

**AGENDA
CITY OF ISANTI
CITY COUNCIL MEETING
TUESDAY, NOVEMBER 17, 2020 – 7:00 P.M.
CITY HALL**

Pursuant to Minn Statute 13D.02, the public body has determined that the Isanti City Council will not be able to hold the meeting in person due to the pandemic COVID-19. Pursuant to Minn Statute 13D.021, The Isanti City Council will be holding the City Council meeting via telephone, by using Zoom.

The public can comment at the City Council meeting by visiting this website:
<https://zoom.us/j/92292157674?pwd=R2ZOSHJwVktuMXNkdGpFM2ZGZndNZz09>

or by calling into this number +1 (646) 558-8656 with this meeting ID: 922 9215 7674 and passcode 350559

To mute and unmute during meeting press *6

- A. Call to Order**
- B. Pledge of Allegiance**
- C. Roll Call**
- D. Public Comment**
- E. Adopt Agenda**

F. Proclamations/ Commendations/ Certificate Awards

G. Approve City Council Minutes

- 1. November 4, 2020- Regular Meeting of the City Council
- 2. October 6, 2020- Economic Development Authority

H. Announcements

CITY OFFICES CLOSED

Thursday, November 26 and Friday November 27
(In Observance of Thanksgiving and Day After Thanksgiving)

- | | |
|--|---|
| 1. Park, Recreation, & Culture Board Meeting | Tuesday, November 26, 2020 at 6:00 p.m. |
| 2. City Council Meeting | Tuesday, December 1, 2020 at 7:00 p.m. |
| 3. EDA Meeting | Tuesday, December 1, 2020 |
| | <i>(Following the City Council Meeting)</i> |

I. Council Committee Reports

J. Public Hearings

K. Business Items

Finance Director Mike Betker

- 1. Resolution 2020-XXX Approving Certification of Delinquent Charges for City Services Collectible in 2021

Community Development Director Sheila Sellman

- 2. Sale of EDA and City Land PID 16.029.1400 and 16.053.0151 to UPS

City Engineer Jason Cook

- 3. Liquor Store Engineering & Architectural Services Proposal

L. Approve Consent Agenda

- 1. Consider Accounts Payable in the Amount of \$466,656.57 Payroll in the Amount of \$116,584.10
- 2. Resolution 2020-XXX Approving the Engagement Letter for the 2020 Audit

3. Resolution 2020-XXX Offering the Position of Part-Time Liquor Store Clerk to Jennafer Horgen
4. Resolution 2020-XXX Approval of Promotion for Liquor Store Clerk III to Christy Bonczek
5. Accepting 2020 Position Classification and Compensation Study Report Presented 11.4.2020

M. Other Communications

1. October Police Department Reports
2. October Code Enforcement Officer Report
3. October Building Inspector Report
4. November Engineering Project Status Report

Adjournment

**MINUTES
CITY OF ISANTI
CITY COUNCIL MEETING
WEDNESDAY, NOVEMBER 4, 2020 – 7:00 P.M.
CITY HALL**

Mayor Johnson called the meeting to order at 7:01 p.m.

The Pledge of Allegiance was recited.

Members Present: Mayor Jeff Johnson, Councilors: Jimmy Gordon, Paul Bergley, Steve Lundeen and Dan Collison

Members Absent: None

Staff Present: City Administrator Josi Wood, Human Resources/ City Clerk Katie Brooks, Chief of Police Travis Muyres, Finance Director Mike Betker, City Engineer Jason Cook and Community Development Director Sheila Sellman

D. Public Comment

None

E. Adopt Agenda

Revised Agenda:

Add K.1 Compensation Study

Motion by Lundeen, second by Gordon to approve agenda with the revision listed above. Motion passed 5-0. Motion carried.

F. Proclamations/Commendations/Certificate Award

None

G. Approve City Council Minutes

1. October 20, 2020- Regular Meeting of the City Council
2. October 20, 2020- Committee of the Whole Meeting
3. August 18, 2020- Planning Commission Meeting
4. August 25, 2020- Parks, Recreation and Culture Board Meeting

Motion by Lundeen, second by Bergley to approve minutes as presented. Motion passed 5-0. Motion carried.

H. Announcements

1. Committee of the Whole
2. City Council Meeting
3. Planning Commission Meeting

Tuesday, November 17, 2020 at 5:00 p.m.

Tuesday, November 17, 2020 at 7:00 p.m.

Tuesday, November 17, 2020

(Immediately following the City Council Meeting)

I. Council Committee Reports

Mayor Johnson shared his concerns about the article that was published in the Isanti-Chisago Star regarding the discussion that was held at the October 6th City Council meeting concerning the projected 4-way intersection by Minnco Credit Union. The Star news said Minnco Credit Union is unwilling to work with City, but Mayor Johnson clarified that Minnco Credit Union is willing to work with the City but likely the project will be cost prohibitive.

Mayor Johnson congratulated Councilor Steve Lundeen and Councilor Jimmy Gordon on their reelection to the City Council.

J. Public Hearings

1. Resolution 2020-198 Adopting Assessment for the 6th Avenue Rehabilitation Project

City Engineer Jason Cook shared that this is the final assessment hearing for the 6th Avenue SW Rehabilitation Project. There were a couple open houses before the rehabilitation project began as well as an improvement hearing. Cook continued to share that the construction process is wrapping up and it is time to finalize the assessments. The rehabilitation project is from 6th Avenue SW to South Brookview Lane to South of Dogwood Street. The existing street has been reclaimed, replaced failed sections that needed to be repaired, installed the new sidewalk on the West side and enlarging the watermain size while maintaining the existing storm and sanitary sewer. The assessments for the project are based on 25% of the assessable street cost in accordance with City code 276 with the total amount assessable of \$74,279.13. The watermain was not assessed as the work was performed to improve city wide water distribution by enlarging the watermain size. The sidewalk was also not assessed as it was a new sidewalk not petitioned for by the residents. The final assessments, based on the amount bid and quantities constructed, is \$32.55 per assessable front footage. This is an average of \$2,751.08 per parcel. The previous assessment project completed in Isanti had an average of \$3,298.20 per parcel. The average assessment on this project is \$547.12 less per parcel on average. It is proposed to do a 10-year payment schedule levied on the property taxes with a 1.71% interest rate beginning in 2021. This comes out to an average parcel cost per year of approximately \$300.

Mayor Johnson opened the public hearing at 7:16 p.m.

Nicholas Izzo, 1107 Maplewood Ave SW, asked if the assessment is only assessed to those on 6th Avenue or is it to all residents within the City of Isanti.

City Engineer Jason Cook responded by affirming that only those on 6th Avenue would be assessed.

Megan Olson, 501 6th Avenue, asked for clarification to how she is being assessed.

Finance Director Mike Betker stated that for those living on a corner lot, the assessment has been calculated the full length of the short side of the property owners' lot and half of the long portion of the lot.

Megan Olson asked who is responsible for shoveling the sidewalk.

Mayor Johnson responded that the city will shovel it but it is the property owner's responsibility to maintain it.

Marilyn Pelz, 523 Dogwood Street, asked how the assessment will affect her.

City Engineer Jason Cook responded that she is a corner lot and she has been assessed for the full length of the short side of her lot and half of the long portion of the lot.

Levi Klande, 601 Cedar Street SW, shared his frustration and concerns for the failure of maintaining 6th Avenue.

Mayor Johnson closed the public hearing at 7:59 p.m.

Motion by Lundeen, second by Bergley to approve the resolution as presented.

K. Business Items

1. Compensation Study Presentation (*Leah Davis*)

Information was shared with City Council.

City Administrator Josi Wood

2. Resolution 2020-199 Approving Purchase of Property Owned by Kristine L. Yerigan Trust

City Administrator Josi Wood shared that the council has discussed a potential new liquor store many times with the potential for the relocation and where that facility would be. Held a closed session with negotiations for consideration of purchase price for the two parcels. The purchase price was negotiated to be \$425,000.000 and has already been

accepted by Kristine and Bruce Yerigan. The purchase price does include all demolition of buildings, removal of debris, capping of any wells on site, decommissioning of the septic on site and restoring the site to matching grade of the topography.

Motion by Lundeen, second by Collison to approve resolution as presented. Motion passed 5-0. Motion carried.

Community Development Director Sheila Sellman

3. Ordinance-739 Amending the City Code, Chapter 253 Rental Dwellings

Community Development Director Sheila Sellman shared that the Planning Commission reviewed the proposed ordinance amendment at the October 20th meeting and no one from the public spoke on this item. Sellman stated that the amendment is removing the residency requirements so that owners, landowners and agents are allowed to live wherever. Currently, City Code requires owners or their designee to live within Isanti County or an adjacent county. Additionally, the amendment includes a sliding scale where currently in City Code, it is written that applicants have a 30-day window to get their paperwork and fees in to City Staff. In 2019, only 40% of applicants submitted their application and fees on time for renewal of a rental license. Sellman further shared that this will give an incentive to the applicant for getting their stuff submitted in a timely manner.

Motion by Lundeen, second by Collison to approve ordinance as presented. Motion passed 5-0. Motion carried.

4. Ordinance-740 Amending the City Code, Chapter 536 Subdivision

Community Development Director Sheila Sellman shared that this ordinance amendment is proposing to update the Subdivision ordinance by removing City Planner and Zoning Administrator and replacing with "Community Development Director or designee" and to remove final plat review for the Planning Commission. The final plat should only be reviewed by the City Council since the Council is the only body of approval, in addition adding a planning commission review of the final plat add one month on to the development process. The Planning Commission held a public hearing at their October 20, 2020 meeting and no one from the public spoke on this item. The Planning Commission recommends approval as drafted.

Motion by Collison, second by Lundeen to approve ordinance as presented. Motion passed 5-0. Motion carried.

L. Approve Consent Agenda

1. Accounts Payable in the Amount of \$1,720,329.80 Payroll in the Amount of \$110,888.22
2. **Resolution 2020-200** Accepting Liquor Store Clerk III Letter of Resignation for Danyette Phelps
3. **Resolution 2020-201** Approving Survey or Parcels Identified as 16.029.2100 and 16.209.2400
4. **Resolution 2020-202** Offering the Position of Building Official to Steven Thorp

Motion by Lundeen, second by Gordon to approve the consent agenda as presented. Motion passed 5-0. Motion carried.

