Need this information confirmed by Verizon Wireless with an affidavit that the tower will be made available to future users when technically possible.
- 6) Prior to receiving a permit, all applicable licenses, including FCC and FAA licenses needed to construct the tower at the proposed site, shall be submitted to the Community Development Office.

STAFF RECOMMENDATION

If the Planning Commission recommends approval of the Special Use Permit subject to the above conditions listed in the city code; as stated above, they can impose any additional conditions which are considered necessary to protect the interests of the surrounding area or the City as a whole. Additional conditions may include:

- 1) Change in color to the tower and shelter
- 2) Change in design of the tower to look more like a tree or other local light fixture.
- 3) Operate below the current radio frequency emissions standards (set a percentage) and provide a copy of the current standards versus your potential emissions before it is constructed.

If the Planning Commission recommends denial of the Special Use Permit is must provide findings that state is does not meet one or more of the Special Use Permit Criteria.



PROJECT: 20141019916
GFKC
LINCOLN DRIVE
 BYGLAND RD SE,
 EAST GRAND FORKS, MN 56721

DRAWN BY: TMMV
 DATE: 09-08-14

SS V.1

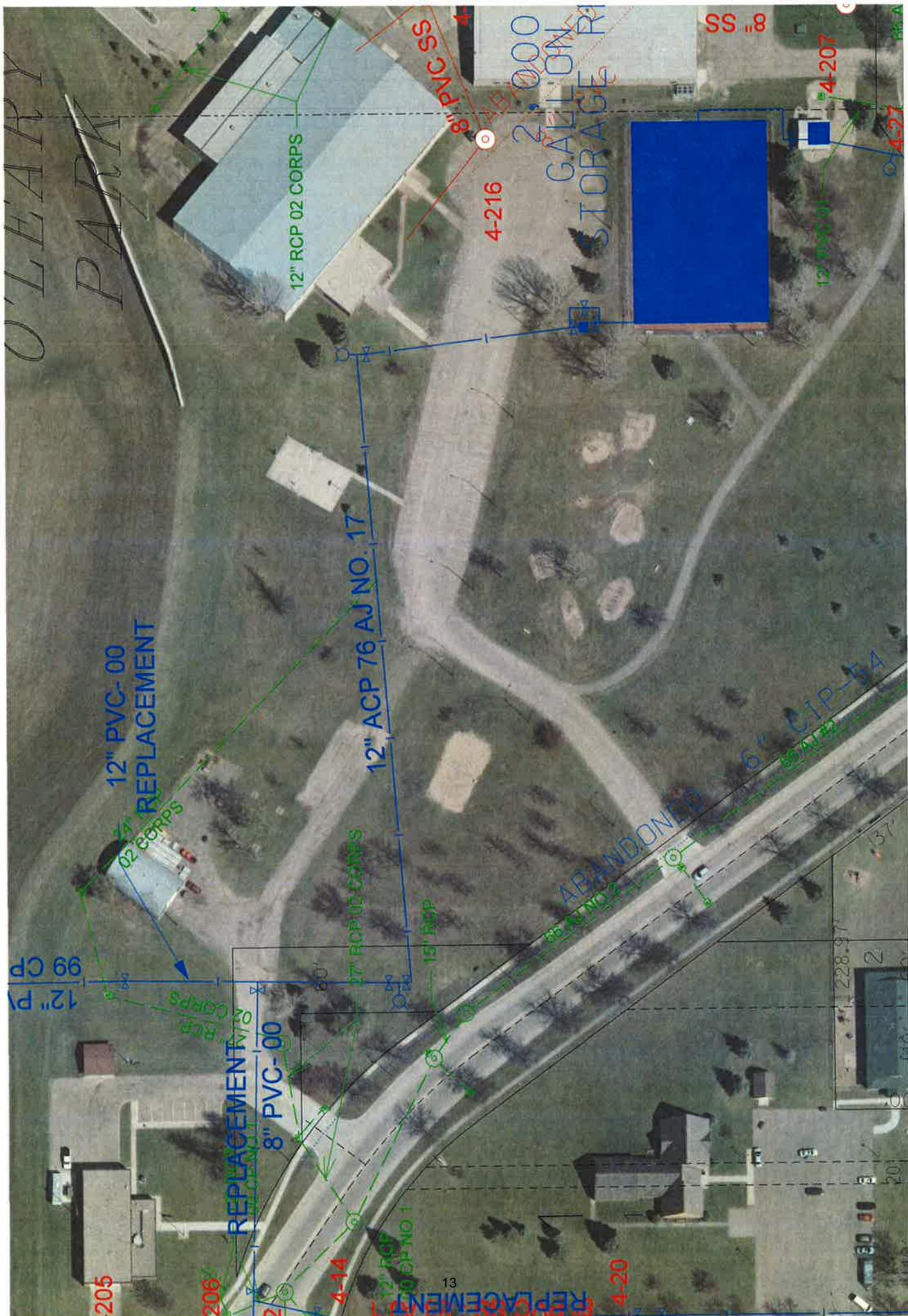
VERIZON WIRELESS

10801 BUSH LAKE ROAD
 BLOOMINGTON, MN 55438
 (612) 720-0030

DESIGN 1

9873 VALLEY VIEW ROAD
 EDEN PRAIRIE, MN 55344
 (952) 903-8299 FAX 903-8282

ROBERT J. DAVIS, AIA
 ARCHITECT



O'LEARY
PARK

12" PVC-00
REPLACEMENT

12" ACP 76 AJ NO. 17

REPLACEMENT
8" PVC-00

2,000
GALLON
STORAGE TANK

12" RCP 02 CORPS

8" PVC SS

SS #8

4-207

4-27

4-216

ABANDONED
6" CIP-54

12" PVC-00
99 CP

12" RCP 02 CORPS

15" RCP

27" RCP 02 CORPS

15" RCP

6" CIP-54

205

206

4-14

12" RCP

13

4-20

228.97

2

137

Request for Council Action

Date: October 14, 2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: Nancy Ellis, Community Development

RE: Parking near Neil Law Firm

There have been numerous issues as of late with the public parking lot next to the Neil Law Firm Office. First, a space has not been striped no parking in front of the door and they have had a) people parking so close to the door that they are unable to leave the building without climbing over a small entrance near the door; and B) hitting his small wall entrance with their vehicle. Second, a number of spots have been occupied by downtown employees and leaves no room for his customers near the door. Third, he would like a handicapped spot near this new entrance.

Jason Stordahl and I have met with Mr. Neil and have the following recommendations:

- 1 - have proposed diagonal striping with no parking signage or striping in front of the door
- 2 - place a handicapped spot next to the diagonal striping and near the new door
- 3 - have signs placed on the south side of the lot (next to the building) that state "Neil Law Firm customer parking 8am-5pm"



Request for Council Action

Date: October 8, 2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: Fire Chief Gary Larson

RE: Station 1 carpet squares

The carpet in station 1 is in need of replacement. We put \$15000 into Capital Improvement Fund last year to replace carpets. We chose to go with carpet squares because squares can be pulled up and replace separately if needed.

We have received two bids to install carpet squares. Burriss Carpet bid at \$15,035.85, and Brians Flooring bid at \$11,950.. Bids are attached.

It would be my recommendation to accept the bid from Brians Flooring for \$11,950.00. This would be less than the amount set aside in Capital Improvements.

Thank You
Gary Larson
Fire Chief

BRIANS FLOORING
 1622 CENTRAL AVE NE
 EAST GRAND FORKS, MN 56721
 218-773-3130

FLOORING ESTIMATE

DATE	ESTIMATE NO.
7/14/2014	3806

NAME / ADDRESS
EAST GRAND FORKS FIRE STATION 415 4TH ST NW EAST GRAND FORKS MN 56721
Attn: Gacy 773-2403

JOB / ADDRESS		
Phone #	TERMS	REP
218-773-3130		

DESCRIPTION	QUANTITY	S.F. PRICE	TOTAL
CARPET REPLACEMENT IN SLEEPING QUARTERS AND OFFICE AREAS			
PRODUCT: MOHAWK CARPET TILE DYNAMIC FORM COLOR _____ PRODUCT JOHNSONIRE VINYL BASE COLOR _____			
SUPPLY AND INSTALL NEW FLOORING AND VINYL BASE , REMOVE EXISTING		11,950.00	11,950.00
CUSTOMER TO REMOVE ALL FURNITURE MN SALES TAX		6.875%	0.00
		TOTAL	\$11,950.00

MATERIALS TO BE PAID UPON ORDERING, REMAINDER DUE DAY OF INSTALLATION. ALL WARRANTIES ARE THAT OF EACH INDIVIDUAL MANUFACTURING COMPANY NOT THAT OF BRIANS FLOORING. ANY CANCELLATION OF ORDER WILL RESULT IN RESTOCKING CHARGES TO BE PAID BY CUSTOMER, ALL INSTALLATION IS WARRANTIED FOR 1 YEAR FROM PURCHASE.

SIGNATURE _____

BURRIS CARPET PLUS, INC.

2307 SOUTH WASHINGTON STREET

GRAND FORKS, ND 58201

701.787.5216

ESTIMATE

August 14, 2012

East Grand Forks Fire Station

East Grand Forks, MN

VANGOGH						
VANGOGH	1645	sf	x	3.97	= \$	6,530.65
Cleaner & Comm. Refresh					= \$	256.85
Cove Base	600	sf	x	2.75	= \$	1,650.00
T Metal	24	ft	x	2.75	= \$	66.00
T Molding	24	ft	x	2.75	= \$	66.00
Glue	3	ea	x	202.1	= \$	606.30
Filler					= \$	48.75
Versa Sheild & Tape	1645	sf	x	1.35	= \$	2,220.75
Sales Tax					\$	772.56
Installation	1645	sf	x	2.25	= \$	3,701.25
Removal & Prep Work					= \$	1,500.00
Rental of Stripper & Blades					= \$	210.00
TOTAL VANGOGH					\$	17,629.11

CARPET TILE						
SYNC UP	COLOR: DATA					
SYNC UP	2880	sf	x	\$ 2.85	= \$	8,208.00
Extra Boxes	96	sf	x	\$ 2.85	= \$	273.60
Glue	4	4 gal	x	\$ 106.00	= \$	424.00
Cove Base	840	ft	x	\$ 2.75	= \$	2,310.00
					\$	757.05
Installation					= \$	1,728.00
Removal					= \$	835.20
*** Prep Work Estimate					= \$	500.00
TOTAL CARPET TILE					\$	15,035.85
JOB COMPLETE					\$	32,664.96

EGF FIRE STATEION is responsible to supply a dumpster!

Request for Council Action

Date: 10/10/2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Dale Helms, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: Jason Stordahl, Public Works Director

RE: Street Improvements

There are two areas that are in need of immediate street repair. The first area is the down ramp coming off of highway 2, and the second is the area in front of Fire Station #1. I received the following estimates for repair:

Fire Station #1 Repair

Miller Motivations	\$11,545.00
H&S Construction	\$14,101.50

HWY 2 off ramp

Miller Motivations	\$10,325.00
H&S Construction	\$13,625.00

Recommendation: I recommend that we award both street repair jobs to Miller Motivations for a total cost of \$21,870. Funding would be taken from our Street Maintenance Fund where there are adequate funds.