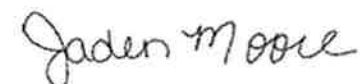
M. Other Communications

1. Draft Minutes from the October 27, 2020 Parks, Recreation and Culture Board Meeting

Adjournment

Motion to adjourn by Bergley, second by Lundeen. Motion passed 5-0. Motion carried. The meeting was adjourned at 9:08 p.m.

Respectfully Submitted,



Jaden Moore
Deputy City Clerk/ Human Resources

Economic Development Authority
Meeting Minutes October 6, 2020

1. **Call to Order:** EDA President Johnson called the meeting to order at 9:10pm
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** Jeff Johnson, Steve Lundeen, Dan Collison, Paul Bergley, Jimmy Gordon, Luke Merrill, Justin Nielson. Staff present: Community Development Director Sheila Sellman, City Administrator Josi Wood.
 - c. **Agenda Modifications:** None
2. **Approval of the Agenda:** Motion by Collison, second by Bergley to approve the agenda, motion passed 7-0.
3. **Approve minutes of August 5, 2020 regular meeting and August 18, 2020 special meeting:** Motion by Merrill, second by Collision to approve, motion passed 7-0.
4. **Business Items**
 - a. **Presentation from Retail Strategies – Retail Academy:** A presentation was given by Retail Strategies for their Retail Academy program. This program provides a real estate education course tailored to your community which covers retail trends, retail expansion, site selection, development process and best practices for retail recruitment. They will provide a custom marketing guide, market analysis, demographic reports, peer analysis and identify retailers for the community to target. The EDA discussed sending Community Development Director Sellman to the academy. The consensus was for Sellman to reach out to communities similar in size to Isanti and get testimony on the program, bring back to the next meeting with that information and how this will be funded.
 - b. **Appraisal EDA land 16.090.0140:** Sellman reviewed the appraisal with the board. The Board would like to actively list this property for sale.
 - c. **Purchase commercial land discussion:** The board had general discussion about buying commercial land. Gordon was not in favor of buying land and to let the market play out. Collison stated the land is an incentive for development. The consensus was to have staff reach out and see if the owners are willing to sell and at what price.
5. **Other Business/Updates/ Communications**
 - a. **Isanti Business Relief Grant Program:** Sellman reported the City has given out 17 grants in the amount of \$77,377.00.
 - b. **Update on Sale to BP Metals:** The sale should close by the end of the month.
 - c. **Update on sale to UPS:** Sellman updated the board that negotiations have started up with UPS again and a public hearing to sell the land will likely be at the next meeting.
6. **Closed Session**
 - a. **Consideration of sale of EDA land pursuant to Minnesota Statutes Section 13D.05 Subd 3(c) and Subdivision of land for PID 16.124.0020:** EDA Member Neilson excused himself from the room.

7. **Adjournment:** The EDA resumed after closed session. Lundeen motioned staff to start negotiations as discussed in closed session, second by Collision, motion passed 6-0 with Neilson abstaining. Motion by Collision, second by Lundeen to adjourn, motion passed 7-0 meeting adjourned at 10:17pm

Respectfully submitted Sheila Sellman Community Development Director/EDA Secretary



K.1.

Request for City Council Action

To: Mayor Johnson and Members of City Council
From: Finance Director Betker
Date: November 17th, 2020
Subject: Certification of Delinquent Charges to be Payable in 2021

Background:

Unpaid delinquent charges for city services is listed in Attachment A. Pursuant to City Code the attached delinquent charges may be certified as unpaid and delinquent to the County Auditor. Final assessment amounts are to include a \$30 assessment fee per account per parcel.

Current Action:

Consider resolution certifying the delinquent amounts to Isanti County to be collected with taxes payable in 2021.

RESOLUTION 2020-XXX

**APPROVING CERTIFICATION OF DELINQUENT CHARGES FOR CITY SERVICES
PAYABLE IN 2021**

WHEREAS, pursuant to City Code § 262-7 B. and City Code § 281-5 A. (2), all accounts more than 30 days past due as of September 30, 2019, and the same having been properly billed to the owner or occupant of the premises served, may be certified by the City Clerk as unpaid and delinquent to the County Auditor; and

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF ISANTI, MINNESOTA AS FOLLOWS:**

1. That the list of delinquent charges for city services (Attachment 'A'), a copy of which is attached hereto and made a part hereof, identifies the amount of the delinquent water, sewer, and storm water charges that are to be levied against said properties for taxes payable year 2021.
2. The City Clerk shall forthwith transmit a certified duplicate of these listings (delinquent charges for city services) to the county auditor to be extended on the property tax lists of the county. Such assessments shall be collected and paid over in the same manner as other municipal taxes.

This resolution was duly adopted by the Isanti City Council this 17th day of November 2020.

Attest:

Mayor Jeff Johnson

Katie Brooks
Human Resources/City Clerk

CITY OF ISANTI
 Delinquent Charges for City Services to be Certified Payable 2021
 Attachment A

Customer Number	Customer Name	Property Address	Tax Parcel	Amount	Assessment Fr	Total to be Assessed
1-001-040-02	JOHNSON, BRIAN	404 10TH AVE NW	16.084.0100	\$ 352.92	\$ 30.00	\$ 382.92
1-002-080-01	LOHR, JACK	409 11TH AVE NW	16.084.0450	\$ 313.07	\$ 30.00	\$ 343.07
1-007-050-00	ROSE, M E	201 3RD AVE NW	16.040.0110	\$ 284.67	\$ 30.00	\$ 314.67
1-007-070-04	HENDRICKSON, STEPHANIE & STEVE	205 3RD AVE NW - SOUTH	16.040.0101	\$ 816.39	\$ 30.00	\$ 846.39
1-008-130-01	PICHALLA, JAMES	311 4TH AVE NW	16.042.0080	\$ 52.68	\$ 30.00	\$ 82.68
1-019-185-02	BEIMERT, MARIE	1014 BELLAIR BLVD NW	16.149.0200	\$ 270.44	\$ 30.00	\$ 300.44
1-024-070-00	CHULLA, ANTHONY	1103 BLOSSOM BLVD NW	16.092.1420	\$ 515.43	\$ 30.00	\$ 545.43
1-024-080-00	COX, FLOYD F	1103 BLOSSOM BLVD NW	16.092.0180	\$ 282.07	\$ 30.00	\$ 312.07
1-032-190-00	TSCHIDA, RICHARD	419 CARDINAL CT NW	16.104.0880	\$ 754.41	\$ 30.00	\$ 784.41
1-059-060-05	PASCH, ERIKA	828 GOLDEN WAY NW	16.092.2640	\$ 51.58	\$ 30.00	\$ 81.58
1-059-260-03	HORNE FRIDE HC	945 GOLDEN WAY NW	16.092.2560	\$ 38.72	\$ 30.00	\$ 68.72
1-059-260-03	VYRLAN, YVESGENY	1006 HILLOCK ST NW	16.084.0770	\$ 45.60	\$ 30.00	\$ 75.60
1-058-080-04	OLSON, ANTHONY	700 ISANTI PKWY NW	16.096.0850	\$ 408.53	\$ 30.00	\$ 438.53
1-058-090-01	KANDEL, STEVE	708 ISANTI PKWY NW	16.096.0810	\$ 547.78	\$ 30.00	\$ 577.78
1-068-120-00	FLEMISTER, BEN W	709 ISANTI PKWY NW	16.096.0050	\$ 903.75	\$ 30.00	\$ 933.75
1-068-500-00	OLSON, ROGER	508 ISANTI PKWY NW	16.096.0620	\$ 73.82	\$ 30.00	\$ 103.82
1-068-690-00	LAUSENG, BRANDON & TERESA	1110 ISANTI PKWY NW	16.096.0550	\$ 31.48	\$ 30.00	\$ 61.48
1-083-827-01	TRACY, BRENDEN	807 PARK BROOK RD NW	16.122.0130	\$ 316.08	\$ 30.00	\$ 346.08
1-090-030-01	GRIEL, MATTHEW	921 ROBIN RD NW	16.119.0190	\$ 501.21	\$ 30.00	\$ 531.21
1-091-050-01	HODVEN, SHANNON	401 RODIE DR NW	16.104.0980	\$ 216.78	\$ 30.00	\$ 246.78
1-096-010-03	RANDALL, ASHLEY	222 UNITY BLVD NW	16.059.0050	\$ 418.44	\$ 30.00	\$ 448.44
1-099-200-02	CIELUCH, RICK	809 WHISKEY RD NW	16.096.0880	\$ 1,338.68	\$ 30.00	\$ 1,368.68
1-099-390-01	ROSARNE, GERALDINE	905 WHISKEY RD NW	16.123.0020	\$ 386.38	\$ 30.00	\$ 416.38
1-099-640-04	JOHNSON, CHAD	935 WHISKEY RD NW	16.123.0120	\$ 744.59	\$ 30.00	\$ 774.59
2-012-050-01	PDH PROPERTIES LLC	906 6TH AVE CT NE	16.113.0040	\$ 180.36	\$ 30.00	\$ 210.36
2-097-180-00	LEWELLEN, JEREMY	1003 WENDOVER ST NE	16.113.0030	\$ 768.95	\$ 30.00	\$ 818.95
2-100-060-04	FAIR, SCOTT	814 WINDSOR WAY NE	16.113.0100	\$ 225.27	\$ 30.00	\$ 255.27
2-003-045-01	HALL, DAVID	208 11TH AVE CT SE	16.117.0190	\$ 307.88	\$ 30.00	\$ 337.88
2-018-060-00	KELLER, KEITH A	309 ARABIAN LN SE	16.081.0170	\$ 320.07	\$ 30.00	\$ 350.07
2-018-120-03	HEATON, JACQUELINE	315 ARABIAN LN SE	16.081.0200	\$ 483.92	\$ 30.00	\$ 513.92
2-025-210-00	JOHNSON, BERNICE	231 BROOKDAVE ST SE	16.040.0360	\$ 169.67	\$ 30.00	\$ 199.67
2-045-050-01	SUNDERLAND, CHARLES	1305 DEER HAVEN CT SE	16.105.0100	\$ 163.32	\$ 30.00	\$ 193.32
2-082-173-00	HEMEN, GEORGE	16.032.1200	16.032.1200	\$ 118.24	\$ 30.00	\$ 148.24
2-082-175-00	HEMEN, GEORGE	323 PALOMINO RD SE	16.032.1700	\$ 161.98	\$ 30.00	\$ 191.98
2-085-060-04	THUM, BRIAN	6 PINTO LN SE	16.052.0310	\$ 28.81	\$ 30.00	\$ 58.81
2-085-140-02	MALIK, JAMISON	15 PINTO LN SE	16.052.0080	\$ 359.74	\$ 30.00	\$ 389.74
2-087-010-00	THORPE, LARRY	10 POND ST SE	16.051.0020	\$ 215.09	\$ 30.00	\$ 245.09
2-088-100-00	ZEHRAS, MARY	705 RAILROAD AVE SE	16.031.0500	\$ 210.57	\$ 30.00	\$ 240.57
2-089-020-02	SCHLUCHER, JACOB	207 RICHARD AVE SE	16.049.0190	\$ 42.10	\$ 30.00	\$ 72.10
2-089-050-00	CARDENAS, LORI	215 RICHARD AVE SE	16.049.0180	\$ 170.77	\$ 30.00	\$ 200.77
2-096-010-00	FERDELMAN, JAMES & CHRISTINE	1010 TYLER AVE SE	16.031.3501	\$ 39.40	\$ 30.00	\$ 69.40
4-002-260-03	JORGENSEN, PAUL & LAURIE	804 11TH AVE SW	16.076.0580	\$ 314.91	\$ 30.00	\$ 344.91
4-005-040-02	WENIGEL, ASHLEY	111 1ST AVE SW	16.050.0680	\$ 381.98	\$ 30.00	\$ 411.98
4-005-110-00	REICHEL, DANIEL	401 1ST AVE SW	16.050.1110	\$ 291.74	\$ 30.00	\$ 321.74
4-007-010-02	LOFQUIST, ZACHARY	101 3RD AVE SW	16.046.0040	\$ 257.87	\$ 30.00	\$ 287.87
4-007-140-01	PAULSON, PHIL	812 3RD AVE SW	16.082.0350	\$ 237.68	\$ 30.00	\$ 267.68
4-007-180-01	PRIMROSE, MELISSA OLMS TED & PAUL	903 3RD AVE SW	16.085.0020	\$ 263.10	\$ 30.00	\$ 293.10
4-007-300-00	LAMOUNTAIN, WALTER	1106 3RD AVE SW	16.085.0230	\$ 159.24	\$ 30.00	\$ 189.24
4-008-030-01	VILLELLA, JOSHUA	101 4TH AVE SW	16.043.0080	\$ 1,082.91	\$ 30.00	\$ 1,112.91
4-008-500-00	COLBAUGH, AMY	1207 4TH AVE SW	16.031.3510	\$ 265.08	\$ 30.00	\$ 295.08
4-009-190-02	HINKEL, MATT	708 5TH AVE SW	16.083.0170	\$ 305.98	\$ 30.00	\$ 335.98
4-009-230-02	SUEHLER, NICHOLAS & JENNIFER	804 5TH AVE SW	16.083.0130	\$ 36.38	\$ 30.00	\$ 128.28
4-009-250-00	LARSON, KEVIN	808 5TH AVE SW	16.080.0090	\$ 447.30	\$ 30.00	\$ 477.30
4-011-020-03	MAGAMARD, NICOLE	405 6TH AVE SW	16.085.0120	\$ 435.72	\$ 30.00	\$ 465.72
4-014-054-01	VANG, PA	1005 8TH AVE SW	16.103.0210	\$ 1,003.66	\$ 30.00	\$ 1,033.66
4-014-140-01	SLATOSKY, SHERRY	1109 8TH AVE SW	16.094.0150	\$ 676.02	\$ 30.00	\$ 706.02
4-022-040-00	BERGMAN, JESSE R	303 BIRCH CT SW	16.070.0070	\$ 83.67	\$ 30.00	\$ 113.67
4-023-150-03	LARSON, IMOGENE	520 BIRCH ST SW	16.070.0070	\$ 83.67	\$ 30.00	\$ 113.67
4-027-220-00	WRIGHT, LINDA AND GEORGE	719 H BROOKVIEW LN SW	16.041.0080	\$ 727.47	\$ 30.00	\$ 757.47
4-027-330-02	AMMANN, MATT	608 S BROOKVIEW LN SW	16.041.0141	\$ 334.75	\$ 30.00	\$ 364.75
4-027-350-03	ALEXANDER, JUSTINE MEHLE & KESTON	612 S BROOKVIEW LN SW	16.041.0140	\$ 501.49	\$ 30.00	\$ 531.49
4-034-030-01	BLAID, NOAH	608 CEDAR ST SW	16.045.0220	\$ 102.36	\$ 30.00	\$ 132.36
4-034-130-05	JONES, CLAYTON RAINEY & RHONDA	805 CEDAR ST SW	16.071.0120	\$ 288.23	\$ 30.00	\$ 318.23
4-034-210-08	LEWIS, JOSEPH	821 CEDAR ST SW	16.071.0080	\$ 47.29	\$ 30.00	\$ 77.29
4-039-100-04	WERBER, ARCHELLE	1114 CIMARRON TRL SW	16.101.0030	\$ 113.36	\$ 30.00	\$ 143.36
4-043-070-04	ARNOLD, CASSIE	309 DOGWOOD ST SW	16.082.0390	\$ 164.30	\$ 30.00	\$ 194.30
4-047-370-01	PELZ, MARILYN	523 DOGWOOD ST SW	16.073.0270	\$ 242.48	\$ 30.00	\$ 272.48
4-047-340-00	SCHMITT, ZAC	600 DOGWOOD ST SW	16.073.0120	\$ 467.53	\$ 30.00	\$ 497.53
4-047-490-03	DALRYMPLE, THOMAS	809 DOGWOOD ST SW	16.073.0190	\$ 819.94	\$ 30.00	\$ 849.94
4-047-510-00	BERRY, JILL	813 DOGWOOD ST SW	16.073.0180	\$ 254.72	\$ 30.00	\$ 284.72
4-049-075-01	SEDERSTROM, SAMANTHA	700 EDGEWOOD ST SW	16.103.0040	\$ 27.65	\$ 30.00	\$ 57.65
4-050-090-01	ROTTLO, JOE	112 ELIZABETH ST SW	16.050.0870	\$ 984.82	\$ 30.00	\$ 1,014.82
4-052-060-03	MCCALEY, RICK	306 ELM ST SW	16.085.0050	\$ 589.97	\$ 30.00	\$ 619.97
4-052-135-02	NICKEY, ADAM	413 ELM ST SW	16.085.0330	\$ 207.09	\$ 30.00	\$ 237.09
4-054-040-01	GREGORY, BLAKE & KASSIE	1107 EVERGREEN ST SW	16.076.0090	\$ 99.70	\$ 30.00	\$ 129.70
4-056-090-01	SEIBERT, JEFF	704 FIR ST SW	16.103.0470	\$ 214.75	\$ 30.00	\$ 244.75
4-057-080-01	STRIKE, JENNI	308 FLINTWOOD ST SW	16.085.0430	\$ 231.69	\$ 30.00	\$ 261.69
4-058-010-06	STROMDAHL, CHAD GENZLER & SHERRY	303 GLENWOOD ST SW	16.085.0299	\$ 269.62	\$ 30.00	\$ 299.62
4-060-006-01	GILBERTSON, DAVID	701 GREENWOOD ST SW	16.111.0400	\$ 248.27	\$ 30.00	\$ 278.27
4-066-010-03	SAVAGE, CHRISTOPHER	1100 IRONWOOD AVE SW	16.031.2600	\$ 260.12	\$ 30.00	\$ 290.12
4-069-015-00	TOWNSWICK, MARK	1107 MADISON AVE SW	16.095.0300	\$ 337.80	\$ 30.00	\$ 367.80
4-072-080-01	JOHNSON, DANIELLE	1110 MAPLEWOOD CT SW	16.063.0180	\$ 404.77	\$ 30.00	\$ 434.77
4-073-150-02	SCHOENING, SARAH	601 MARION ST SW	16.065.0160	\$ 272.74	\$ 30.00	\$ 302.74
4-078-240-00	HANSON, JEANNETTE L	601 PAGE ST SW	16.066.0200	\$ 47.11	\$ 30.00	\$ 77.11
4-081-010-02	TAPPEIN, TYLER	808 PAGE ST SW	16.066.0030	\$ 642.73	\$ 30.00	\$ 672.73
4-081-160-01	LEE, KIM	503 S PASSAGE SW	16.031.0910	\$ 231.23	\$ 30.00	\$ 261.23
4-084-013-00	ANDERSON, THOMAS & DAWN	718 MAIN ST W	16.079.0090	\$ 385.05	\$ 30.00	\$ 415.05
5-070-480-03	THEY, TIFFANY	PARCEL ID - 16.029.2300	16.029.2300	\$ 259.56	\$ 30.00	\$ 289.56
9-000-260-00	HALVORSON TRUSTEE, DIANNE M & JEANNINE I	403 RAILROAD AVE SE	16.030.3500	\$ 58.71	\$ 30.00	\$ 88.71
9-000-460-00	COLBAUGH COUNTRY CRAFTS	PARCEL ID - 16.030.4100	16.030.4100	\$ 202.28	\$ 30.00	\$ 232.28
9-000-570-01	GRAHAM, JONATHAN	304 TOWNSEDOGE RD SE	16.032.0702	\$ 128.18	\$ 30.00	\$ 158.18
9-000-630-00	LAROWE, SCOTT O & KRISTIE L	PARCEL ID - 16.033.0500	16.033.0500	\$ 224.28	\$ 30.00	\$ 254.28
9-000-900-00	HARRIS, JAMES C	459 3RD AVE NW	16.040.0941	\$ 128.18	\$ 30.00	\$ 158.18
9-001-240-00	ZEHRAS, MARY	PARCEL ID - 16.051.0060	16.051.0060	\$ 128.18	\$ 30.00	\$ 158.18
9-001-450-01	CREKESIDE TOWNHOUSES & ASSOCIATION	PARCEL ID - 16.057.0110	16.057.0110	\$ 38.55	\$ 30.00	\$ 68.55
9-001-550-00	EDGERTON, JOHN V & AMY M	208 TOWNSEDOGE RD SE	16.064.0040	\$ 128.18	\$ 30.00	\$ 158.18
9-001-560-00	GODEEN, AARON T & COURTNEY I	204 TOWNSEDOGE RD SE	16.064.0050	\$ 27.29	\$ 30.00	\$ 57.29
9-003-520-01	DAVIS, ERIC	PARCEL ID - 16.106.0120	16.106.0120	\$ 114.20	\$ 30.00	\$ 144.20
9-003-570-01	FUSION NAILS	PARCEL ID - 16.108.0050	16.108.0050	\$ 67.64	\$ 30.00	\$ 97.64
9-004-400-01	FEIG, TSANDI CREW & STEVEN	PARCEL ID - 16.112.0240	16.112.0240	\$ 46.75	\$ 30.00	\$ 76.75
9-004-670-01	PD & H PROPERTIES	PARCEL ID - 16.113.0740	16.113.0740	\$ 536.83	\$ 30.00	\$ 566.83
9-004-680-01	PD & H PROPERTIES LLC	PARCEL ID - 16.113.0750	16.113.0750	\$ 58.30	\$ 30.00	\$ 88.30
9-005-750-01	LAROWE, SCOTT	PARCEL ID - 16.503.0020	16.503.0020	\$ 152.92	\$ 30.00	\$ 182.92
				\$ 37,794.47	\$ 3,120.00	\$ 40,914.47



Request for City Council Action

To: Mayor and City Council
From: Sheila Sellman, Community Development Director
Date: November 17, 2020
Subject: Sale of EDA and city land PID 16.029.1400 and 16.053.0151 to UPS

Background:

In May 2019, the EDA directed staff to start negotiations with UPS to sell the EDA owned land east of UPS (PID 16.029.1400) and city owned land 16.053.0151. UPS plans to expand their existing facility. The city attorney and UPS are negotiating the details of the sale and land combination with a sales price of \$165,000.00. The city attorney has recommended that the EDA DEED their land to the City and the City will work out the subdivision/land combination with UPS.