H & S Construction
 17279 US Hwy 59NE
 Thief River Falls, MN 56701

10/9/2014 2458

City of East Grand Forks
 1001 2nd St NE
 East Grand Forks Mn 56721
 Att: Jason

218.681.5503

218.681.7063

Front of Fire Station

Remove Concrete Curb & Gutter	56	15.00	840.00
Remove Inlet and install chimney seal and set height	1	850.00	850.00
Remove existing concrete driveway & asphalt & pavers	1	3,500.00	3,500.00
Concrete Curb & Gutter	55	30.00	1,650.00
7" Concrete pavement (SY)	54	90.00	4,860.00
4" non reinforced concrete (SF)	135	8.50	1,147.50
7" Underlayment Pavement (SY)	12	90.00	1,080.00
Furnish & Install Class 5 gravel fill (approx yardage only--- actual yardage used shall be billed at 14.50 per yard	12	14.50	174.00

If any Additional Information is Required Please Call Robert Audette
 @218.686.9308

\$14,101.50

Miller Motivations, LLC
 602 12th Street NW
 East Grand Forks, MN 56721

Estimate

Date	Estimate #
10/2/2014	258

Name / Address
City of East Grand Forks 1001 2nd Street NE East Grand Forks, MN 56721

Project

Description	Qty	Cost	Total
SITE LOCATION: East Grand Forks Fire Station Driveway Replacement Project.		0.00	0.00
Concrete demo and replacement. This curb and gutter is 50' x 2'6". Concrete demo and replacement of driveway is 50' x 11'4". Asphalt/Concrete demo and replacement on edge of street is 50' x 2'. All curb and gutter will have 1/2" rebar to spec. Driveway will have 30" tie bars with 1/2" rebar and 2' on center. Chimney seal supplied by city, and if need to excavate the soil underneath due to improper compaction, that would be extra cost. This quote includes all labor, equipment needed, concrete, asphalt, demo, disposal, and fill.		11,545.00	11,545.00
		Total	\$11,545.00

Customer Signature _____

H & S Construction
 17279 US Hwy 59NE
 Thief River Falls, MN 56701

10/9/2014 2459

City of East Grand Forks
 1001 2nd St NE
 East Grand Forks Mn 56721
 Att: Jason

218.681.5503

218.681.7063

Off Ramp of Hwy 2

Remove existing concrete pavement (14' x 40')(SY)	65	38.00	2,470.00
Remove curb and gutter	15	15.00	225.00
10" concrete pavement with epoxy baskets (14' x 40')	560	18.00	10,080.00
Remove Inlet and install chimney seal and set height	1	850.00	850.00

If any Additional Information is Required Please Call Robert Audette
 @218.686.9308

\$13,625.00

Miller Motivations, LLC
 602 12th Street NW
 East Grand Forks, MN 56721

Estimate

Date	Estimate #
10/10/2014	260

Name / Address
City of East Grand Forks 1001 2nd Street NE East Grand Forks, MN 56721

Project

Description	Qty	Cost	Total
LOCATION: Gateway Drive off ramp/ River Road 14' x 40' x 10" Removal and replacement of city street. Removal and replacement of 15' x 2'8" curb and gutter. Remove catch basin. Check for repairs on barrel/rings and install a floating seal around catch basin supplied by the city. If any undermining, that digging would be extra. This quote includes removal, replacement, materials and Labor. We will use city furnished signs to block street off.		10,325.00	10,325.00
		Total	\$10,325.00

Customer Signature _____

Request for Council Action

Date: 10/01/2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Henry Tweten, Mark Olstad, Chad Grassel and Dale Helms.

Cc: File

From: Michael S. Hedlund – Chief of Police

RE: COPS Office Grant – School Resource Officer Position

Background:

The East Grand Forks Police Department and the East Grand Forks Public Schools have previously partnered on a School Resource Officer (SRO) position with that partnership ending in 2009 for budgetary reasons. Since that time the EGFPD has annually applied for COPS Office funding to help fund a new SRO position in East Grand Forks. On September 29, 2014 we were notified that we had been selected to receive a grant from the COPS Office that will provide partial funding for this position for three years. If accepted the grant requires that the officer be retained for at least 12 months following the end of the grant. If the decision is made to accept the grant and renew this partnership I would expect to place an officer in the EGF public schools at the start of the 2015/2016 school year. The EGFPD would hire an officer at the start of the Summer of 2015 and put that officer through our Field Training Program so that they would be ready to work in the field by Fall 2015. We would then place an experienced officer (who would be selected with the assistance of school district officials) in the schools at the start of the school year. I would expect that the officer would spend the majority of their time at EGF Senior High with some time at Central Middle School and also respond to New Heights and South Point as needed/requested.

I would anticipate a number of meetings between police department and school officials prior to the 2015/2016 school year to help ensure a smooth transition into this new program.

Finances:

The 2014 COPS grant provides \$125,000.00 in funding over a three year period. They require the Federal share of the funding to decrease each year while the local share needs to increase. In my application I had the Federal share set up as follows: 1st year = \$42,500.00, 2nd year = \$41,500.00 and 3rd year = \$41,000.00.

For the local share we would be considering entry level officer wages. Since we would be adding a new officer to the department (to replace the experienced officer that would go in the schools) the only new personnel costs are for an entry level officer.

Based on my calculations for the grant application I was estimating total costs of \$226,036.84 for the grant period with the local share being \$101,036.84. These figures were estimates based upon the scheduled step increases for the new officer and a projected 2% annual COLA. Depending on future negotiations (The current contract expires at the end of 2015) this figure could vary to some degree.

The total cost (approximate) including pay and benefits is as follows:

- 2015/2016 School Year = \$71,483.19
- 2016/2017 School Year = \$75,729.09
- 2017/2018 School Year = \$78,824.56

With the grant funding considered the total local share for both the school district and the city, based upon a 50/50 share would be as follows:

- 2015/2016 School Year = \$14,491.50
- 2016/2017 School Year = \$17,114.55
- 2017/2018 School Year = \$18,912.28

Projections for the required 4th year benefits and salary would be approximately \$82,016.00 or a shared cost of \$41,008.00 for the school and for the city.

Projected City of East Grand Forks personnel cost for budget year 2015 would be approximately \$8,453.38.

Based on these projections the total personnel cost for the school district and for the city for this project would be \$91,526.334 for a four year period. The City of East Grand Forks would provide all uniforms and equipment for the officer. We would expect that the school district would provide office space for the officer to work out of.

Should the school district and the city move forward on this project the grant requirements include the signing of a Memorandum of Understanding that must be submitted to the COPS Office prior to any grant funds being reimbursed.

Recommendations:

Approve the acceptance of the COPS Grant for the purposes of hiring a police officer and entering into a partnership with the East Grand Forks School District on a School Resource Officer Program.

Enclosures:

COPS Office Grant Award Letter



U.S. DEPARTMENT OF JUSTICE
OFFICE OF COMMUNITY ORIENTED POLICING SERVICES
145 N Street, NE, Washington, D.C. 20530

COPS

Chief of Police Michael Hedlund
East Grand Forks Police Department
520 Demers Ave
East Grand Forks, MN 56721

Re: COPS Hiring Program Grant # 2014UMWX0035
ORI#: MN06002

Dear Chief of Police Hedlund:

Congratulations! On behalf of Attorney General Eric Holder, I am pleased to inform you that the COPS Office has approved your agency for 1 officer positions under the 2014 COPS Hiring Program (CHP). The *estimated* amount of federal funds to be awarded to your jurisdiction over the three-year grant period is \$125,000. Your local cash match will be \$101,037. Your agency may use CHP grant funding to hire new officers or rehire officers who have been laid off, or scheduled to be laid off on a specific future date, as a result of local budget cuts, on or after the official grant award start date. Please note that any changes to the awarded hiring categories require an official review and approval by the COPS Office.

To officially accept and begin your COPS Hiring Program grant, your agency must access www.cops.usdoj.gov and select the Account Access link in the upper right corner to log in, review, and electronically sign the Award Document (including Grant Terms and Conditions) and any special conditions as applicable. In addition, if your agency was awarded funding for School Resource Officers, a Memorandum of Understanding (MOU) must be signed by the law enforcement executive and designated representative for the school/school district and submitted to the COPS Office for review prior to the drawdown of grant funding.

In order to electronically sign your Award Document, the appropriate Account Roles, with E-Signature and User Permissions must be established and assigned in Agency Portal. The Agency Portal Instruction Manual currently available on the COPS website at <http://cops.usdoj.gov/Default.asp?Item=46> has been enhanced to include a Quick Step Guide. This guide will provide your agency with all of the information needed to successfully establish Account Roles and assign User Permissions in preparation to sign the Award Document as well as manage many aspects of your COPS grant online. Please review and follow these steps carefully as this is the only method for signing your Award Document.

The CHP grant award start date is **September 1, 2014**. Therefore, your agency can be reimbursed for allowable and approved expenditures made on or after this date. Please be advised that some of your requested items may not have been approved by the COPS Office during the budget review process. When you receive your award package, please carefully review your Financial Clearance Memorandum (FCM) to determine your approved budget, as grant funds

may only be used for approved items. The FCM will specify the final award amount, and will also identify any disallowed costs. We strongly encourage you to visit <http://cops.usdoj.gov/Default.asp?Item=2367> immediately to access a supplemental online award package that contains a variety of important and helpful documents that will assist you with the implementation of your grant, including the 2014 CHP Grant Owner's Manual, which specifies the programmatic and financial terms, conditions, and requirements of your grant. Please print out a copy of your application and maintain it with your grant file records.

As a reminder, all positions awarded under CHP (or an equal number of veteran officers) must initiate or enhance community policing in accordance with the community policing strategy as described within Section 6 of your application. If, for any reason, your agency finds that your community policing strategies have significantly changed from those outlined in your application (e.g., because you received fewer officers than originally requested and thus must alter the scope of your community policing strategies), please revise the strategy accordingly and submit it to the COPS Office for review and approval.

As part of the 2014 COPS Hiring Program, your agency will be required to submit quarterly Federal Financial Reports (SF-425) as well as quarterly program progress reports. CHP grantees should be prepared to track and report CHP funding separately from other funding sources (including other COPS and federal grants) to ensure accurate financial and programmatic reporting on a timely basis. Your agency should ensure that you have financial internal controls in place to monitor the use of CHP funding and ensure that its use is consistent with the grant terms and conditions. In addition, your agency will be required to complete the Community Policing Self-Assessment Tool (CP-SAT) at the beginning and again towards the end of the grant award period.

Also, please remember that grantees must retain all sworn officer positions awarded under the 2014 CHP grant for a minimum of 12 months following the 36-month federal funding period. The retained CHP-funded position(s) should be added to your law enforcement budget with state and/or local funds, over and above the number of locally-funded positions that would have existed in the absence of the grant. In your 2014 CHP grant application, your agency was required to affirm that it plans to retain the additional officer positions awarded following the expiration of the grant, and to identify the planned sources of retention funding. If, during the life of the grant, you have questions regarding the retention requirement or your retention funding sources, please contact the COPS Office for assistance.

We look forward to working with your agency in a productive partnership to further your community policing efforts. If you have any questions about your grant, please do not hesitate to call your Grant Program Specialist through the COPS Office Response Center at 1.800.421.6770.

Sincerely,



Ronald L. Davis
Director

Request for Council Action

Date: 10/08/2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Henry Tweten, Mark Olstad, Chad Grassel and Dale Helms.

Cc: File

From: Michael S. Hedlund – Chief of Police

RE: Grant Resolution

Background: The East Grand Forks Police Department has partnered with the Polk County Sheriff's Department and the Crookston Police Department on a TZD (Towards Zero Deaths – formerly Safe and Sober) Traffic Safety Grant for many years. The EGFPD has served as the fiscal agent for the grant with Mike Swang serving as the grant coordinator. With Mike Swang's retirement I am currently serving as the grant coordinator. In 2013 Thief River Falls PD also became a partner in this grant. The next grant period runs from October 1, 2014 through September 2015. As the fiscal agent we are required to have a City Council resolution approving the acceptance of the grant and authorizing me to execute the grant agreements, serve as the fiscal agent and administer the grant. I have attached a draft resolution to this RCA. The grant pays for salary and benefits for officers to work overtime assignments during traffic safety blitzes. There is also a small portion of the grant that can be used for traffic safety equipment purchases on a 50/50 match. Each of the involved agencies has agreed to take turns using this equipment money and this year it is Thief River Falls' turn so they will be required to make the match this year.

Recommendation: Recommend that the City Council pass the resolution.

Attachments: Draft Resolution.

RESOLUTION NO. 14 – 10 - XX

Council Member _____, supported by Council Member _____, introduced the following resolution and moved its adoption:

RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT

Be it resolved that the East Grand Forks Police Department enter into a grant agreement with the Minnesota Department of Public Safety, for traffic safety enforcement projects during the period from October 1, 2014 through September 30, 2015. The grant is for a total of \$45,158.32 and is shared between the East Grand Forks, Crookston and Thief River Falls Police Departments and the Polk County Sheriff’s Office with the City of East grand Forks serving as the fiscal agent for the grant.

Chief of Police Michael Hedlund (or his designee) is hereby authorized to execute such agreements and amendments as are necessary to implement the project on behalf of the East Grand Forks Police Department and to be the fiscal agent and administer the grant.

Voting Aye:

Voting Nay:

Absent:

The President declared the resolution passed.

Passed: October ____, 2014

Attest:

City Administrator

President of Council

I hereby approve the foregoing resolution this ____ Day of October, 2014.

Mayor

Request for Council Action

Date: 10/08/2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Henry Tweten, Mark Olstad, Chad Grassel and Dale Helms.

Cc: File

From: Michael S. Hedlund – Chief of Police

RE: Request to Purchase Police Radios

Background: The East Grand Forks Police Department currently uses a VHF radio system. Our current main dispatch console is outdated and is in need of replacement and we had \$20,000.00 budgeted in 2014 to make that replacement. Several factors have developed that have caused us to delay that purchase. In 2013 FCC regulations required radio channels to be “narrow banded” and this has caused a decrease in our radio coverage which is a problem when we are assisting the Polk County S.O. and other regional law enforcement agencies in areas outside of East Grand Forks. Also, in recent years the State of Minnesota has transitioned the state radio systems to an 800 trunking “ARMER” (Allied Radio Matrix for Emergency Response) radio system and most public safety agencies have followed suit. Our Department had stayed with the VHF system for a variety of reasons, primarily budget and our need to communicate effectively with the Grand Forks, ND agencies, but we feel that the benefits of switching to 800 now outweigh the reasons for staying VHF.