At the November 4, 2020 EDA meeting the EDA held a public hearing on the sale. The EDA approved the sale.

Recommendation:

Staff recommends approving the purchase agreement for the sale.

Attachments:

- Purchase Agreement

AGREEMENT FOR PURCHASE AND SALE

THIS AGREEMENT FOR PURCHASE AND SALE (this "Agreement") is made and entered into as of the ____ day of November, 2020, (the "Effective Date") by the City of Isanti Economic Development Authority, Minnesota, a public body corporate and politic and political subdivision of the State of Minnesota ("Authority"), and the City of Isanti, a municipal corporation of the State of Minnesota ("City"), both with an address at 110 1st Avenue NW, Isanti, Minnesota 55040, Attn: Ms. Sheila Sellman, email: ssellman@cityofisanti.us (collectively hereinafter, Authority and City are referred to as "Seller"), and BT Property, LLC, a Delaware limited liability company, having a business address at 55 Glenlake Parkway, NE, Atlanta, GA 30328, Attn: Real Estate Dept./Contract Administrator, emails: bharder@ups.com and rrubin@ups.com ("Buyer").

RECITALS:

- A. Buyer owns that certain real property consisting of approximately 2.46+/- acres of land with the improvements thereon, with an address of 500 East Dual Boulevard NE, in the City of Isanti, Isanti County, Minnesota (Parcel I.D. #16.053.0130) (the "Buyer Property").
- B. Authority owns that certain unimproved land, the "EDA Parcel" (Parcel I.D. #16.029.1400) in fee simple located nearby the Buyer Property (which is adjacent to and contiguous with the City Parcel defined immediately below), and as more particularly described on Exhibit "A" which is attached hereto and made a part hereof. Seller has agreed to convey the EDA Parcel to Buyer in accordance with the terms and conditions set forth herein below. The EDA Parcel includes approximately 4.0 acres of land as described and shown on Exhibit "A".
- C. This purchase shall also include certain other real property owned by City consisting of an approximately .45 acre portion of the tract of land labeled as the "City Parcel" which is contiguous with the Buyer Property and the EDA Parcel, is shown on Exhibit "A", which Seller has also agreed to convey to Buyer (the City Parcel is a portion of Parcel I.D. #16.053.0151) in accordance with the terms and conditions set forth herein below. The EDA Parcel and the City Parcel are sometimes collectively hereinafter referred to as the "City Property").
- D. City has agreed to file a re-plat in the real estate records of Isanti County, Minnesota, combining the City Parcel and the EDA Parcel (as described on Exhibit "A") on or before closing.
- E. Buyer desires to purchase the City Property from the Seller, and Seller desires to sell the City Property to Buyer in accordance with the terms and conditions contained in this Agreement.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the sum of Eight Thousand Two Hundred Fifty Dollars (\$8,250.00) to be paid by Buyer to Stewart Title Guaranty Company as "Escrow Agent" as earnest money and deposited into an interest bearing account as set forth in Section 2 below (the "Deposit"), and in further consideration of the premises, the mutual promises, covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. AGREEMENT TO SELL AND PURCHASE. Seller agrees to sell, transfer and convey to Buyer, and Buyer agrees to purchase from Seller, the City Property, for the "Purchase Price," as such term is defined in Section 2 hereof, and in accordance with the terms and subject to the conditions hereinafter set forth. The City Property shall include the real property as described in Exhibit "A" together with all buildings and

other improvements located on and all easements, rights and privileges appurtenant to the foregoing (the "Real Property"); all of Seller's right, title and interest in and to all fixtures attached to the City Property, plus all of Seller's personal property located thereon except that listed on Exhibit "B" attached hereto (the fixtures and the specific personal property are herein called the "Personal Property"); all of Seller's interest as landlord in all leases, subleases and other occupancy agreements for any portion of the Real Property, and all guaranties thereof, if any (the "Leases"); all of Seller's right, title and interest in and to all contracts and agreements relating to the ownership, operation or maintenance of the Real Property that Buyer notifies Seller in writing prior to the Closing, as herein defined, that Buyer desires that Seller not terminate (the "Contracts"); and all certificates of occupancy, zoning variances, building, use or other permits, approvals, authorizations, licenses and consents obtained from any governmental authority or other person in connection with the development, use, operation or management of the Real Property, including, without limitation, any of the foregoing relating to the undeveloped portion of the Real Property (the "Permits"); all land development plans, as-built plans, surveys, drawings and other plans and specifications relating to the land or buildings comprising the Real Property (the "Plans"); and all payment and performance bonds or warranties or guarantees relating to the Real Property in favor of Seller, including, without limitation, warranties on all of the buildings in the Real Property (the "Warranties"). Notwithstanding the foregoing, Seller shall only be required to transfer Contracts, Permits and Warranties that are transferable without the consent of any third party and those for which any required consents to transfer are obtained by Buyer.

Seller agrees to sell, transfer and convey to Buyer, and Buyer agrees to purchase from Seller, the City Property, for the "Purchase Price," as such term is defined in Section 2 hereof, and in accordance with the terms and subject to the conditions hereinafter set forth.

2. PURCHASE PRICE. Buyer shall pay as the purchase price (the "Purchase Price") to Seller for the City Property the sum of One Hundred Sixty-Five Thousand Dollars (\$165,000.00):

(a) Within five (5) business days after the full execution of this Agreement by Buyer and Seller and the delivery of the fully executed Agreement to Buyer (the "Effective Date"), Buyer shall wire transfer the Deposit to Escrow Agent (hereafter identified), to be held in an interest bearing account as earnest money. If this Agreement is terminated herein for any reason other than as a result of Buyer's default pursuant to Section 11.2 herein, the Deposit and all interest earned thereon shall be returned to Buyer. If the Escrow closes, the Deposit and the interest earned thereon, shall be credited against the total Purchase Price, and the Deposit, and any interest earned thereon, shall be paid to Seller. If Buyer is entitled at any time to the return of the Deposit as provided in this Agreement, any interest thereon shall be paid to Buyer. If Seller is entitled to the Deposit due to a Buyer default hereunder, any interest thereon shall be paid to Seller.

(b) The Purchase Price less the Deposit (and any interest earned thereon) and less all other credits due Buyer shall be paid by Buyer to Seller by wire transfer of federal funds at the closing of the sale of the City Property to Buyer (the "Closing").

(c) Notwithstanding anything to the contrary, One Hundred and No/100 Dollars (\$100.00) of the Deposit shall be independent consideration ("Independent Consideration") for Seller's execution and delivery of this Contract and shall be non-refundable under all circumstances.

3. ENTRY UPON PROPERTY. Seller agrees that Buyer and its agents and employees shall have the right to enter upon the City Property after the date hereof for the purposes of making inspections of the City Property, obtaining surveys of the City Property, performing soil and environmental testing, or for any other purposes as are deemed necessary or appropriate by Buyer. Buyer shall provide Seller with written notice

prior to commencing any Phase II environmental assessment and shall provide Seller with a copy of all reports generated from such testing. Buyer will indemnify and hold Seller harmless from and against any loss, claim, cause of action or actions to the City Property, that result from Buyer's negligent acts, or those of Buyer's agents, on the City Property prior to the Closing. Buyer shall not be responsible for any loss, claim, cause of action or actions resulting, directly or indirectly, from a pre-existing condition on or about the City Property. In the event that the Closing does not occur, Buyer shall repair any damage to the City Property caused by Buyer's acts as may be practicable to place the City Property in a substantially similar condition as it was prior to such inspections and testing.

Within five (5) days of the date of this Agreement, Seller will provide Buyer with copies of any environmental studies and reports, plans, specifications, drawings, surveys, documents and other information pertaining to the City Property in the possession of Seller or available to Seller. In the event that this Agreement is terminated for any reason, Buyer shall promptly return such information to Seller or destroy the same.

4. CLOSING. 4.1. The Closing shall take place no later than thirty (30) days after the end of the "Investigation Period" (as defined in Section 9.2 hereof, and please see Section 9.2(a) with regard to Buyer's right to accelerate Closing) on a date (the "Closing Date") selected by Buyer. The Closing shall take place in escrow at the offices of the Escrow Agent. Unless otherwise agreed in writing between the parties, the Closing shall take place in escrow. It is agreed that time is of the essence.

4.2 Seller shall deliver to Escrow Agent on or before the Closing Date the following documents duly executed and acknowledged where required by Seller:

(A) Warranty Deed (the "Deed") in proper form for recording in substantially the same form as Exhibit "C" which is attached hereto and made a part hereof conveying good and marketable fee simple title to the City Property to Buyer or to Buyer's nominee subject only to the Permitted Exceptions;

(B) Non-foreign Certification by Seller reasonably acceptable to Buyer and the title company and/or Escrow Agent (the "FIRPTA");

(C) Evidence reasonably satisfactory to Buyer and Escrow Agent that the person executing the documents is duly authorized by Seller to act on its behalf and a certified copy of the ordinances and/or resolutions authorizing the transactions that Seller is obligated for under this Agreement;

(D) Seller's Affidavit in the standard form required by the Escrow Agent;

(E) A Closing Statement as prepared by the Escrow Agent consistent with the terms of this Agreement;

(F) A termination of the farm lease or license, if any, affecting the City Property.

(G) Such other documents as may be reasonably required by Buyer or the Escrow Agent.

4.3 Buyer shall deliver to Escrow Agent on or before the Closing Date, the Purchase Price and the following documents duly executed and acknowledged where required by Buyer:

(A) A Closing Statement as prepared by the Escrow Agent consistent with the terms of this Agreement; and

(B) Such other documents as may be reasonably required by the Escrow Agent.

The delivery to the Escrow Agent by the Buyer of the Purchase Price, and by Seller of the duly executed Deed conveying title to Buyer or its nominee in the condition as required herein together with all other documents and instruments required to be delivered and signed by the terms of this Agreement shall be deemed to be a good and sufficient tender of performance of the terms hereof.

5. TITLE TO THE CITY PROPERTY; RE-PLATTING .

(a) Fee simple title to the City Property shall be conveyed at the time of Closing by the Deed from Seller to Buyer, free of liens, encumbrances, judgments, tenancies, covenants, conditions, restrictions, easements and rights-of-way, whether recorded or unrecorded; subject, however, to (i) those matters (if any) which are not Impermissible Exceptions and which Seller is not required to clear from its title pursuant to the terms of this Section 5 (collectively, the "Permitted Exceptions"). At the Closing, title is to be marketable, good of record and insurable without exception, other than the Permitted Exceptions, at standard market rates by the Title Company.

(b) Buyer shall order a title commitment for the City Property. The cost of such commitment and a standard coverage owner's policy of title insurance in the amount of the Purchase Price shall be at Buyer's expense. Prior to the expiration of the Investigation Period, Buyer shall give notice to Seller of any limitations upon, or defects in, the City Property which Buyer, in Buyer's sole discretion, finds unacceptable (collectively, the "Impermissible Exceptions"). Within ten (10) days after Buyer delivers said list to the Seller, Seller shall deliver to Buyer a written response designating those Impermissible Exceptions (except deeds of trust, mortgages, security interests, judgments, fines, violations, liens and other monetary encumbrances or matters which by their terms can be cured solely by the payment of money, all of which must be cleared and removed from the record by Seller at Seller's expense prior to or at Closing) that Seller elects not to, or is not able to, clear from its title to the City Property on or before the Closing. If any of the Impermissible Exceptions which Seller elects not to cure are unacceptable to Buyer, Buyer in its sole discretion shall be entitled to terminate this Agreement within the fifteen (15) day period following Buyer's receipt of written notice from Seller that Seller elects not to cure such Impermissible Exceptions. If Buyer chooses to terminate this Agreement, Buyer shall be entitled to receive a full refund of the Deposit plus any interest earned thereon. If Buyer does not elect to terminate this Agreement within the time period provided herein, the Impermissible Exceptions that Seller elected not to cure shall become Permitted Exceptions. Notwithstanding anything to the contrary herein, by or at the Closing, Seller shall at Seller's own cost and expense clear title to the City Property of and from all Impermissible Exceptions which consist of deeds of trust, mortgages, security interests, judgments, fines, violations, liens, and other monetary encumbrances or other matters which by their terms may be cured solely by the payment of money and those items which Seller elects to cure.

(c) Seller hereby agrees to cause the EDA Parcel to be deeded to the City, obtain an administrative split of the property constituting Parcel I.D. #16.053.0151 to enable the conveyance of the vertical portion of the City Parcel, as contemplated herein, and as described on Exhibit "A", and obtain all necessary governmental approvals for and prepare a preliminary draft of a plat combining and re-platting

the City Parcel and the EDA Parcel on or before the end of the Investigation Period, for Buyer's approval, such approval not to be unreasonably withheld.

6. REPRESENTATIONS AND WARRANTIES AND OTHER OBLIGATIONS OF SELLER. Seller hereby represents and warrants to Buyer in connection with the City Property, which representations and warranties shall be automatically deemed to be restated on and as of the Closing, and all of which shall survive the Closing:

6.1 Title, Authority and Conflict Matters, Condition.

(a) Seller has, and at the Closing will have, good, fee simple marketable title to the City Property, free and clear of all covenants, conditions, restrictions, easements, liens, charges, mortgages, deeds of trust or other security interests and encumbrances of every nature, kind or character whatsoever, subject only to the Permitted Exceptions.

(b) There are no condemnation or similar proceedings which are pending or, to Seller's actual knowledge, threatened against the City Property or any part thereof, nor to Seller's actual knowledge are there any governmental plans to appropriate or purchase any portion of the City Property.

(c) There are no leases affecting any portion of the City Property, nor are there any parties entitled to be in possession of the City Property.

(d) Seller has not received any written notification from any governmental agency, authority or instrumentality of any pending or threatened assessments on or against the City Property to secure or pay the cost of public improvements to be made with respect to the City Property or any part thereof nor has the Seller issued any such notification nor does Seller have any knowledge of the issuance of any such notification by any other governmental agency.

(e) Seller has all requisite power and authority to execute, deliver and perform this Agreement and all documents and instruments referred to herein to be executed, delivered and performed by Seller, and all necessary or appropriate consents, authorizations or approvals required in connection with the execution, delivery and performance by Seller of this Agreement and the other documents and instruments referred to herein have been duly obtained by Seller.

(f) The conveyance of the City Property to Buyer pursuant hereto will not violate any applicable statute, ordinance, resolution, governmental restriction or regulation, or any private restriction or agreement binding upon or otherwise applicable to Seller or the City Property.

(g) Seller has not received any written notice of nor has any actual knowledge of any contemplated or actual reassessment of the value of the City Property for ad valorem real estate tax purposes, other than any such reassessment which may occur by virtue of the sale of the City Property to Buyer and recordation of the Deed to the City Property, and the City Property will be separately assessed with the Buyer Property for ad valorem real estate tax assessment purposes and shall not be combined with any other real property for such tax assessment purposes.

(h) Seller has not granted or entered into any commitments or other agreements, including, without limitation, any right of first refusal or option to purchase, with or in favor of any third party, which would or could prevent the Seller from consummating the sale of the City Property to Buyer pursuant to

this Agreement or which would bind Buyer subsequent to the consummation of the purchase of the City Property by Buyer.

(i) Improvements. To the best of Seller's knowledge, the improvements on the City Property, if any, are in good repair.

(j) The present zoning classification of the EDA Parcel is I-1, Industrial Park District, and the City Parcel is not zoned. The City Parcel shall be rezoned by the City to the following zoning classification such that Buyer's use of the City Property as a parcel distribution center and for all related and ancillary purposes shall be permitted as of right thereon: I-1, Industrial Park District.

(k) Seller has disclosed to the Buyer the existence of a drainage ditch located on the City Parcel. In the event that Buyer elects to close on the City Property, Seller hereby represents, warrants and agrees that Seller will reasonably cooperate with Buyer with respect to the approval of plans, providing and obtaining governmental approvals, modifying any existing easements, and as otherwise may reasonably be necessary, if the Buyer elects to relocate the drainage ditch. Seller's obligation to cooperate with any election by Buyer to relocate the drainage ditch shall survive Closing.

6.2 Environmental Matters. To Seller's actual knowledge:

(a) No portion of the City Property constitutes "wetlands" under the Clean Water Act, applicable regulations or other state or federal law.

(b) The City Property, including, but not limited to, the soil, groundwater and soil vapor of the City Property does not contain a Hazardous or Toxic Substance (as defined below).

(c) During the time which Seller has owned the City Property, neither Seller nor any third party, has used, generated, manufactured, stored or disposed of on, under, or about the City Property or transported to or from the City Property nor has there been or is there on the City Property, any Hazardous or Toxic Substances.

(d) Neither Seller nor the City Property is subject to any existing, pending or threatened investigation by any governmental authority under any applicable federal, state or local law, regulation or ordinance pertaining to air and water quality, the handling, transportation, storage, treatment, usage, or disposal of Hazardous or Toxic Substances, air emissions, and other environmental matters.

(e) No leak, spill, release, discharge, emission, or disposal of Hazardous or Toxic Substances has occurred on the City Property.

(f) No conditions exist on the City Property which would necessitate remedial action by Seller under any environmental law.

(g) No liens have been asserted against the City Property or the buildings, improvements or fixtures located thereon, for all or any portion of the costs or expenses associated with the reclamation or clean-up of any waste disposal site or other City Property under any environmental laws.

(h) No restrictions or covenants have been placed on the City Property or which restrictions or covenants are threatened to be imposed on the City Property which arise from or are attributable to any Hazardous Substances or any environmental agency having jurisdiction over the City Property.

For the purposes of this Agreement, "Hazardous or Toxic Substances" shall be interpreted broadly to include, but not be limited to, any material or substance that is defined or classified under federal, state, or local laws as: (a) a "hazardous substance" pursuant to section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601(14), section 311 of the Federal Water Pollution Control Act, 33 U.S.C. §1321, as now or hereafter amended; (b) a "hazardous waste" pursuant to section 1004 or section 3001 of the Resource Conservation and Recovery Act, 42 U.S.C. §§6903, 6921, as now or hereafter amended; (c) a toxic pollutant under section 307(a)(1) of the Federal Water Pollution Control Act, 33 U.S.C. §1317(a)(1); (d) a "hazardous air pollutant" under section 112 of the Clean Air Act, 42 U.S.C. §7412, as now or hereafter amended; (e) a "hazardous material" under the Hazardous Materials Transportation Uniform Safety Act of 1990, 49 U.S.C. App. §1802(4), as now or hereafter amended; (f) toxic or hazardous pursuant to regulations promulgated now or hereafter under the aforementioned laws; or (g) presenting a risk to human health or the environment under other applicable federal, state or local laws, ordinances, or regulations, as now or as may be passed or promulgated in the future. "Hazardous Substances" shall also include all garbage fill material and waste, whether or not hazardous, and shall also mean any substance that after release into the environment and upon exposure, ingestion, inhalation, or assimilation, either directly from the environment or directly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer, or genetic abnormalities. "Hazardous or Toxic Substances" specifically includes, but is not limited to, asbestos, polychlorinated biphenyl's ("PCBs"), petroleum and petroleum-based derivatives, and urea formaldehyde.