During the course of 2014 our Department, along with the East Grand Forks Fire Department and other city departments, have been looking into the various aspects of the 800 ARMER system and we have determined that it is in our best interest to move forward with this transition. Polk County currently has some grant funding that can be used to assist with the purchase of radios for the 800 systems. They have \$10,284.00 that was designated for the EGFPD but those funds must be spent in 2014. The EGFPD and EGFFD have researched various radio brands/models. Motorola currently has the State Bid for radios and is also the brand that has been purchased by the Polk County Sheriff’s Office, the Crookston PD and by the MN State Patrol so if we move forward with the purchase of Motorola radios it will also ease the interoperability of our agencies.

We have done trials with the Motorola radios and our officers have consistent coverage throughout the region – significantly better than with the current VHF radios. Polk County Dispatch has told us that they will be able to provide radio patches that should allow us to speak effectively with the Grand Forks agencies when that is needed. Based on all available factors we feel it is in the best interest of the City of

East Grand Forks to make the switch to the 800 ARMER system and are seeking to fully make the switch during the 2015 budget year.

We are now proposing that we take the \$20,000.00 that was budgeted in 2014 for the new Dispatch Console and combine it with the \$10,284.00 available from Polk County and take the first steps toward transitioning to the 800 ARMER system. I am attaching a quote from Stone's Radio for the purchase of 8 portable radios for the police department and associated equipment (chargers, earpieces, remote mics, etc.). The total price for this package is \$29,189.00. This would allow us to take the first step in this process, would increase our ability to work directly with the Polk County S.O. and other MN agencies and decrease our future budgetary needs as we make this transition.

Recommendation: It is my recommendation that the East Grand Forks City Council authorize the purchase of eight portable radios as detailed on the attached radio proposal.

Attachments: Radio Proposal from Stone's Radio.

STONE'S

Mobile Radio Incorporated



Date: October 7, 2014

To: East Grand Forks Police Department
Chief Hedlund

From: Paul Haen

Subject: Motorola Radio proposal

Chief Hedlund,

The following is the proposal you requested for new Motorola APX6000, 800 MHz, ARMER portable radios and accessories.

(8) APX6000 800 MHz Portable Radios	\$24,412.00
(3) Single Unit IMPRES Chargers	\$375.00
(1) 6 Unit IMPRES Bank Charger	\$788.00
(8) Remote Speaker Microphones w/3.5 mm jack	\$880.00
(8) Translucent Tube Earpiece	\$464.00
(3) Vehicle Portable Charger	\$1170.00
(3) Vehicle Charger Installation	\$300.00
(8) ARMER Activation fees	\$400.00
(8) Programming fees	\$400.00
Total	\$29,189.00

These prices reflect the current Minnesota State Bid prices, contract #20927. In addition, we are including an additional \$400.00 promotional discount per radio, which is good through November 2014.

Options included in the radios are Bluetooth Capabilities, Extreme Noise Reduction, FM Intrinsically Safe, and a 2-year Extended Warranty.

Thank you for considering Stone's Mobile Radio, Inc. for all your communication needs. Please call me if you have any questions.

Best regards,

Paul Haen

Request for Council Action

Date: 9-30-14

To: East Grand Forks City Council, Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Dale Helms, Henry Tweten, Mark Olstad, and Chad Grassel.

Cc: File

From: Terry Knudson

RE: Seasonal Employee Pay

Consider approving the request to approve a pay plan for all seasonal positions within the City of East Grand Forks. This Seasonal Pay Plan was designed after the current pay plan. Positions were placed on Grades and Steps in similar manor. This plan was updated on 8/1/14 to incorporate the Minnesota State Minimum Wage increase.

Plan before the Minimum Wage Change

Spread Between Grades 5.5%
 Spread Between Steps 1-8 4.0%

		Step						
		1	2	3	4	5	6	7
Grade	1	7.32	7.62	7.92	8.24	8.57	8.91	9.27
	2	7.73	8.03	8.36	8.69	9.04	9.40	9.77
	3	8.15	8.48	8.82	9.17	9.53	9.92	10.31
	4	8.60	8.94	9.30	9.67	10.06	10.46	10.88
	5	9.09	9.45	9.83	10.23	10.63	11.06	11.50
	6	9.59	9.97	10.37	10.79	11.22	11.67	12.13
	7	10.10	10.50	10.92	11.36	11.82	12.29	12.78
	8	10.66	11.08	11.52	11.99	12.47	12.96	13.48
	9	11.24	11.69	12.16	12.65	13.15	13.68	14.22
	10	11.86	12.33	12.83	13.34	13.87	14.43	15.01
	11	12.51	13.01	13.53	14.07	14.64	15.22	15.83
	13	13.20	13.73	14.28	14.85	15.44	16.06	16.70
	14	13.93	14.48	15.06	15.67	16.29	16.94	17.62
	15	18.69	19.43	20.21	21.02	21.86	22.73	23.64

Official I 17.50
 Official II 20.00
 Official III 25.00
 Official IV 27.50

01/01/14-07/31/14

Plan after the Minimum Wage Change

Spread Between Grades 5.5%
 Spread Between Steps 1-8 4.0%

		Step						
		1	2	3	4	5	6	7
Grade	1	8.00	8.32	8.65	9.00	9.36	9.73	10.12
	2	8.44	8.78	9.13	9.49	9.87	10.27	10.68
	3	8.90	9.26	9.63	10.02	10.42	10.83	11.27
	4	9.39	9.77	10.16	10.57	10.99	11.43	11.89
	5	9.91	10.31	10.72	11.15	11.59	12.06	12.54
	6	10.46	10.87	11.31	11.76	12.23	12.72	13.23
	7	11.03	11.47	11.93	12.41	12.90	13.42	13.96
	8	11.64	12.10	12.59	13.09	13.61	14.16	14.73
	9	12.28	12.77	13.28	13.81	14.36	14.94	15.53
	10	12.95	13.47	14.01	14.57	15.15	15.76	16.39
	11	13.67	14.21	14.78	15.37	15.99	16.63	17.29
	13	14.42	14.99	15.59	16.22	16.87	17.54	18.24
	14	15.21	15.82	16.45	17.11	17.79	18.50	19.25
	15	16.05	16.69	17.36	18.05	18.77	19.52	20.30

Official I 17.50
 Official II 20.00
 Official III 25.00
 Official IV 27.50

MN Min Wage Increase 8/1/14
 Needs to be adopted by Council

Position	Grade	
Coach I	1	
Coach II	2	
Coordinator	7	
Figure Saking Instructor	3	
Ice Guard	1	Max Step 3
Operators	5	Max Step 4
Outdoor Rink Attendent	1	Max Step 3
Supervisor	6	
Sweeper	1	
Ticket Sellers	1	Max Step 3
Mowers	5	Max Step 3
Campground Worker	7	
Campground Security	7	
Campground Front Desk	11	
Campground Manager	15	
Library Aide	1	
Library Clerk I	2	
Library Worker	1	
Library Coordinator	2	
Library Custodian	1	
Official I	n/a	See Pay Scale
Official II	n/a	See Pay Scale
Official III	n/a	See Pay Scale
Official IV	n/a	See Pay Scale

Request for Council Action

Date: October 9, 2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: Karla Anderson

RE: Selection of Auditing Services for the years 2014, 2015 and 2016

Background:

The council directed a Request for Proposals for Auditing services for the years ending December 31, 2014, 2105 and 2016, with an option of extending for another three years. Three proposals were received.

A committee consisting of Council man Clarence Vetter, City Administrator David Murphy, Water and Light Commissioner Marilynn Ogden, Water and Light General Manager Dan Boyce, and Finance Director Karla Anderson reviewed the three proposals.

Recommendation:

The committee has submitted two proposals for the council to review and to select of one of the Certified Public Accounting firms.



August 28, 2014

Proposal for Auditing Services

City of East Grand Forks

Brian Stavenger, CPA

Eide Bailly LLP

4310 17th Ave S

Fargo, ND 58108

701.239.8518 (p)

701.239.8600 (f)



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Executive Summary

Thank you for giving Eide Bailly LLP the opportunity to propose on audit services for the City of East Grand Forks. We believe that, in addition to a professional audit experience at a reasonable price, we can provide true value to you as a client through:

- **A fresh perspective.** We believe in the importance of having a fresh set of eyes review your financial statements. The team we have chosen for you have dedicated their careers to government work. They understand the issues you face and know what it take to perform a timely, accurate city audit. Further, we have developed an Engagement Quality Review (EQR) process, which enables partners throughout the Firm to provide a technical review of the audit. This ensures a fresh look at your audit, allowing you to avoid the hassle and stress an audit transition can cause.
- **Accessibility and true client service.** You will have access to our staff throughout the year, not just during the audit. Plus, you won't have to worry about who you'll work with next. We believe in a team approach, where you will be in communication with every staff level involved in your audit engagement, from partner to associate. We have a high staff retention rate, leading to strong and stable business relationships.
- **Efficiency.** We know the disruption having auditors on-site can cause to the City's staff. Our goal is to minimize the amount of time spent onsite and thus minimize interruptions to your staff. We try to accomplish as much in our office as possible, making use of electronic means of obtaining information from your staff for the audit procedures performed.
- **Experienced professionals.** Our professionals are highly skilled and knowledgeable about the government industry. Further, these individuals have experience providing audited financial statements for both a city government and the city's water and light department, as this is what we have provided to the City of Moorhead, a client since 1986. We will provide you with an executive summary as well as a timely audit report. This summary is designed to ensure you have all the information you need in a concise format that's more manageable as you're making valuable decisions on behalf of the City of East Grand Forks and its Water and Light Department.



Letter of Transmittal

We believe Eide Bailly is the right firm for City of East Grand Forks for the following reasons:

Experienced Professionals

We are loyal to serving our government clients, which range from small local governments to large state agencies and nearly every type of non-profit organization. Eide Bailly annually performs more than 90,000 service hours for more than 450 governmental clients. Our team members are truly engaged in this industry and are well positioned in organizations associated with governmental entities.

You can rest assured that our experienced professionals understand the services requested by the City of East Grand Forks. The team we have chosen to work with your organization has extensive understanding of the auditing standards associated with government entities. They will work diligently to audit and prepare timely financial statements for the City of East Grand Forks and prepare the financial statements for the Water and Light Department for the same period, all while meeting your deadlines.

Local Contacts, National Resources

We are confident the City of East Grand Forks will benefit from working with Eide Bailly. Founded in 1917, Eide Bailly is a Top 25 CPA Firm in the nation, with 24 offices in 11 states. Headquartered in Fargo, North Dakota, our clients benefit from local, personal service and, at the same time, enjoy access to 1,400 professionals with diverse skill sets and experiences. Eide Bailly is a properly licensed, certified public accountant firm.

We Will Meet Your Deadlines

We would be proud to work with the City of East Grand Forks. We understand the issues you face and our professionals are ready to anticipate, identify and respond to your needs in a timely manner. We will comply with the schedules and scope for the audit, as outlined in our discussions with management, and will perform all work within the timeframes outlined. We will meet your deadlines and you can expect timely delivery in order to ensure adequate time for review.

Why Choose Eide Bailly

The governmental sector is one of the largest industries we serve, and we have a dedicated team with industry-specific knowledge you can rely on. Our team members are engaged in the industry and well-positioned in organizations associated with governmental entities. Because our professionals hold various leadership roles in the GFOA and AICPA at both national and local levels, including Government Audit Quality Center members, we are able to provide input into governmental accounting issues. In addition, every team member receives ongoing training to stay current on issues affecting city governments.

When you work with Eide Bailly, you'll work with competent and experienced professionals who understand city governments and are passionate about their work—and your success. Further, you'll work alongside a team of professionals who are passionate about connecting with our clients and sharing insight, regardless of seniority. Our professionals are dedicated to providing a quality experience throughout the client engagement, from efficient review of audited financials with limited time onsite to a fresh perspective on your audit report.

Value for Fees

You can expect quality service at reasonable fees. Eide Bailly has established a reputation of providing quality work at a fair price. Our fees are based on the complexity of the issue and the experience level of the personnel necessary to address it. In the event you request additional services, Eide Bailly will obtain your agreement on fees before such work would commence. In other words, there will be no hidden fees.

The fees contained in this proposal, and the information therein, are a firm and irrevocable offer for 60 days.

We Want to Work with You

The following pages highlight our Firm's strengths and demonstrate why Eide Bailly merits serious consideration. Know that you will be a highly valued client. Our people would be proud to work with the City of East Grand Forks and build a trusting relationship with your team. Please contact me at 701.239.8518 or bstavenger@eidebailly.com if you would like to discuss any aspect of this proposal.