All representations, warranties, covenants and obligations in this Agreement, and any other certificate or document delivered pursuant to this Agreement, shall survive the date of the Agreement and the delivery of the deed to Buyer. To the extent allowed by law, Seller shall indemnify Buyer, its successors and assigns against, defend, and hold all of them harmless from, all damages and liabilities arising, directly or indirectly, from or in connection with (a) any breach by Seller of any representation or warranty, covenant, agreement or obligation made by Seller in this Agreement, or (b) the ownership, operation, or condition at any time on or prior to Buyer's original occupancy of the City Property.

If this transaction closes and Buyer purchases the City Property from Seller, the fact that Buyer has purchased the City Property shall not be deemed evidence or an indication that the City Property purchased at the time of Closing, was free from all Hazardous Substances, debris or waste, or that Buyer has waived any of Seller's representations in that regard.

7. COVENANTS OF SELLER. In addition to the other covenants and agreements contained in this Agreement, Seller hereby covenants with Buyer that from and after the date of this Agreement and through the date of Closing, Seller:

(a) shall not sell, grant, convey, mortgage, lease, encumber or dispose of the City Property or any part thereof or the improvements located thereon or the appurtenances thereunto belonging;

(b) shall not allow any lien, claim, demand or encumbrance of any nature, kind or character to be asserted against the City Property or any part thereof, other than the lien of City Property taxes and assessments not yet then delinquent;

(c) shall not grant any easement, license or right-of-way in, to or through the City Property or any part thereof, or any leases with respect to the City Property;

(d) shall not create, nor allow to be created, any condition, restriction or covenant of any kind, character or nature whatsoever with respect to the City Property;

(e) shall not seek any change in the zoning of, or conditional use for, the City Property, except as may be requested by Buyer or as otherwise set forth in this Agreement;

(f) until the date of the Closing, at its sole cost and expense shall maintain the City Property and the improvements thereon in good and proper repair; and

(g) during the Investigation Period, Seller has agreed to re-plat the City Parcel and the EDA Parcel, as described in Exhibit A, at Seller's sole cost and expense, in accordance with Section 5(c) and to the satisfaction of Buyer, and in compliance with all applicable legal requirements.

8. INTENTIONALLY OMITTED

9. CONTINGENCIES.

9.1 Buyer's Contingencies. Buyer's obligations to purchase the City Property under this Agreement are expressly made subject to the conditions precedent hereinafter enumerated (all of which are for the sole benefit of Buyer and not of Seller) (the "Buyer's Contingencies"), which must have either been met or expressly waived in writing by Buyer on or before the Closing:

(a) Buyer shall have obtained a commitment from Stewart Title Guaranty Company (the "Title Insurance Company") for an Owner's Policy of Title Insurance with respect to the City Property, in the amount of the Purchase Price, which shall be subject only to the Permitted Exceptions. Such commitment may also show mortgages, deeds of trusts, security interests, judgments, fines, violations, liens or other monetary encumbrances, all of which shall be deemed Impermissible Exceptions, and must be removed from the record and the Owner's Policy of Title Insurance by Seller at its expense at Closing.

(b) The survey obtained by Buyer herein shall be satisfactory to Buyer in Buyer's sole discretion and the re-plat to be prepared and filed by Seller in accordance with the terms and conditions of Section 5(c) above shall also be satisfactory to Buyer in Buyer's sole discretion.

(c) Buyer shall have determined to its complete satisfaction that no portion of any of the City Property constitutes "wetlands" under the Clean Water Act.

(d) Buyer shall have verified to its complete satisfaction the truthfulness and accuracy of all the representations and warranties contained in Section 6 hereof.

(e) Buyer shall have verified to its complete satisfaction that all necessary utilities, water rights, fire, police protection and access are or will be available for Buyer's intended use of the City Property.

(f) Buyer shall be satisfied with the zoning of the City Property in Buyer's sole discretion.

(g) Buyer shall have determined to its complete satisfaction that there are no easements, ordinances, codes, covenants, restrictions, rules, or regulations, either existing or proposed, that would preclude or interfere with Buyer's intended use of the City Property.

(h) Buyer received any approvals necessary for its use of the City Property and all appeal periods shall have expired and any appeals shall have been resolved in favor of Buyer.

(i) Buyer has performed to its satisfaction any and all testing Buyer desires to undertake on the City Property including but not limited to environmental testing and Buyer elects not to terminate the Agreement.

(j) Intentionally deleted.

(k) The City Property shall be otherwise acceptable to Buyer in Buyer's sole discretion.

9.2 Investigation Period.

(a) Buyer shall have the period of ninety (90) days after the Effective Date of this Agreement within which to satisfy the foregoing contingencies and to perform any tests on the City Property that Buyer believes, in its sole discretion, are appropriate or which Buyer desires. If Buyer has been unable to satisfy any of the contingencies set forth herein above within such time period, upon giving Seller written notice of such prior to the expiration of said 90 day period or prior to the end of any of the following extension periods, Buyer shall have three (3) additional thirty (30) day periods within which to satisfy the foregoing contingencies (collectively referred to herein as the "Investigation Period"). During the Investigation Period, Seller shall complete the re-zoning of the Middle Property. Notwithstanding anything to the contrary contained herein, from and after the 60th day of the Effective Date, Buyer shall have the right on no less than fifteen (15) days advance written notice to Seller to cause the Closing of the City Property to occur in accordance with the terms and conditions of this Agreement.

(b) In the event any of the Buyer's Contingencies have not been met on or before the last day of the Investigation Period or Buyer is not satisfied, in its own discretion, with the results of its due diligence with respect to the City Property, at Buyer's sole option, this Agreement shall become null and void, neither party hereto shall have any liability to or recourse against the other pursuant to this Agreement, except with respect to obligations that expressly survive the termination of this Agreement, and the Escrow Agent shall return the Deposit and all interest earned thereon to Buyer.

10. OBLIGATIONS AT CLOSING; PRORATIONS.

10.1 Obligations at Closing. At the Closing, the following shall occur:

(a) Buyer shall deliver the Purchase Price to Escrow Agent, in immediately available funds, provided, however, Seller hereby irrevocably authorizes Escrow Agent and the closing attorney, if any, to apply (by paying such amount directly to the holder of such lien) so much of the Purchase Price as is necessary to pay off and discharge of record all mortgages, liens and encumbrances on the City Property.

(b) Seller shall execute, acknowledge and deliver to Buyer the Deed in substantially the same form as Exhibit "C" which is attached hereto and made a part hereof, conveying good and marketable, fee

simple title to the City Property, free and clear of all liens, encumbrances and defects other than City Property taxes and assessments not yet then due and payable and the Permitted Exceptions.

(c) Seller shall pay all assessments and real estate taxes due and owing against the City Property, its attorneys' fees, all costs and fees to prepare and file the re-plat described in Section 5(c) above, costs to record any documents to satisfy title matters, transfer tax and state documentary fee, if any, all title search and examination fees, and all deed preparation costs. Buyer shall pay the recording fees for the Deed, Buyer's attorney's fees, the cost of the survey of the City Property, if so ordered by Buyer and the cost of the title commitment (unless there is no separate charge for the commitment and/or the charge therefore is for the title search and examination fees, which shall be borne by City) and Buyer shall bear the cost of Buyer's title policy and State deed tax. The parties shall split equally any escrow and closing fees. All other costs shall be paid by the party as is customary in the jurisdiction in which the City Property is located.

(d) Seller shall deliver complete and unconditional releases of any and all mortgages or other encumbrances creating liens on the City Property.

(e) Seller shall also execute and deliver the FIRPTA and a form W-9 setting forth Seller's social security number and address.

(f) Seller shall deliver possession of the City Property to Buyer at the Closing, free of the possession of all persons or entities and of all debris and trash.

(g) Seller shall execute and deliver to the Title Insurance Company such affidavits, consents, resolutions or other agreements as may be required to delete all Impermissible Exceptions to title as may be set forth in the title commitment.

(h) Seller will file the plat described in Section 5(c) above in the real estate records of Isanti County, Minnesota.

(i) Seller shall deliver all other documents duly executed and acknowledged by Seller which are required to be delivered by Seller at Closing pursuant to this Agreement including but not limited to those required to be delivered and duly executed in Section 4 herein.

10.2 Prorations. The parties shall prorate, on the basis of a three hundred sixty-five (365) day year, and in the manner customarily followed in Isanti County, Minnesota through the actual date of the Closing, all rent, taxes and assessments on the City Property that are due and payable in the calendar year in which the Closing occurs.

11. DEFAULT.

11.1 In the event that Seller fails to carry out the terms of this Agreement or refuses to perform any Seller's obligations hereunder, Buyer may, at Buyer's option, treat this Agreement as null and void. If Buyer terminates this Agreement, Buyer shall be entitled to receive a prompt refund of the entire Deposit and any interest thereon. Further, Seller hereby acknowledges that the legal remedy for breach by Seller of this Agreement shall be inadequate and that Buyer shall be entitled to a decree of specific performance

compelling the sale and conveyance of the City Property, or any portion thereof, to Buyer. In addition to all of the foregoing remedies, in the event of a breach of this Agreement by Seller, Buyer shall have all other rights and remedies against Seller as permitted by law or equity.

11.2 . In the event Buyer materially breaches this Agreement, Seller's sole remedy as a consequence thereof shall be to retain the Deposit, and Buyer shall have no further liability, responsibility or obligation to Seller under this Agreement or in connection with the subject matter hereof, except for its indemnification obligations described in Section 3 hereof and any other obligations of Buyer under this Agreement that expressly survive any termination of this Agreement.

12. RISK OF LOSS. All risks of loss of any kind with respect to the City Property, including, but not limited to, damage or destruction of the City Property and improvements thereon and condemnation of the City Property, shall remain upon Seller until the Closing. In the event any portion of the City Property is damaged by fire or other casualty at any time after the date hereof and prior to the Closing, Buyer may, at its sole election, either: (i) terminate this Agreement, whereupon the Deposit shall be returned to Buyer; or (ii) elect to purchase the City Property, whereupon Seller shall assign, transfer and set over unto Buyer at the Closing all of Seller's right, title and interest in and to all insurance proceeds payable in connection with such casualty and shall pay over to Buyer all such proceeds that already have been paid to Seller or on Seller's behalf and Buyer shall receive a credit equal to the deductible amount under Seller's insurance policy. In the event that, prior to the Closing Date, a governmental entity shall commence, or give written notice of its intent to commence, any condemnation proceeding to take any portion of the City Property, Buyer shall have the option either to (a) elect to terminate this Agreement, in which case the Deposit will be returned to Buyer within three (3) days, or (b) complete the acquisition of the City Property, in which case Buyer shall be entitled to the proceeds of such taking, and shall have the right to negotiate and/or litigate the award and Seller shall take such further actions as reasonably may be requested by Buyer in connection therewith. Seller shall promptly notify Buyer of any condemnation proceedings that Seller becomes aware of during the pendency of this Agreement.

13. INTENTIONALLY DELETED.

14. COMMISSIONS. Seller and Buyer each represent and warrant to the other that no real estate commission, broker's fee or other similar fee or commission is now or shall at any time be due with respect to this Agreement except for a brokerage fee due Jupiter Realty Services, LLC ("Buyer's Broker"), the commission of which will be paid for by Seller pursuant to a separate agreement. If any claims for such fees or commissions are made against any of the parties in connection with this transaction (other than the commission due Buyer's Broker), all such claims shall be handled and paid by the party whose actions or alleged commitments formed the basis of such claim, and such party further agrees to indemnify and hold harmless the other party from and against any and all such claims or demands.

15. MISCELLANEOUS.

(a) Assignment of Agreement. Buyer may assign this Agreement to an entity owned in whole or in part by Buyer or an owner of Buyer without the prior written consent of Seller.

(b) Binding Effect. This Agreement shall run to the benefit of Buyer, its successors and assigns, and shall be binding upon Seller and Seller's successors and assigns. All representations, covenants and warranties herein shall survive the Closing and delivery of the Deed.

(c) Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be effective upon receipt whether delivered by personal delivery, email or UPS Next Day Air® delivery or sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the respective parties as follows:

If to Buyer:

-See address at top of Page 1-

AND:

If to Seller:

-See address at top of Page 1-

Notices shall be deemed received upon the (a) the date of delivery if personally delivered or delivered via UPS Next Day Air® delivery, or (b) when sent, as shown on the sent receipt, if sent by email, or (c) if mailed, upon the date of receipt as disclosed on the return receipt. Notice of change of address shall be given by written notice in the manner detailed in this paragraph. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent.

(d) Headings. Descriptive headings herein are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

(e) Time of Essence. Time shall be of the essence with respect to the performance of all obligations of the parties hereunder.

(f) Governing Law. This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Minnesota.

(g) Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Pdf copies of the executed signature pages transmitted by email shall be effective and binding upon the parties as if such signatures were original signatures.

(h) Severability. If any part of this Agreement should be determined to be invalid, unenforceable, or contrary to law, that part shall be amended, if possible, to conform to law, and if amendment is not possible, that part shall be deleted and other parts of this Agreement shall remain fully effective, but only if, and to the extent, such modification or deletion would not materially and adversely frustrate the parties' essential objectives as expressed in this Agreement.

(i) Entire Agreement; Exhibits. This Agreement and all Exhibits attached hereto constitute the entire agreement among the parties as it relates to the subject matter hereof, and no amendment, alteration or modification of this Agreement shall be valid unless in each instance such amendment, alteration or modification is expressed in a written instrument duly executed by all of the parties to this Agreement. All Exhibits to this Agreement shall constitute part of this Agreement and shall be deemed to be incorporated in this Agreement by reference and made a part of this Agreement as if set out in full at the point where first mentioned.

(j) 1031 Exchange. Either party may desire to exchange its fee title interest in the City Property for other City Property of like kind and qualifying use within the meaning of Section 1031 of the Internal Revenue Code of 1986, as amended and the regulations, promulgated thereunder. Each party expressly reserves their right to assign its rights under this Agreement to a Qualified Intermediary as provided in Internal Revenue Code Reg. 1.1031(k) - 1(g)(4) on or before the Closing Date. Each party agrees to cooperate reasonably with the other and to execute any documents reasonably necessary to effectuate such an exchange provided such documents do not in any manner increase the liabilities of the other party. For instance, Buyer shall not be required to execute any documents whereby Buyer enters into the chain of title of any City Property other than the City Property.

(k) Waiver of Jury Trial. To the extent permitted by law, each of Seller and Buyer hereby expressly waives any right to trial by jury of any action, cause of action, claim, demand, or proceeding arising under or with respect to this Agreement, or in any way connected with, related to, or incidental to the dealings of Seller and Buyer with respect to this Agreement and in each case, whether or not existing or hereafter arising, and whether sounding in contract, tort or otherwise. To the extent permitted by law, each of Buyer and Seller hereby agrees that any such action, cause of action, claim, demand, or proceeding shall be decided by a court trial without jury and that Seller or Buyer may file a copy of this Agreement with any court other tribunal as written evidence of the consent of each of Seller and Tenant to the waiver of its right to trial by jury.

(l) Performance. When the last day prescribed for performance hereunder falls on Saturday, Sunday, or a legal holiday, the performance of such act shall be considered timely if it is performed on the next succeeding day which is not a Saturday, Sunday, or a legal holiday.

16. ACCEPTANCE. This Purchase Agreement shall be binding on Buyer only if a fully-executed copy is delivered to Buyer on or before 5:00 p.m. on _____, 2020. Unless such delivery is made, this document shall be null and void.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

(“Seller”)

City of Isanti Economic Development Authority

By: _____
Its: _____
Date: _____, 2020

City of Isanti

By: _____
Its: _____

By: _____
Its: _____

Date: _____, 2020

(“Buyer”)

BT Property, LLC

By: _____
Its: _____
Date: _____, 2020

EXHIBIT "A"
LEGAL DESCRIPTION

EDA Parcel – PID 16.029.1400

The West 410 feet of the following described tract of land to-wit: All that part of the Southeast Quarter of the Northwest Quarter (SE $\frac{1}{4}$ of NW $\frac{1}{4}$) of Section Twenty-nine (29), Township Thirty-five (35), Range Twenty-three (23), described as follows, to-wit:

Commencing at the intersection of the North line of said forty acres and the Westerly right-of-way line of Minnesota Trunk Highway No. 65 as presently existing and laid out, thence west and along said North line a distance of 1036 feet, thence South and parallel with the East line of said forty acres a distance of 425 feet, thence East and parallel with the North line of said forty acres a distance of 977 feet, more or less, and to the Westerly right-of-way line of Minnesota Trunk Highway No. 65 as presently existing and laid out, thence Northeasterly and along said Westerly right-of-way line of Minnesota Trunk Highway No. 65 to the point of beginning and there to terminate.

Excepting the South 33' of the above described parcel.

City Parcel – PID: portion of 16.053.0151

The East 48 feet (E 48') of Lot One (1), Block Five (5), Dual Industrial Park, as measured at right angles to the East line of said Lot One (1), Isanti County, excepting therefrom the South 66 feet of said East 48 feet of said Lot One (1).



EXHIBIT "B"

SELLER'S PERSONAL PROPERTY

NONE

EXHIBIT “C”

[To be provided.]



**BOLTON
& MENK**

Real People. Real Solutions.

K.3.

7533 Sunwood Drive NW
Suite 206
Ramsey, MN 55303-5119

Ph: (763) 433-2851
Fax: (763) 427-0833
Bolton-Menk.com

MEMORANDUM

Date: November 10, 2020
To: Honorable Mayor Johnson and Members of the City Council
City of Isanti
From: Jason W Cook, P.E.
City Engineer
Subject: Engineering Services Proposal to Complete Liquor Store Design &
Construction
City of Isanti, MN

Bolton & Menk, Inc. is pleased to present this proposal for engineering services for the building and site design of the proposed liquor store at 10 6th Avenue SE.

The proposed parking lot and building will meet City zoning requirements. The building can generally be described as a 11,750 square foot building housing the proposed liquor store facilities depicted in the initial layout sketch attached.

Site Design & Construction:

We propose for Bolton & Menk to perform the site design, project management, construction surveying and construction inspection needed to facilitate the completion of the proposed parking lot and utility extension for the new liquor store building.

We propose to complete the site design and specifications, through bidding, for an hourly, not to exceed, fee of \$35,000.

We propose to complete site construction staking, project management, and site inspection services, for an hourly, not to exceed, fee of \$30,000. This does not include building inspections.

Building Design & Construction:

We proposed to bring Brunton Architects onto the project team to perform the building design through construction. Their proposed scope of work and lump sum fee is attached and includes cost estimating, interior design, structural, mechanical, plumbing, electrical, and fire sprinkling design services from pre-design to project construction and project close out. Bolton & Menk will not add on any overhead fees to take on Brunton Architects as a sub-consultant.

Assumptions made in determining the scope of Brunton Architect's fees:

- Prefabricated concrete walls will be used to reduce project cost and engineering design costs.
- A non-pitched deck roof will be used as the base design.
 - A pitched metal roof would add approximately \$300,000 in total project cost and require space inside the building to be taken up by typically roof mounted equipment such as HVAC.

Brunton Architects scope and fees in the attached document are proposed as a lump sum fee of \$192,000. These fees are at industry standard and include interior design and alternate building renderings.

The proposed total engineering fees are significantly lower than the budgeted amount for these services.

Please contact me at (763) 200-2444 if you have any questions or need additional information.

**MANKATO**

225 BELGRADE AVE
NORTH MANKATO, MN 56001

HOPKINS

1040 SIXTH ST SOUTH
HOPKINS, MN 55343

November 10, 2020

Mr. Jason Cook, PE
Bolton & Menk, Inc.
7533 Sunwood Drive, NW
Suite #206
Ramsey, MN 55303
Jason.Cook@Bolton-Menk.com

RE: Professional Design Services for a New Retail/Municipal Liquor Store in Isanti, MN

Dear Jason:

All of us at Brunton Architects & Engineers are truly honored to be submitting a proposal that encompasses the extent of our professional design services offered. We believe it is the attention to detail that determines the difference between a good project and a great one. Our staff of architects, interior designers, and engineers are dedicated to working side by side with our clients while guiding them through the entire design process from beginning to end.

Brunton Architects & Engineers has assembled a design team with skills best suited for the municipal liquor store project planned for Isanti, Minnesota. Our team is ready and excited to provide architectural design, interior design, mechanical engineering, plumbing design, electrical engineering and structural design engineering services to ensure that the project is custom tailored to your client's specific needs. It is our understanding that the civil design engineering will be provided by Bolton & Menk and are not included as a part of this fee proposal.

Project Understanding

Design services included in this proposal are for an architectural precast concrete building with one steel beam and column line in the middle of the building to help reduce total construction costs. The building is being planned as having 23 ft sidewall heights, steel bar joist roof structure, metal deck, sloped structure with rigid insulation, and polished concrete floors in the retail areas of the building. The proposed building size is approximately 11,750 SF in its footprint. The building will be used as Municipal Liquor Store located in Isanti, MN and is to be located on a City owned commercial



lot. Design services included in this proposal are Architectural, Interior Design (color and material selections), Structural, Mechanical, & Electrical engineering. Preliminary cost estimating will also be provided by Brunton for use in helping to establish construction and FF&E Budgets. Civil design services will be employed directly by the City of Isanti.