Sincerely,



Brian Stavenger, CPA
Partner



Independence

Our firm is independent of the City of East Grand Forks as defined by generally accepted auditing standards and Governmental Auditing Standards issued by the Comptroller General of the United States. None of the members of the Firm have a direct or indirect interest in the City of East Grand Forks.

The second general standard for auditing requires the audit organization and the auditors be free from personal and external impairments to independence. As defined by these standards, Eide Bailly is independent in fact and in appearance, and no relationships, either personal or professional, exist that would cause the Firm to be impartial in dealing with the City of East Grand Forks. In the past five years, Eide Bailly has had no professional relationships with the City of East Grand Forks.

License to Practice in Minnesota

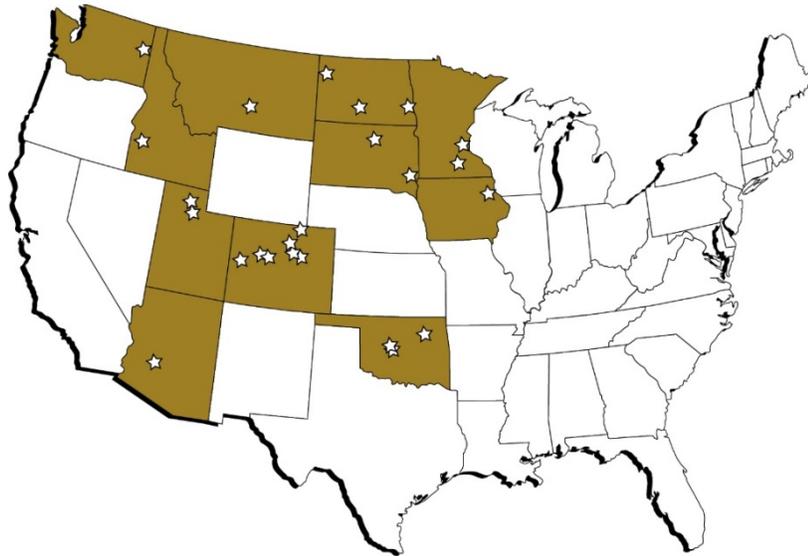
Eide Bailly and each of the professional staff assigned to the City of East Grand Forks are properly registered and licensed to practice in Minnesota.



Firm Qualifications

About Eide Bailly

When you work with Eide Bailly, your experience will be different than working with other CPA firms. Our professionals deliver genuine and insightful advice, and strive to become your trusted business advisors. Founded in 1917, Eide Bailly is a Top 25 CPA firm in the nation, with 24 offices in 11 states. Our clients benefit from local, personal service and, at the same time, enjoy access to 1,400 professionals with diverse skill sets and experiences.



Your Engagement Team

You will work with a team from the Fargo office that has extensive experience and knowledge in the government industry. Many of these team members have spent their careers working in the government industry and they understand the intricacies of governmental audits. They are actively involved with the clients they serve, from associate to manager to partner.

Brian Stavenger will lead the team and serve as Engagement Partner; Derek Flanagan will serve as the senior manager; Jamie Fay will serve as the manager; Luke Evenson will serve as the in-charge auditor; and Eric Berman will serve as the Technical Review Partner. These professionals have strong credentials and a desire to work with the City of East Grand Forks. If awarded this engagement, these individuals will serve as your primary contacts. Additional resources will support the project team as necessary.



At a Glance

- 40+ years of experience serving government clients
- More than 130 professionals dedicated to government clients
- Proactive communication of new government accounting standards

Government Experience

Eide Bailly has more than 40 years of experience in the governmental industry and the governmental sector has grown to be one of the largest industries we serve. We assist 450 government clients across the U.S., including cities, counties, school districts, tribal entities, state agencies, fire relief agencies and housing authorities.

The Firm currently has over 130 professionals dedicated to government clients. Our team members are engaged in the industry and well-positioned in organizations associated with governmental entities. Because our professionals hold various leadership roles in the GFOA and AICPA at both national and local levels, including Government Audit Quality Center members, we are able to provide input into governmental accounting issues. In addition, every team member receives ongoing training to stay current on issues affecting the government industry.

One of these team members is Eric Berman, a trusted advisor to government agencies across the U.S. Eric helps government agencies to address GASB Standards, NCGA Statements and AICPA Statements of Position. He uses his more than 23 years of experience in Governmental accounting, auditing and controllership to guide his federal, state and local government clients and is a recognized speaker, author and thought leader on financial reporting for state and local governments.

External Quality Control Review

A copy of our Firm's most recent peer review is included in Appendix C. We received a rating of pass and the quality review included several governmental engagements.

Federal and/or State Desk Reviews of Audits

Pursuant to state-specific code, the Minnesota Department of Legislative Audit performs state desk reviews of certain Minnesota entity audited financial statements and field reviews of audited financial statements and supporting working papers on a regular basis. In addition, OMB Circular A-133 and federal grant agreements and contracts may also require the review of financial statements and/or working papers by a federal or state agency. As these reviews are conducted, Eide Bailly cooperates fully with the agency requiring such reviews. All reviews have been resolved satisfactorily. No disciplinary action has been taken or is currently pending against the Firm during the past three years by state regulatory bodies or professional organizations.



Partner, Supervisory & Staff Qualifications

Brian Stavenger, CPA, Partner



Brian Stavenger will serve as the engagement partner. He has more than 13 years in public accounting with experience in the government industry. Brian has conducted audits of cities throughout his career, including some of the largest cities in Minnesota, North Dakota, and South Dakota. A Firmwide resource on the government industry, Brian creates and facilitates government trainings for the Firm. He holds the Certified Public Accountant designation and is located in our Fargo, ND, office.

Derek Flanagan, CPA, Senior Manager



Derek Flanagan will serve as the manager on the engagement. He has more than seven years in public accounting, providing audit, consulting and accounting services to a variety of industries with a primary focus in the government industry. Derek is a member of the GFOA Special Review Committee for the Certificate of Achievement for Excellence in Financial Reporting Program. He also serves as an instructor of Firmwide governmental training. Derek holds the Certified Public Accountant designation and is located in our Fargo, ND, office.

Jamie Fay, CPA, Manager



Jamie Fay will serve as the manager on the engagement. She has more than five years in public accounting and spends the majority of her time on governmental audits. Jamie is a member of the conference planning committee for the League of Minnesota Cities. She holds the Certified Public Accountant designation and is located in our Fargo, ND, office.



The Eide Bailly Difference

Our professionals deliver genuine and insightful advice beyond what is normally expected in the public accounting industry.

We are confident you will benefit from working with Eide Bailly.

Luke Evenson, CPA, Senior Associate



Luke Evenson will serve as the in-charge on the engagement. He has almost four years in public accounting and spends the majority of his time on governmental audits. He holds the Certified Public Accountant designation and is located in our Fargo, ND, office.

Eric Berman, CPA, CGMA, Partner



Eric Berman will serve as the technical review partner. He has more than 23 years of experience in governmental accounting, auditing and controllership and is a nationally recognized speaker, author and thought leader on financial reporting for state and local governments. He represents the Association of Government Accountants as the Vice Chairman of the Government Accounting Standards Advisory Council to the GASB. Eric holds the Certified Public Accountant and Chartered

Global Management Accountant designations and is located in our Boise, Idaho office.

Assurance of Staff Quality over the Term of Agreement

To help ensure a strong business relationship and to minimize disruptions, we keep staffing changes to a minimum. Compared to the national average, Eide Bailly experiences a high retention rate, which provides stability in our business relationships. We have been successful in retaining our staff by providing a nurturing and caring environment—and by becoming the workplace of choice for 1,400 people.

In addition, our firm is ranked as a Top 15 best accounting firm in North America for quality of life and prestige by Vault.com's Accounting Firms Annual Rankings. When you work with Eide Bailly professionals, you can be certain that you are working with people who love what they do and take pride in where they work. We are dedicated to being there for your business now and into the future.

The team we have selected to serve the City of East Grand Forks is comprised of our best people. We have invested heavily in them and continue to provide challenging career opportunities for these talented professionals. Should there be a need to change one of the key members of the team, we will discuss this with management and gain your perspective on the proposed new team member before making a change.



Similar Engagements

As a Top 25 CPA firm with 24 offices in 11 states, Eide Bailly is the firm of choice for 44,000 clients. We recently asked our clients what they valued most about their relationship with our Firm. Industry knowledge, attentive service, genuine advice and friendly people were just a few of the responses we received. Our clients are truly the best critics of our service. Listed below are several city clients who have similarities to the City of East Grand Forks as references. We encourage you to contact these clients to learn more about their Eide Bailly experiences.

We asked our clients to describe Eide Bailly ...

“... invaluable to our success ... leading-edge experts ... resourceful in recommending strategies ... there for us ... treats us as a valued customer ... passionate about helping clients ... valued business advisors.”

We encourage you to contact our clients so they can share their personal Eide Bailly experience with you.

Client References

Client Name	Scope of Work	Year-End	Partner	Total Hours	Contact
City of Moorhead, MN, including Moorhead Public Service issuing a separate report	Annual audit since 1986	12/31	Brian Stavenger	500	Wanda Wagner – 218.299.5301 Nancy Lund – 218.477.8010
City of Sioux Falls, SD	Annual audit since 1995	12/31	Brian Stavenger	475	Tracy Turbak – 605.367.8860
City of Fargo, ND	Annual audit since 1995	12/31	Brian Stavenger	450	Kent Costin – 701.241.1300
City of Wadena, MN	Annual audit since 2012	12/31	Brian Stavenger	300	Brad Swenson – 218.631.7707
City of Morris, MN	Annual audit since 1991	12/31	Brian Stavenger	225	Blaine Hill – 320.589.3141

All of the above with the exception of the City of Morris have been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting for the most recent audit. The City of Morris has decided not to participate in the program.



Specific Audit Approach

Engagement Planning

We recognize each client is unique therefore, we tailor our services to meet the needs of each client. During the course of our audit services, we will hold periodic meetings with your management team. This continuous interchange of information is necessary to keep you fully informed and to provide us with timely information that will enable us to best serve your organization. Throughout the planning process, we will be in regular contact with your management team and accounting personnel to discuss:

- The engagement timeline
- The audit approach and process
- Additional considerations specific to your business that may affect scope, schedules and work papers to be prepared by your staff

Eide Bailly believes project management is one of the keys to success with any type of engagement and it begins with the planning process. To accomplish this, we have extensive team planning meetings. During those planning meetings we will look at the audits from a risk based approach. We plan to spend the majority of our time on material accounts surrounding the accounts receivable/revenue process as well as unbilled work in process.

We understand the interruption an audit causes to the daily activities of City staff. Through the use of paperless audit software we are able to complete the majority of the audit off-site – limiting the disruption to the City of East Grand Forks’ staff. The remainder of the audit will be completed through electronic file review and testing, just as if we were on-site the entire time.

Engagement Timeline

Our audit approach is designed to collaborate with the City of East Grand Forks and achieve optimal results. The table below outlines a preliminary schedule:

Engagement Timeline	
Activity	Timing
Planning	December/January
Fieldwork	March/April
Reporting	May/June

Upon appointment as your auditor, we will discuss this preliminary schedule and work with you to ensure the timeline meets your needs and makes the most effective use of your staff members’ time.



Tailored Approach

At Eide Bailly, we do not use a “cookie-cutter” approach. We tailor our services to meet the unique needs of each client.

Engagement Fieldwork

The following review of Eide Bailly’s audit approach represents the starting point from which a customized audit work plan would be developed for the audit of the City of East Grand Forks, should Eide Bailly be selected as your firm of choice.

We will use programs and checklists to document our understanding of your internal controls. This process also includes interviewing key personnel and re-performance of certain procedures to assure controls are in place and operating effectively.

Sampling may be performed for compliance testing and substantive tests of transactions. We will be pleased to discuss sample sizes and selection methods when they are determined, either during audit planning or during fieldwork. The use of external confirmations will also be utilized during our audit process.

During the fieldwork, the engagement partner and/or manager will supervise our audit team and provide on-going communication to management on the status of the work. We understand the disruption having audit staff onsite can cause so we work to keep our time onsite to a minimum, therefore eliminating disruptions to your staff.

Reporting

Upon completion of the fieldwork we will issue draft reports to management and discuss any proposed journal entries with management, as well as any information we gather during the engagement regarding internal controls, compliance and suggestions to management. Upon approval of the draft report by management, we will present the final report consisting of going through the executive summary, which contains summarized information from the audited financial statements, as well as graphs and ratios.

Accessibility

With 130 professionals dedicated to the government industry, we continue to stay abreast of current and upcoming issues affecting the government industry. We then share this information with you and can help you to address any challenges you may face. Ways we do this include:

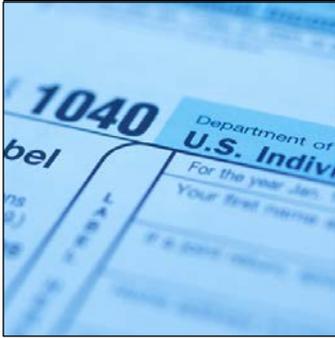
- Government Insights e-newsletter, sent out quarterly.
- Continual, up-to-date information regarding new rules and regulations.
- Easily accessible staff who will answer your questions in a timely manner, generally within 24-hours.
- Governmental webinars or on-site trainings, like our Government Summit in January 2014 and our Governmental A&A Update in June 2014, both featuring Eric Berman.



Identification of Anticipated Potential Audit Problems

Our audit procedures may uncover opportunities for improvements in areas such as accounting and financial controls, operations procedures, management information systems and business practices, and certain areas in general. Although these comments are not based on an in-depth study of the particular subject area or potential problem, management is often able to utilize this information in future decisions or actions. We will discuss any control deficiencies with the Audit Committee and finance personnel.

Frankly, we anticipate that potential audit problems will be raised by sources outside of the City of East Grand Forks and ourselves as GASB continues to issue new pronouncements. Heightened transparency and compliance issues are key issues in the governmental sector as well. However, we will resolve these issues through frequent communication with you, and by helping you with implementation issues, adjusting journal entries or communications with GASB or other regulatory agency staff. Again, discussions with the Audit Committee and finance personnel surrounding these accounting issues is key to finding solutions in these areas.



Report Format

The reports you receive from Eide Bailly will look similar to the reports that you are accustomed to receiving from your current accounting firm.

However, we do provide an executive summary at the beginning of each of our audit reports. This summary contains summarized information from the audited financial statements, as well as graphs and ratios. We believe this help facilitate better understanding of the report for our clients. Further, it provides the necessary information in a manageable segment.

An example of the executive summary from the City of Moorhead has been sent to the finance director of the City of East Grand Forks for your review. This is just one example of the ways that our Eide Bailly professionals are thinking differently and concentrating on what is most important for our clients.



Audit Schedule

Our audit approach is designed to collaborate with the City of East Grand Forks to achieve optimal results.

Planning – December/January

- Gain knowledge of organization and environment
- Perform analytical procedures to identify audit risk areas
- Consider fraud through inquiry and brainstorming
- Develop audit budget by individual areas
- Determine audit procedures by area, based on results of audit planning
- Determine confirmation needs
- Prepare listing of audit information requested from organization

Office Work – March/April

- Review minutes, resolutions and ordinances
- Perform tests of legal compliance
- Audit areas based on risk assessment
- Obtain and prepare schedule and analyses supporting the financial information
- Our goal is to minimize the amount of time spent onsite, and thus minimize interruptions and distractions to your staff. We try to accomplish as much in our office as possible, making use of electronic means of obtaining information from your staff for the audit procedures performed.

Fieldwork – March/April

- Review internal controls
- Discuss findings with management
- Discuss proposed journal entries with management



National Resources

When you work with Eide Bailly, you have access to 1,400 talented professionals across the Firm with diverse experiences, skill sets and expertise.

Reporting – May/June

- Prepare draft of financial report, management letter, and executive summary
- Provide report to management for review and comment.
- Present final report to City which consists of going through the executive summary, which contains summarized information from the audited financial statements, as well as graphs and ratios. We believe this helps facilitate understanding and demonstrates our willingness to go the extra mile for our clients.

Ongoing Communication: Throughout the year

- Obtain interim financial statements throughout the year for review
- Analyze significant changes and identify areas to further tailor our audit plans and to keep us up-to date with continuing changes

Engagement Quality Review

We understand local, personal service is important to our clients. You will work with the team that has extensive knowledge and experience in the government industry. Because of Eide Bailly's Engagement Quality Review (EQR) process several new partners will be involved in the audit process over the next several years. These partners provide technical review and give the audit team a fresh look each year.



Why Choose Eide Bailly

We Want to Work with the City of East Grand Forks

When you do business with Eide Bailly your experience will be different than working with other CPA firms. Know that you are not “just another client,” but someone with whom we want to do business. By applying our focused experience and comprehensive capabilities, we will provide genuine advice to help you reach your business goals and transform challenges into new possibilities. Specifically, you will experience:

- Access to a cohesive audit team that works together through associate, partner and manage level to best serve the client.
- A Firm that prioritizes government engagements and encourages our professionals to focus their expertise in the government industry.
- A highly skilled team of individuals who have audited some of the largest cities in Minnesota, North Dakota and South Dakota.
- Audit services completed in a timely, efficient manner by a Firm that is independent of the City of East Grand Forks and licensed to practice in Minnesota.
- A fresh perspective on your audit and added value in Eide Bailly’s EQR process that ensures a fresh perspective throughout the audit engagement, not just in the first year.

Our people are excited about the opportunity to work with you and build a trusting relationship with your team. We look forward to working with the City of East Grand Forks.

Appendix A – Proposer Warranties

ATTACHMENT A PROPOSER WARRANTIES

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

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

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

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

Signature of Official: 

Name (typed or printed): Brian Stavenger

Title: Partner

Firm: Eide Bailly LLP

Date: August 28, 2014

Appendix B – Schedule of Professional Fees & Expenses

**ATTACHMENT B
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR
THE AUDIT OF THE 2014 CITY'S FINANCIAL STATEMENTS**

Professional Fees				
	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partner	20	\$ 425	\$ 175	\$3,500
Manager	40	\$ 300	\$ 140	\$5,600
Supervisory Staff	110	\$ 225	\$ 105	\$11,550
Staff	82	\$ 175	\$ 80	\$6,560
Other (Administrative)	8	\$ 100	\$ 50	\$400
Subtotal:	260			\$27,610

Out-of-Pocket Expenses (Specify)				
Meals, Lodging, and Mileage				\$1,000

Total Not-To-Exceed Cost for the 2014 Audit				\$28,610
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**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR
THE AUDIT OF THE 2014 WATER AND LIGHT FINANCIAL STATEMENTS**

Professional Fees				
	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partner	10	\$ 425	\$ 175	\$1,750
Manager	20	\$ 300	\$ 140	\$2,800
Supervisory Staff	65	\$ 225	\$ 105	\$6,825
Staff	40	\$ 175	\$ 80	\$3,200
Other (Administrative)	5	\$ 100	\$ 50	\$250
Subtotal:	140			\$14,825

Out-of-Pocket Expenses (Specify)				
Meals, Lodging, and Mileage				\$500

Total Not-To-Exceed Cost for the 2014 Audit				\$15,325
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**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR
THE AUDIT OF THE 2015 CITY'S FINANCIAL STATEMENTS**

Professional Fees				
	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partner	20	\$ 425	\$ 175	\$3,500
Manager	40	\$ 300	\$ 140	\$5,600
Supervisory Staff	110	\$ 225	\$ 110	\$12,100
Staff	82	\$ 175	\$ 85	\$6,970
Other (Administrative)	8	\$ 100	\$ 50	\$400
Subtotal:	260			\$28,570

Out-of-Pocket Expenses (Specify)				
Meals, Lodging, and Mileage				\$1,050

Total Not-To-Exceed Cost for the 2015 Audit				\$29,620
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**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR
THE AUDIT OF THE 2015 WATER AND LIGHT FINANCIAL STATEMENTS**

Professional Fees				
	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partner	10	\$ 425	\$ 175	\$1,750
Manager	20	\$ 300	\$ 140	\$2,800
Supervisory Staff	65	\$ 225	\$ 110	\$7,150
Staff	40	\$ 175	\$ 85	\$3,400
Other (Administrative)	5	\$ 100	\$ 50	\$250
Subtotal:	140			\$15,350

Out-of-Pocket Expenses (Specify)				
Meals, Lodging, and Mileage				\$525

Total Not-To-Exceed Cost for the 2015 Audit				\$15,875
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**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR
THE AUDIT OF THE 2016 CITY'S FINANCIAL STATEMENTS**

Professional Fees				
	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partner	20	\$ 425	\$ 185	\$3,700
Manager	40	\$ 300	\$ 150	\$6,000
Supervisory Staff	110	\$ 225	\$ 110	\$12,100
Staff	82	\$ 175	\$ 90	\$7,380
Other (Administrative)	8	\$ 100	\$ 50	\$400
Subtotal:	260			\$29,580

Out-of-Pocket Expenses (Specify)				
Meals, Lodging, and Mileage				\$1,100

Total Not-To-Exceed Cost for the 2016 Audit				\$30,680
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**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR
THE AUDIT OF THE 2016 WATER AND LIGHT FINANCIAL STATEMENTS**

Professional Fees				
	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partner	10	\$ 425	\$ 185	\$1,850
Manager	20	\$ 300	\$ 150	\$3,000
Supervisory Staff	65	\$ 225	\$ 110	\$7,150
Staff	40	\$ 175	\$ 90	\$3,600
Other (Administrative)	5	\$ 100	\$ 50	\$250
Subtotal:	140			\$15,850

Out-of-Pocket Expenses (Specify)				
Meals, Lodging, and Mileage				\$550

Total Not-To-Exceed Cost for the 2016 Audit				\$16,400
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SUMMARY SCHEDULE

<u>YEAR</u>	<u>NOT-TO-EXCEED AMOUNT</u>
2014	<u>\$43,935</u>
2015	<u>\$45,495</u>
2016	<u>\$47,080</u>
GRAND TOTAL	<u><u>\$136,510</u></u>

Appendix C – Quality Control Review



System Review Report

To the Partners of
Eide Bailly LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Eide Bailly LLP (the firm) applicable to non-SEC issuers in effect for the year ended July 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*, audits of employee benefit plans, and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of Eide Bailly LLP applicable to non-SEC issuers in effect for the year ended July 31, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Eide Bailly LLP has received a peer review rating of *pass*.

Cherry, Bekaert + Holland, LLP

Cherry, Bekaert & Holland, L.L.P.
November 21, 2011



CULTURE

The Foundation of Success

Caring for our external and internal clients
with a passion to go the extra mile.

Respecting our peers and their
individual contributions.

Conducting ourselves with the highest level
of integrity at all times.

Trusting and supporting one another.

Being accountable for the overall success
of the Firm, not just individual or office success.

Stretching ourselves to be innovative and
creative, while managing the related risks.

Recognizing the importance of maintaining
a balance between work and home life.

Promoting positive working relationships.

And, most of all, enjoying our jobs ...
and having fun!



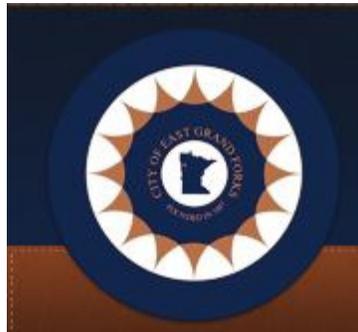
www.eidebailly.com

Proposal for Professional Auditing Services
to be Performed for:



&

THE CITY OF EAST GRAND FORKS
WATER & LIGHT



EAST GRAND FORKS, MINNESOTA

Submitted By:

BRADY, MARTZ & ASSOCIATES, P.C.

Janelle Mulroy, CPA

401 Demers Avenue, Suite 300

PO Box 14296

Grand Forks, ND 58208-4296

Phone: (701)775-4685

Fax: (701)795-7498

**BRADY
MARTZ**

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

August 25, 2014

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CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

LETTER OF TRANSMITTAL

Ms. Karla Anderson, CPA, Finance Director
City of East Grand Forks
600 DeMers Ave NW
East Grand Forks, MN 56721

Dear Ms. Anderson:

We are pleased to submit the following proposal for audit services to the City of East Grand Forks, Minnesota and its Water and Light Department for the years ending December 31, 2014, 2015 and 2016. We understand that these audits will be performed in accordance with auditing standards generally accepted in the United States of America, standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, the provisions of the Minnesota Legal Compliance Guide, and the provisions of the federal Single Audit Act, if applicable.

We have reviewed the time requirements as listed in your request for proposal and are committed to meet those requirements. Page 30 of this proposal details our understanding of the time requirements.

Brady Martz & Associates, P.C. is a leading governmental service provider. We have been working in the Governmental industry for more than 80 years. We believe we are best qualified to perform the engagements because of our experience in working with governmental clients and with providing technical assistance to clients that prepare Comprehensive Annual Financial Reports (CAFR). All staff members that will be assigned to the audits work primarily with governmental clients, giving them the technical skills and experience needed to provide quality services. In addition, our firm is a member of the Government Finance Officers Association (GFOA) and the AICPA's Government Audit Quality Center (GAQC).

Our firm works with and provides technical assistance to several clients that prepare Comprehensive Annual Financial Reports, including the State of North Dakota. Also, Janelle Mulroy and Joe Martin both serve on the GFOA's Special Review Committee where they review CAFR's of entities applying for a Certificate of Excellence in Governmental Financial Reporting.

The person authorized to make representation and to bind the proposal for Brady, Martz & Associates, P.C. is:

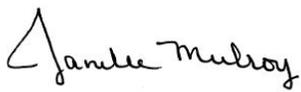
Janelle Mulroy, Shareholder
P.O. Box 14296
Grand Forks, ND 58206-4296
Telephone No. 775-4685

This constitutes a firm and irrevocable offer for 60 days from the date of this proposal.

We thank you for considering our firm and hope to work with you on this engagement.

Sincerely,

BRADY, MARTZ & ASSOCIATES, P.C.

BY 

Janelle Mulroy, CPA

GENERAL REQUIREMENTS

FIRM MISSION

Brady, Martz & Associates' mission is "To provide quality client service and to help our clients achieve their financial goals". To accomplish this goal we give each of our clients' individualized attention and employ only the highest qualified individuals.

INDEPENDENCE, LICENSE AND CONFLICT OF INTEREST

Brady, Martz & Associates, P.C. meets the independent requirements of the "Government Auditing Standards" issued by the Comptroller General of the United States. We also meet the independence requirements under the AICPA Standards. We are members of the American Institute of Certified Public Accountants and are licensed to practice in Minnesota, North Dakota, South Dakota, Iowa, Montana, and Nebraska.

For each of the past five years, Brady Martz & Associates, P.C. has been the independent auditors for the City of East Grand Forks and its Water and Light Department. In addition, our firm has applied agree-upon procedures which the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC) has specified, to the electronic submission and related hard copy documents for the City's Economic Development and Housing Authority's Section 8 program. These professional relationships with the City are performed in accordance with applicable independence requirements and do not constitute conflicts of interest with regard to performing the proposed audits.

GENERAL REQUIREMENTS

OUR GRAND FORKS OFFICE

The audits of the City of East Grand Forks and its Water and Light Department will be staffed by our Grand Forks Office. The Grand Forks office currently employs a professional staff of 64. It is estimated that four professional staff will be assigned to these engagements on a full-time basis. The Grand Forks office provides a wide range of professional services to their clientele including:

- Financial statement audits (including OMB Circular A-133 audits)
- Compliance audits
- Consulting services in association with the GFOA Certificate of Excellence in Financial Reporting
- Consultation on implementation and compliance with new GASB Statements.
- Technology needs analysis
- Pension plan audits
- Agreed upon procedures services
- Management consulting services
- Budgeting
- Employee Benefit Plans
- Accounting procedures and internal control evaluations
- Personnel recruiting and training
- Strategic planning
- Litigation support
- Forecasts and projections

Our professional audit staff has been trained in IT controls review as it applies to governmental audits. Our staff is also supported by an IT department of full-time programmers, two technology support people, and several CPA's with considerable experience in IT auditing and analysis who are available to assist, if needed.

GENERAL REQUIREMENTS

FIRM QUALIFICATIONS AND EXPERIENCE

Brady, Martz & Associates, P.C. is a regional certified public accounting firm currently employing over 180 people, including approximately 100 professionals. Offices are maintained in Grand Forks, Minot, Bismarck, and Dickinson, North Dakota and Thief River Falls, Minnesota. The firm was founded with the objective of performing the highest quality professional services as timely and efficiently as possible. The core of our firm is service and expertise. Our major strength is our people.

Brady, Martz & Associates, P.C. has served the governmental industry for more than 80 years with approximately 175 governmental units currently utilizing our independent professional services. With this experience, we recognize the challenges facing governmental units in a world of ever-changing regulations and responsibilities for compliance. We also know that not every governmental unit's needs are the same. That is why we treat each client's needs with individualized attention.

The organizations we serve range in size from very small to very large and several of the organizations are recipients of federal funds. We also serve as technical advisors to many clients that prepare Comprehensive annual Financial Reports.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

GOVERNMENTAL INDUSTRY KNOWLEDGE AND EXPERIENCE

Brady, Martz & Associates, P.C. has a broad base of governmental clients subject to the provisions and requirements contained in *Government Auditing Standards*, the Single Audit Act of 1996 and the OMB Circular A- 133 Audits of States, Local Governments and Non-Profit Organizations.

In addition to our audit services, we have provided a variety of management advisory services including consultations on bond financing, IT installation, budget assistance, software evaluations, employee benefit plan consulting, and various seminars on accounting and other topics.

Several of our clients have attained the GFOA Certificate of Excellence in Financial Reporting. We have provided consulting services to each of these entities on various reporting issues. In addition, our firm serves a technical assistant to the State of North Dakota in the preparation of its Comprehensive Annual Financial Report.

Two of our shareholders, Janelle Mulroy and Joseph Martin serve on the Government Finance Officers Association (GFOA) Special Review Committee, which is a group of finance officers, GFOA staff, auditors, and academics that volunteer time to review comprehensive annual financial reports of state and local governments.

Brady, Martz & Associates, P.C. currently has 35 professional partners and staff who provide audit services for our governmental clients. Those individuals are provided on-going training through their attendance at various seminars and meetings related to auditing and reporting on governmental units. In addition, our people have kept abreast of emerging issues in the governmental area by serving on various governmental auditing committees and task forces of the North Dakota Society of Certified Public Accountants.

To demonstrate our commitment to achieving the highest quality audits possible, we have joined the AICPA's Governmental Audit Quality Center and have named Janelle Mulroy, CPA as our firms' designated partner in charge of ensuring the quality of our Governmental audit services, particularly our services performed under Government Auditing Standards and OMB Circular A-133.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

The Center is a voluntary membership Center for CPA firms that perform governmental audits, including all audits and attestation engagements performed under Government Auditing Standards and OMB Circular A-133 of federal, state, or local governments; not-for-profit organizations; and certain for-profit organizations that receive federal assistance.

Our firm is also a member of the McGladrey Alliance which is an affiliation of top quality firms with the 5th largest accounting firm worldwide. Over 90 firms with over 4,400 individuals contributed to our shared resources. Although we maintain our local ownership and independence, we are able to draw upon these resources whenever they are needed. We have also developed working relationships with national accounting firms, regional law firms, and specialized consulting firms.

Since becoming part of the McGladrey Alliance, we have completed many successful joint service arrangements both with our existing clients and with clients of McGladrey and Pullen. We have also utilized their expertise and resources in isolated instances on specific clients. In all cases, we have been able to continue to meet our clients' needs and requests with the highest quality service.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

QUALITY CONTROL/PEER REVIEWS

Our objective is to provide the most professional service we can and maintain high quality control over our work. To obtain these objectives, all services performed by Brady, Martz & Associates, P.C. is under the direct supervision and review of one of the shareholders. Our firm has also developed a quality control document which sets out our policies for quality services which are applied to all services we perform.

Our audit reports have been submitted to the North Dakota State Auditor's Office and have also been selected by the Minnesota Society of CPA's Governmental Accounting Committee for review. We are a member of SEC Practice Section (SECPS) and the Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants. As a condition of membership in the SECPS and PCPS, we have undergone a peer review of our quality control procedures by an independent firm of CPA's, including a review of specific government engagements. A peer review results in the issuance of three different types of opinions:

- a. Pass
- b. Pass with Deficiency(ies)
- c. Fail

Brady, Martz & Associates, P.C. has received the highest opinion - Pass, which is included on page 32.

Our firm has not undergone any federal or state desk reviews or field reviews of our audits during the past three years. In addition, we have not been involved in any disciplinary actions in the past three years and there are no disciplinary action pending.

We have never been the object of any disciplinary action as a firm or as individual members.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

AUDIT TEAM MEMBERS

To provide the City of East Grand Forks and its Water and Light Department with the most professional and qualified services, we will utilize the following members of our office.

Janelle Mulroy Ms. Mulroy will serve in the position of shareholder in charge of the audits and will be responsible for the audit program scope and objectives, review of audit reports and conferences with City Council. Ms. Mulroy will be responsible for evaluation of all significant audit issues. She will conduct the final review of audit work papers.

Joseph Martin Mr. Martin will serve as second shareholder reviewer, which will include review of the work papers and financial statements before issuance. He will also be available throughout the audit for specialized consultation, support and technical assistance.

Amanda Scanson Ms. Scanson will serve in the position of manager on the audit and will be responsible for audit supervision, audit coordination with the auditee, review of auditee’s accounting and internal control, scheduling, audit program assignments, compliance testing and day to day work and supervision of the junior staff assigned to the engagement.

Other Associates Other accountants with at least one year of experience will be assigned to the engagement based on need as determined by supervisory personnel.

Our engagement team has considerable experience in the governmental area. Detailed resumes are attached for each of the individuals listed above. In addition, Mr. Martin has completed the AICPA Certificate of Educational Achievement for Governmental Auditing. This is an intensive 64 hour program in all areas of governmental accounting and auditing.

We expect that there will be no changes during the initial one-year period of this engagement. Subsequent changes to staffing will be dependent upon maintaining a level of experience and education at least equal to that of the engagement team members being replaced.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

❖ Janelle Mulroy, CPA

Business Experience: Ms. Mulroy is a shareholder of Brady, Martz & Associates, P.C. with 21 years of experience practicing as a Certified Public Accountant with an emphasis in the audit area.

Education: Bachelor of Accountancy, University of North Dakota

Government Experience: Ms. Mulroy's emphasis is in the area of governmental and nonprofit audits. She devotes approximately 75 percent of her total time to audits of governmental and nonprofit organizations, many of which include audits in accordance with OMB Circular A-133. She is also a member of the Government Finance Officers Associations Special Review Committee where she reviews financial statements of entities applying for a Certificate of Excellence in Governmental Financial Reporting. In addition, Ms. Mulroy serves as the firm's designated partner for our membership in the AICPA's Governmental Audit Quality Center.

Continuing Education Recently Attended: AICPA National Governmental Industry Conference (Annually)
Government Finance Officers Association Annual Government GAAP Update
AICPA National Not For Profit Industry Conference
A-133 Audits of States, Local Governments, and Non-Profit Organizations
The Recovery Act: Information You Need to Plan and Perform Your Single Audits

Professional Associations: Ms. Mulroy is a member of the American Institute of CPA's and the North Dakota Society of CPA's. She is a member and past President of the Grand Forks Chapter of the North Dakota Society of CPA's and the Grand Forks Kiwanis Club. She is licensed to practice in various states including, Minnesota.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

❖ **Joseph P. Martin, CPA**

Business Experience: Mr. Martin is a shareholder of Brady, Martz & Associates, P.C. with 24 years of experience practicing as a Certified Public Accountant with an emphasis in the audit area.

Education: BS/BA Mayville State University

Government Experience: Mr. Martin's emphasis is in the audit area with emphasis in Government, Non-Profit and various other industries. He devotes approximately 60 percent of his total time to audits of governmental organizations. He has 24 years of experience auditing Minnesota School Districts.

Mr. Martin has successfully completed the AICPA Governmental Accounting and Auditing Certificate of Educational Achievement Program. The program is an intensive series of four integrated courses in governmental accounting and auditing, including the single audit.

**Continuing Education
Recently Attended:**

- A-133 Audits of Non-Profit Organizations
- Governmental Accounting and Auditing Issues
- A-133 Update
- GASB Update (Annually)
- Advanced Governmental Financial Reporting
- Financial Reporting of the GFOA Certificate
- Governmental and Non-Profit Annual Update
- Governmental and Non-Profit Organizations Annual Conference
- AICPA Staff Training- Level I, II, III, IV
- Professional Standards Update
- GAAP-GAAS Update
- How to Use PPC Guide on Governmental Audits
- Minnesota School District Workshop
- Audit Procedure Workshop
- Yellow Book Update Governmental Accounting and Auditing
- Certificate of Educational Achievement Program
- Region I Annual Update

Professional Associations: Mr. Martin is a member of the American Institute of CPA's and the North Dakota Society of CPA's and is a member of the North Dakota Society Report Acceptance Body. He is licensed to practice in various states, including Minnesota.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

❖ **Amanda Scanson**

Business Experience: Mrs. Scanson is a senior associate with Brady, Martz & Associates, P.C. with 5 years of experience in audit and tax preparation. Mrs. Scanson’s auditing experience has been primarily in the governmental industry.

Education: Bachelors of Accountancy, University of North Dakota

Government Experience: Mrs. Scanson’s emphasis is in providing auditing, accounting, and tax services to a wide range of industries including cities, Tribal Governments, school districts, housing authorities and various other industries. She devotes approximately 90 percent of her time to audits of governmental organizations.

**Continuing Education
Recently Attended:**

- Public Sector Update
- Government Accounting Issues Update (Annually)
- Understanding GASB 34
- New GASB Updates
- Governmental GAAP Update
- McGladrey level Training Courses
- Single Audit Fundamentals
- Planning and Performing Single Audits
- Fraud in Governmental and Non-Profit Organizations
- AICPA Independence Training
- Accounting and Auditing Updates

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

❖ **John Dybwad, CPA**

Business Experience: Mr. Dybwad is a senior associate at Brady, Martz & Associates, P.C. with 5 years of experience practicing as a certified public accountant with an emphasis in the audit area.

Education: Bachelor of Accountancy, University of North Dakota

Government Experience: Mr. Dybwad devotes approximately 30 percent of his total time to audits of governmental and not-for-profit organizations.

**Continuing Education
Recently Attended:** Not-For-Profit Accounting Issues Update (Annually)
Government Accounting Issues Update (Annually)
Industry Update for Yellow Book & A-133
Yellow Book & Single Audit Reporting Update
Government Auditing Standards Update 2014
Governmental GAAP: CAFRs

Professional Accreditations: Certified Public Accountant, Certified Managerial Accountant, Certified Internal Auditor, Certified Fraud Examiner

Professional Associations: Mr. Dybwad is a member of the American Institute of CPA's, North Dakota CPA Society, Institute of Management Accountants, and Association of Certified Fraud Examiners. He is licensed to practice in various states, including Minnesota.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

❖ **Ryan Ressler, CPA**

Business Experience: Mr. Ressler is a senior associate of Brady, Martz & Associates, P.C. with 4 years of experience practicing in public accounting. He primarily works in the audit department with an emphasis in the governmental industry.

Education: Bachelor of Accountancy, University of North Dakota

Government Experience: Mr. Ressler devotes approximately 60% of his total time to audits of governmental units. He is a lead on numerous governmental and A-133 audits.

**Continuing Education
Recently Attended:** Public Housing Authority Financial Conference
Governmental GAAP Update
Annual Accounting & Auditing Update
AICPA Clarity Auditing Standards Update
Reducing Governmental Accounting and Financial Report Problems
Common Audit Deficiencies in Governmental Audits
McGladrey Level Training Courses

Professional Associations: Mr. Ressler is a member of the American Institute of CPA's. He is licensed to practice in various states, including Minnesota.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

❖ Brady Johs, CPA

Business Experience: Mr. Johs is a senior associate with the Grand Forks office of Brady, Martz & Associates, P.C. and has over 3 years experience in public accounting. He primarily works in the audit department of Brady, Martz & Associates, P.C. Mr. Johs's auditing experience has been primarily in the governmental industry.

Education: Bachelor of Accountancy, University of North Dakota

Governmental

Experience: Mr. Johs devotes approximately 75% of his time to audits of governmental units. He is a lead on numerous governmental and A-133 audits. Specifically, Mr. Johs has lead A-133 audits for Benson County, Sinte Gleska University, Cankdeska Cikana Community College, and Salish Kootenai College.

Continuing Education Recently Attended:

- Sampling Strategies in Circular A-133 Audits
- Governmental GAAP Update
- AICPA Clarity Auditing Standards Update
- Common Audit Deficiencies in Governmental Audits
- Single Audit: Common Problems
- SFA Student Financial Aid Seminars
- Annual Accounting & Auditing Update

Professional Associations: Mr. Johs is a member of the American Institute of CPAs and the North Dakota Society of CPAs. He is licensed to practice in various states, including Minnesota.

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

Among our governmental audit clients are approximately, 35 cities, 20 housing authorities, 40 school districts, major agencies of the State of North Dakota, as well as several other governmental organizations. A sample of cities we have audited within the past three years that are comparable to the City of East Grand Forks include:

	Total Staff Hours	Scope of Work	Most Recent Service Date	Engagement Partner	Principal Client Contact
City of Grand Forks, ND	391 Hours	Audit & Single Audit	* December 31, 2013	Joseph Martin	Maureen Storstad, Director of Finance Phone: 701-746-2620
City of Warren, MN	267 Hours	Audit & Single Audit	December 31, 2013	Janelle Mulroy	Shannon Mortenson, City Administrator Phone: 218-745-5343
City of Mahnommen, MN	227 Hours	Audit	December 31, 2013	Janelle Mulroy	Jeff Cadwell, City Administrator Phone: 218-935-2573
City of Detroit Lakes, MN	222 Hours	Audit	* December 31, 2013	Tracee Bruggeman	Pamela Slifka, Finance Officer Phone: 218-847-5658
City of Thief River Falls, MN	307 Hours	Audit	* December 31, 2013	Tracee Bruggeman	Angie Philipp, Finance Director Phone: 218-681-6223

* Entity Prepares a Comprehensive Annual Financial Report and received the GFOA Certificate of Achievement for the most recent audit year that has been reviewed as of the date of this proposal.

SPECIFIC AUDIT APPROACH

AUDIT OBJECTIVES

The objective of the audits is to perform professional audits of the City of East Grand Forks and its Water and Light Department's financial statements for the purpose of expressing opinions on governmental activities, business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information in conformity with generally accepted accounting principles. The audits will cover the operations of the City of East Grand Forks and its Water and Light Department as indicated in the request for proposal. The objectives also include an examination of the City of East Grand Forks and its Water and Light Department's compliance with relevant laws and regulations. Throughout our audit process we will examine for ways to assist the City of East Grand Forks and its Water and Light Department with improving their internal control structures in order to provide services in a more efficient and effective manner.

The audits will be performed in accordance with standards generally accepted in the United States of America, *Governmental Auditing Standards*, provision of the Minnesota Legal Compliance Guide and, if applicable, provisions of U.S. Office of Management and Budget Circular A-133.

AUDIT TECHNIQUES

Our approach for these audits will include an emphasis on continuous and timely communication and coordination with the City of East Grand Forks and its Water and Light Department's personnel, especially in the planning phases of the audits. We believe that coordinating tasks prior to performing significant audit fieldwork will result in an efficient use of personnel. The specific techniques to be used will depend on the current internal accounting control system in place.

During the planning phase of our audits, we will obtain an understanding of the current accounting internal controls through documentation of the activity cycles including, but not limited to: revenues/receipts, general disbursements, payroll processing and recording. In evaluating internal controls we carefully assess the management control environment. We will also evaluate the City of East Grand Forks and its Water and Light Department's operations and their ability to generate timely and accurate financial information. At the specific financial statements account level, we will evaluate the detail controls for authorization and processing of transactions, as well as controls related to safeguarding and reporting functions.

SPECIFIC AUDIT APPROACH

SCOPE OF WORK

In addition to the audit objectives above, we will perform certain limited procedures involving the required supplementary information required by the Governmental Accounting Standards Board (GASB). However, we will not express opinions or provide any assurance on the required supplementary information because the limited procedures will not provide us with sufficient evidence to express opinions or provide any assurance.

We will not audit the introductory or statistical sections of the City's comprehensive annual financial report.

We will assist the city in reviewing its Comprehensive Annual Financial Report to determine steps are taken so the City can continue to receive a Certificate of Achievement for Excellence in Financial Reporting.

AUDIT APPROACH

Our audit approach would be as follows:

- I. Plan the Audits- This process will begin upon the award and acceptance of the engagements.
 - A. Communications with the City Council or Finance Committee and Water & Light Commission to discuss audit concerns and significant laws and regulations.
 - B. Meet with the Finance Director and General Manager prior to commencing the audits to discuss overall audit plans and incorporate any City Council, Finance Committee or Water & Light Commission suggestions into the audits.
 - C. Obtain an understanding and documentation of the internal control systems through the use of questionnaires, walkthroughs, and testing. Evaluate the internal controls for each transaction type and cycle, which will be relied upon.
 - D. Design internal control tests based upon a 90% confidence level and our assessment of inherent risks and control risks.
 - E. Perform preliminary analytical procedures including a comparison to prior year's activity and budgeted activity to identify unusual relationships and to help plan substantive testing.
 - F. Review of council minutes and Water & Light Commission minutes.

SPECIFIC AUDIT APPROACH

- G. Obtain documentation for our permanent files including significant agreements, contracts, state statutes, and legal documents.
- H Preparation of confirmations for those accounts to be confirmed.
- I. Obtain a schedule of expenditures of federal awards, if applicable.
- J. Schedule the fieldwork dates with the Finance Director and General Manager.
- II. Finalize the audit programs, perform the fieldwork and review the work papers and programs.
- III. Draft the comprehensive annual financial report and financial statements and prepare all required auditor's reports.
- IV. Review the draft reports, opinions, and management letters with the Finance Director and General Manager.
- V. Issue final reports, opinions and management letters.

REPORTS TO BE ISSUED

The following reports will be issued for both the City and the Water and Light Department.

- I. Report on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.
- II. Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*. This report will disclose any significant deficiencies or material weaknesses identified as part of our audit.
- III. Report on compliance for each major federal program and on internal control over compliance required by OMB Circular A-133, if applicable.
- IV. Report to the audit committee informing them of the following:
 - A. The auditor's responsibility under generally accepted auditing standards.
 - B. The planned scope and timing of the audit.
 - C. Significant findings from the audit.

SPECIFIC AUDIT APPROACH

- D. Significant proposed audit adjustments.
- E. Disagreements with management.
- F. Management consultation with other accountants.
- G. Major issues discussed with management prior to retention.
- H. Difficulties encountered in performing the audit.

WORK PAPER RETENTION AND ACCESS TO WORKING PAPERS

The audit documentation for these engagements will be retained for a minimum of five years after the report release dates and for any additional period requested by The City of East Grand Forks. Upon request, we will make the working papers available to the parties identified on page 6 of the City's request for proposal of audit services.

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

An anticipated potential audit problem would be obtaining account reconciliations, in particular for bank accounts, investment accounts, capital assets, and property tax revenues and receivables. We propose resolving these potential problems by having a planning meeting with City staff, prior to year end, to document account reconciliations and other items needed and assigning a completion date requirement to each of the items needed. We would work with City staff to monitor that the reconciliations and items needed are being completed by the dates agreed to.

REPORT FORMAT

The following are reports that were issued by Brady Martz and Associates, P.C. for the City of East Grand Forks and the Water and Light Department's December 31, 2013 year end. We anticipate issuing reports in this same format for the audits covered by this proposal.

SPECIFIC AUDIT APPROACH

SAMPLE INDEPENDENT AUDITOR'S REPORT – CITY OF EGF

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of East Grand Forks, Minnesota

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Grand Forks, Minnesota, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to

the City's preparation and fair presentation of the financial statements 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 City's internal

control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Grand Forks, Minnesota, as of December 31, 2013, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in the notes to the financial statements, for the year ended December 31, 2013, the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

SPECIFIC AUDIT APPROACH

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and additional required information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of East Grand Forks, Minnesota's basic financial statements. The introductory section, combining and individual non-major fund financial statements, other schedules, listed in the table of contents as supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and other schedules, listed in the table of contents as supplementary information, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and other schedules, listed in the table of contents as supplementary information, is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The prior year partial comparative information has been derived from the City's 2012 financial statements and, in our report dated June 28, 2013; we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2014, on our consideration of the City of East Grand Forks, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of East Grand Forks, Minnesota's internal control over financial reporting and compliance.

BRADY, MARTZ & ASSOCIATES, P.C.

June 25, 2014

SPECIFIC AUDIT APPROACH

SAMPLE INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS – CITY OF EGF

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and
Members of the City Council
City of East Grand Forks, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Grand Forks, Minnesota, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of East Grand Forks basic financial statements and have issued our report thereon dated June 25, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of East Grand Forks' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or

detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in

internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that we have not identified. We did identify a certain deficiency in internal control, described in the Schedule of Findings and Questioned Costs as item 2013-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of East Grand Forks' financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Minnesota Legal Compliance

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minnesota Legal

SPECIFIC AUDIT APPROACH

Compliance Audit Guide for Local Government, promulgated by the State Auditor pursuant to Minnesota Statutes Section 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures, as we considered necessary in the circumstances.

The Minnesota Legal Compliance Audit Guide for Political Subdivisions, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the City of East Grand Forks failed to comply with the provisions of the Minnesota Legal Compliance Audit Guide for Political Subdivisions. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions.

The City's Response to Finding

The City's response to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BRADY, MARTZ & ASSOCIATES, P.C.
GRAND FORKS, NORTH DAKOTA

June 25, 2014

SPECIFIC AUDIT APPROACH

SAMPLE INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH OMB CIRCULAR A-133-- CITY OF EGF

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor and
Members of the City Council
City of East Grand Forks, Minnesota

Report on Compliance for Each Major Federal Program

We have audited the City of East Grand Forks' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2013. The City of East Grand Forks' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of East Grand Forks' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of East Grand Forks complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

SPECIFIC AUDIT APPROACH

Report on Internal Control Over Compliance

Management of the City of East Grand Forks is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Grand Forks as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 25, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects, in relation to the basic financial statements as a whole.

BRADY, MARTZ & ASSOCIATES, P.C.
GRAND FORKS, NORTH DAKOTA
June 25, 2014

SPECIFIC AUDIT APPROACH

SAMPLE INDEPENDENT AUDITOR'S REPORT – CITY OF EGF WATER & LIGHT

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
Water and Light Commission
And Members of the City Council
East Grand Forks, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the City of East Grand Forks Water and Electric Funds, as of and for the years ended December 31, 2013, 2012, 2011, 2010 and 2009, and the related notes to the financial statements, which collectively comprise the City of East Grand Forks Water and Electric Funds basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

SPECIFIC AUDIT APPROACH

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the City of East Grand Forks Water and Electric Funds, as of December 31, 2013, 2012, 2011, 2010 and 2009, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

SPECIFIC AUDIT APPROACH

The introductory section and statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BRADY, MARTZ & ASSOCIATES, P.C.
GRAND FORKS, NORTH DAKOTA

June 25, 2014

AUDIT SCHEDULE

We acknowledge the following delivery schedule for the audits of the City of East Grand Forks and its Water and Light Department and have the ability to commit staff and time to the audits to meet this schedule.

Conduct an initial audit planning conference	December 2014
Provide City staff with a detailed audit plan and a list of required schedules to be prepared by the City	December 2014
Commencement of field work	March 2015
Completion of field work	April 30, 2015
Delivery of preliminary (draft) reports and meeting with the City's Audit Committee to review the draft reports	May 15, 2015
Delivery of final reports	No later than June 1, 2015
Presentation of reports to the City Council	No later than the second Council Meeting in June 2015

SUPPLEMENTARY INFORMATION

TYPE OF TRAINING PROVIDED TO THE STAFF AND SUPPORT ASSISTANCE AVAILABLE

Our well-trained staff is kept current on governmental pronouncements and would be available to meet with City personnel to discuss any new pronouncements or other required consultations throughout the year.

Employees conducting a substantial portion of a governmental audit are required to take a minimum of 80 continuing education hours, with 24 specifically related to governmental audits, every two years. In addition to in-house education, we participate in many courses offered by the AICPA, GFOA, and various other organizations. Personnel who are involved in governmental engagements receive a major portion of their continuing education in the governmental area.

PEER REVIEW OPINION



SYSTEM REVIEW REPORT

June 14, 2012

To the Shareholders of Brady, Martz & Associates, P.C.
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brady, Martz & Associates, P.C. (the firm) applicable to non-SEC issuers in effect for the year ended March 31, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*; audits of employee benefit plans, audits performed under FDICIA, and audits of carrying broker-dealers.

In our opinion, the system of quality control for the accounting and auditing practice of Brady, Martz & Associates, P.C. applicable to non-SEC issuers in effect for the year ended March 31, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Brady, Martz & Associates, P.C. has received a peer review rating of *pass*.

Wilson Downing Group, LLC

Certified Public Accountants

215 Union Blvd. Suite 215 Lakewood, CO 80228 T 303-232-2262 F 303-232-7237

CONCLUSION

There are several factors that we believe set us apart from other CPA firms and would benefit the City:

The first is the level of experience of the staff members that are assigned to our audit engagements and the involvement of our shareholders in the audits. Our firm's shareholders spend a significant amount of time planning and working with the manager during the audit. In addition, the manager of the audit will have significant experience working with Cities and will be on site 100% of the time.

As outlined on page 7, we are members of the AICPA's Government Audit Quality Center and the McGladrey Alliance. Membership in these organizations helps keep our staff abreast of emerging issues and provide access to national resources.

Another factor is our approach and planning for the audit. We will work in a paperless environment as much as possible. We will request an electronic copy of the general ledger detail and other accounting records and will send a list of schedules that we would like prepared for the audit. However these are not requested in a specific format, as the vast majority of the audit support required can be gathered from electronic data that is generated during the monthly closing process. Therefore, we will adapt our request to match that of the work already being performed and save your people time and effort.

Our experience with governmental clients that have diversified operations and subsidiary entities also sets us apart. We have had many unique opportunities with nontraditional transactions that give us an experience that many firms do not have, including working with clients that prepare Comprehensive Annual Financial Reports.

Finally, we pride ourselves with providing excellent client service and partnering with clients to build long-term relationships.

As the audit progresses, we communicate any random developments affecting the scope of the original project. We address those changes immediately, using our most proficient and practical audit skills. Our professionals have significant experience auditing governmental entities. Our experience allows us to identify alternatives and assist in the implementation of the most advantageous solutions.

CONCLUSION

Our office maintains an ongoing working relationship with your organization during the entire contract period. This assures a mutual understanding of the ever-changing accounting and regulatory world and translates to a better relationship and superior product.

We, at Brady, Martz & Associates, P.C., know your industry and understand the complex issues that affect it on a daily basis. We are confident that our experienced staff can *and will* provide the highest quality audit services available.

We look forward to working with you. If you have any questions about this proposal, please call Janelle Mulroy at (701) 775-4685.

DOLLAR COST BID

PRICE PROPOSAL

Our price proposals to provide audit services to the City East Grand Forks and its Water and Light Department are detailed in Attachment B.

Our fee estimates are based to a large extent on the quality, timeliness, and accuracy of the requested supporting documentation that City staff prepares for the audits. It is also based on the number and complexity of proposed audit adjustments that may be required to bring the financial statements in compliance with GAAP. We will prepare a detailed list of expected supporting audit documentation which you will need to prepare before we will be able to begin the audit. The supporting audit documentation will need to be completed and submitted to us by the corresponding mutually agreed upon due dates.

Our fee estimate does not include any accounting assistance required to assist you in preparing the required supporting audit documentation listed in the "Prepared by Client (PBC) audit documentation" letter. Also, it does not include additional time required to reconcile the supporting audit documentation to appropriate detail and/or to the general ledger.

The fee estimate also assumes that the supporting audit documentation will be completed by the agreed upon due dates and will meet the following criteria:

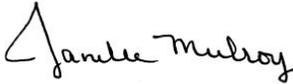
- All audit documentation will be completely and accurately prepared by City staff.
- Minimal (less than 10) year-end proposed adjusting and/or passed journal entries.
- No unanticipated issues which would change the scope of our work, (i.e., new complex accounting issues, new GAAP departures, change in accounting methods or practices, poor financial results which would cause a going concern issue to be addressed, changes in key accounting personnel, the engagement would start on time, etc.)
- Significant accounting issues are resolved prior to the audits.
- Federal program audits, if applicable, would require testing of no more than one major federal program.

DOLLAR COST BID

Any additional work shall be performed only if agreed to in an addendum to the contract between the City and Brady Martz & Associates, P.C. Such additional work agreed to shall be performed at the same rates set forth in the schedule of fees and expenses in Attachment B.

Thank you for the opportunity to provide you with a proposal for audit services. If you have questions, please contact me at 701-775-4685.

BRADY, MARTZ & ASSOCIATES, P.C.

By  _____

Janelle Mulroy, CPA

PROPOSER WARRANTIES

ATTACHEMENT A

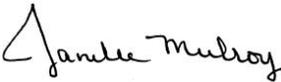
PROPOSER WARRANTIES

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

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

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

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

Signature of Official: 

Name: Janelle Mulroy, CPA

Title: Shareholder

Firm: Brady, Martz & Associates, P.C.

Date: August 25, 2014

PROPOSER WARRANTIES

ATTACHEMENT B

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR
THE AUDIT OF THE 2014 CITY'S FINANCIAL STATEMENTS**

	<u>HOURS</u>	<u>STANDARD HOURLY RATES</u>	<u>QUOTED HOURLY RATES</u>	<u>TOTAL</u>
PARTNERS	25	195	175	\$ 4,375
MANAGERS	80	110	95	7,600
SUPERVISORY STAFF	110	95	80	8,800
STAFF	115	75	60	6,900
OTHER (SPECIFY)				
 SUBTOTAL				 \$ 27,675
 OUT-OF-POCKET EXPENSES (SPECIFY)				
_____				_____
_____				_____
_____				_____
_____				_____
 TOTAL NOT-TO-EXCEED COST FOR THE 2014 AUDIT				 \$ 27,675

PROPOSER WARRANTIES

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE 2014 WATER AND LIGHT FINANCIAL STATEMENTS

	<u>HOURS</u>	<u>STANDARD HOURLY RATES</u>	<u>QUOTED HOURLY RATES</u>	<u>TOTAL</u>
PARTNERS	10	195	175	\$ 1,750
MANAGERS	45	110	95	4,275
SUPERVISORY STAFF	50	95	80	4,000
STAFF	60	75	60	3,600
OTHER (SPECIFY)				
 SUBTOTAL				 \$ 13,625
 OUT-OF-POCKET EXPENSES (SPECIFY)				
_____				_____
_____				_____
_____				_____
_____				_____
 TOTAL NOT-TO-EXCEED COST FOR THE 2014 AUDIT				 \$ 13,625

PROPOSER WARRANTIES

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE 2015 CITY'S FINANCIAL STATEMENTS

	<u>HOURS</u>	<u>STANDARD HOURLY RATES</u>	<u>QUOTED HOURLY RATES</u>	<u>TOTAL</u>
PARTNERS	25	202	179	\$ 4,475
MANAGERS	80	115	97	7,760
SUPERVISORY STAFF	110	100	81	8,910
STAFF	115	79	62	7,130
OTHER (SPECIFY)				
SUBTOTAL				<u>\$ 28,275</u>
OUT-OF-POCKET EXPENSES (SPECIFY)				
_____				_____
_____				_____
_____				_____
_____				_____
TOTAL NOT-TO-EXCEED COST FOR THE 2015 AUDIT				<u>\$ 28,275</u>

PROPOSER WARRANTIES

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR
THE AUDIT OF THE 2015 WATER AND LIGHT FINANCIAL STATEMENTS**

	<u>HOURS</u>	<u>STANDARD HOURLY RATES</u>	<u>QUOTED HOURLY RATES</u>	<u>TOTAL</u>
PARTNERS	10	202	179	\$ 1,790
MANAGERS	45	115	97	4,365
SUPERVISORY STAFF	50	100	81	4,050
STAFF	60	79	62	3,720
OTHER (SPECIFY)				
SUBTOTAL				\$ 13,925
OUT-OF-POCKET EXPENSES (SPECIFY)				
_____				_____
_____				_____
_____				_____
_____				_____
TOTAL NOT-TO-EXCEED COST FOR THE 2015 AUDIT				\$ 13,925

PROPOSER WARRANTIES

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE 2016 CITY'S FINANCIAL STATEMENTS

	<u>HOURS</u>	<u>STANDARD HOURLY RATES</u>	<u>QUOTED HOURLY RATES</u>	<u>TOTAL</u>
PARTNERS	25	212	183	\$ 4,575
MANAGERS	80	120	99	7,920
SUPERVISORY STAFF	110	105	82	9,020
STAFF	115	83	64	7,360
OTHER (SPECIFY)				
 SUBTOTAL				 \$ 28,875
 OUT-OF-POCKET EXPENSES (SPECIFY)				
_____				_____
_____				_____
_____				_____
_____				_____
 TOTAL NOT-TO-EXCEED COST FOR THE 2016 AUDIT				 \$ 28,875

PROPOSER WARRANTIES

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR
THE AUDIT OF THE 2016 WATER AND LIGHT FINANCIAL STATEMENTS**

	<u>HOURS</u>	<u>STANDARD HOURLY RATES</u>	<u>QUOTED HOURLY RATES</u>	<u>TOTAL</u>
PARTNERS	10	212	183	\$ 1,830
MANAGERS	45	120	99	4,455
SUPERVISORY STAFF	50	105	82	4,100
STAFF	60	83	64	3,840
OTHER (SPECIFY)				
 SUBTOTAL				 \$ 14,225
 OUT-OF-POCKET EXPENSES (SPECIFY)				
_____				_____
_____				_____
_____				_____
_____				_____
 TOTAL NOT-TO-EXCEED COST FOR THE 2016 AUDIT				 \$ 14,225

PROPOSER WARRANTIES

SUMMARY SCHEDULE

<u>YEAR</u>	<u>NOT-TO-EXCEED AMOUNT</u>
2014	\$ 41,300
2015	42,200
2016	43,100
GRAND TOTAL	\$ 126,600

Request for Council Action

Date: 10/10/14

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Dale Helms, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: Megan Nelson

RE: October 28th and November 4th Meetings

There is a work session scheduled for October 28th. The League of Minnesota Cities Regional meeting is scheduled on the same day. At this time I have been told by one council member that they would like to attend. The regional meeting runs from 1:00pm until 7:00pm in Thief River Falls with a special round table discussion that starts at 10:30am. Are there enough council members that would like to attend the regional meeting that the work session either be rescheduled or canceled? If it is to be rescheduled which day of that week would the council like to meet?

There is a regular council meeting scheduled for November 4th which is Election Day. A meeting can be held as long as it is completed by 6:00pm. I am asking to see if the Council will still want to hold the meeting on Election Day and be completed by 6:00pm or hold the meeting on a different night.