At Brunton Architects & Engineers, we look at all design projects from owner, end user, and contractor viewpoints. We pride ourselves on being a design driven firm that is detail oriented in everything we do.

Below is a brief summary of our understanding of the project;

Project Description – Municipal Liquor Store

- | | |
|-------------------------|--|
| 1. Number of Buildings: | One |
| 2. Size: | roughly 11,750 SF |
| 3. Height/Stories: | One Story |
| 4. Construction Type: | Precast Concrete Walls and bar joist and deck roof** |
| 5. Use: | Retail |
| 6. Location: | Isanti, Minnesota |

**An optional metal joist and standing seam metal roofing system can be explored for additional design fees as it greatly increases the design requirements of the project. Its estimated that the increase in construction costs for the different roof structure and roofing system, along with HVAC design requirements might be around \$250,000-\$350,000. As previously mentioned, the HVAC systems would need to convert to an air handling system and be ground mounted requiring more site area for the units to sit within in an enclosed area. If chosen, the design fee will increase by \$36,000 due to additional detailing and engineering needed for all the trades effected.

ARTICLE 1 Scope of Services

1.1 Schematic Design Phase

1.11 The development of refined concept floor plans, a site plan, and exterior/design aesthetics will be developed based on the approved scope. In addition, design solutions will be provided for various exterior elevation studies that face the street.

1.12 Exterior renderings will be produced for review and approval by the City.



1.13 Building code analysis and review of site requirements.

1.14 Hold a meeting for review and approval of the Schematic Design Phase documents and drawings with associated costs.

1.2 Design Development Phase

1.21 Prepare necessary drawings to convey the next level of detail based on the approved Schematic Design Phase. Brunton Architects & Engineers will refine the design and our interior design department will prepare color and material options for your review and approval.

1.22 Coordination with civil, architectural, structural, mechanical, electrical, and plumbing design teams.

1.3 Construction Document Phase

1.31 Preparation and coordination of detailed civil, architectural, interiors, structural, mechanical, and electrical specifications and drawings in preparation for permit review and City approval.

1.32 Final construction documents meeting for review and approval with you and the City.

1.33 Final Review of the International Building Code and Minnesota State Building and ADA accessibility code compliance.

1.4 Bidding & Construction Administration Phase

1.41 Provide Bidding & Construction Administration services for overseeing the construction phase and for compliance with the approved building permit and construction documents.

1.42 Prepare required addendums, as necessary, during bidding.

1.43 Assist in the review of bid results from General Contractors (GC) and/or value engineering. Make recommendation for award of bid to a GC.



1.44 Perform site visits to ensure compliance with construction documents.

1.45 Provide a review of all submitted architectural and engineering shop drawing submittals.

1.46 Generate a list of items in need of repair / replacement at project close out.

1.47 Perform 1-year walk-through with you (12 months from date of completion) to verify that the finished product continues to meet your expectations.

ARTICLE 2 COMPENSATION

2.1 Total fee for project phases listed below.

Professional Fee = \$192,000 Lump sum/Not to Exceed*
(*includes Pre-design cost estimating, architectural, interior design, mechanical, plumbing, fire sprinkling, structural, and electrical design engineering)

Schematic Design	25% of Professional Fee
Design Development	20% of Professional Fee
Construction Documentation	45% of Professional Fee
Bidding and Negotiating	5% of Professional Fee
Construction Administration	5% of Professional Fee

ARTICLE 3 REIMBURSABLE EXPENSES

3.1 Reimbursable expenses shall include postage, shipping, messenger services, printing, and reproduction (printing for in-house use by architect and engineer is included).

3.2 All other requested services shall be billed at the following rates.

Senior Architect/Principal	\$194.00
Project Architect 2	\$142.00



Project Architect 1	\$131.00
Project Manager	\$132.00
Sr. Mechanical Engineer 2	\$168.00
Sr. Mechanical Engineer 1	\$157.00
Architectural Technician 2	\$115.00
Architectural Technician 1	\$105.00
Interior Designer 2	\$125.00
Interior Designer 1	\$110.00
Interior Design Intern	\$ 65.00
Mechanical Technician	\$105.00
Clerical	\$ 68.00
Mileage Charge	\$ 00.58 per mile
Consultants	1.10 times cost
Printing Reproduction	1.10 times cost
Postage	1.10 times cost

*Rates are valid for the 2020/2021 calendar year and are adjusted annually as dictated by market conditions.

ARTICLE 4 PAYMENT

4.1 Billing shall be monthly based on the percentage of the work complete on the last day of the month. Payment shall be due no later than 30 days after the statement date.

4.2 Late charges shall be added at a rate of 1-1/2 percent of the past due amount beginning on the thirty-first day after the statement date.

4.3 A retainer payment of \$5,000.00 shall be made upon execution of this agreement and is the minimum payment under this agreement. The retainer amount shall be credited to the Owner's account in the final invoice. Remit all payments to the office of Brunton Architects & Engineers in North Mankato, MN.

ARTICLE 5 MISCELLANEOUS PROVISIONS

5.1 The prices quoted herein shall be in effect until thirty days past the date of the proposal and are subject for review and revision for any work not authorized to be completed after that date.



5.2 Drawings shall remain the property of Brunton Architects and are to be used for the construction of this project only.

ARTICLE 6 MECHANIC'S LIENS

6.1 Any person or company supplying labor or materials for this project may file a lien against your property if that person or company is not paid for the contributions.

6.2 Under Minnesota law, you have the right to pay persons who supplied labor or materials for this project directly and deduct this amount from our contract price, or withhold the amounts due them from us until 120 days after completion of the project unless we give you a lien waiver signed by persons who supplied any labor or material for the project and who gave you timely notice.

Thank you again for the opportunity to present this proposal for your consideration. Please call our office at 507.386.7996 with any questions or concerns regarding the information contained in this document.

Sincerely,



Corey Brunton, AIA / Principal / Owner
Brunton Architects & Engineers

Signature of Authorization & Date



City of Isanti

Check Register - Mayor/Council Approval
Check Issue Dates: 11/5/2020 - 11/5/2020

Page: 1

Nov 05, 2020 11:55AM

Report Criteria:

Report type: Summary

Check.Type = {<>} "Adjustment"

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
11/20	11/05/2020	54698	2625	RESULTS TITLE	601-20200	190.80- V
11/20	11/05/2020	54714	2290	AMERICAN FLAGPOLE &	101-20200	56.73
11/20	11/05/2020	54715	598	ASPEN MILLS INC	101-20200	2,434.35
11/20	11/05/2020	54716	2850	BEAUDRY OIL & PROPANE INC	920-20200	2,744.17
11/20	11/05/2020	54717	9	BERNICKS PEPSI-COLA	609-20200	893.30
11/20	11/05/2020	54718	2221	C & L DISTRIBUTING	609-20200	719.65
11/20	11/05/2020	54719	2487	CAPITOL BEVERAGE SALES	609-20200	181.50
11/20	11/05/2020	54720	1474	CDW GOVERNMENT INC	614-20200	14.74
11/20	11/05/2020	54721	1629	CITY OF ISANTI	226-20200	13,795.24
11/20	11/05/2020	54722	8	DAHLHEIMER DISTRIBUTING CO	609-20200	17,215.05
11/20	11/05/2020	54723	1708	DAVE LILLEBOE	101-20200	132.00
11/20	11/05/2020	54724	2991	DOG WASTE DEPOT	101-20200	144.83
11/20	11/05/2020	54725	2933	FALCON NATIONAL BANK	101-20200	6,570.43
11/20	11/05/2020	54726	2852	FIDELITY SECURITY LIFE INSURANCE CO	861-20200	133.83
11/20	11/05/2020	54727	2028	FURTHER	861-20200	52.98
11/20	11/05/2020	54728	2830	GDO LAW	101-20200	4,083.33
11/20	11/05/2020	54729	134	GOPHER STATE ONE-CALL INC	601-20200	205.20
11/20	11/05/2020	54730	2898	HANSON, NATE	101-20200	137.97
11/20	11/05/2020	54731	2209	INNOVATIVE OFFICE SOLUTIONS, INC	603-20200	94.66
11/20	11/05/2020	54732	268	ISANTI COUNTY	505-20200	46.00
11/20	11/05/2020	54733	7	JOHNSON BROTHERS LIQUOR CO	609-20200	8,212.81
11/20	11/05/2020	54734	5	KAWALEK TRUCKING	609-20200	154.00
11/20	11/05/2020	54735	394	LMCIT	101-20200	1,350.00
11/20	11/05/2020	54736	131	MACQUEEN EQUIPMENT INC	603-20200	11,363.78
11/20	11/05/2020	54737	17	MCDONALD DISTRIBUTING CO	609-20200	15,106.55
11/20	11/05/2020	54738	616	MENARDS - CAMBRIDGE	101-20200	12.96
11/20	11/05/2020	54739	2978	MILBANK WINWATER WORKS	601-20200	10,902.93
11/20	11/05/2020	54740	2112	MINNESOTA SHERIFFS ASSN	101-20200	750.00
11/20	11/05/2020	54741	44	PHILLIPS WINE & SPIRITS INC	609-20200	1,448.44
11/20	11/05/2020	54742	2625	RESULTS TITLE	601-20200	.00 V
11/20	11/05/2020	54743	315	ST.PAUL STAMP WORKS	101-20200	38.25
11/20	11/05/2020	54744	73	STAR	108-20200	5.00
11/20	11/05/2020	54745	1290	THE AMBLE GROUP	101-20200	113.59
11/20	11/05/2020	54746	42	VIKING COCA-COLA BOTTLING CO	609-20200	232.95
11/20	11/05/2020	54747	361	VINTAGE LOCK	101-20200	4,500.00
11/20	11/05/2020	54748	1922	WEX BANK	101-20200	2,730.57
11/20	11/05/2020	54749	2475	WHITE BEAR IT SOLUTIONS, LLC	101-20200	2,902.00
11/20	11/05/2020	54750	780	WINE MERCHANTS	609-20200	312.00
11/20	11/05/2020	54751	2872	WINEBOW	609-20200	431.75
11/20	11/05/2020	54752	2067	ZABINSKI BUSINESS	609-20200	70.45
11/20	11/05/2020	54753	2625	RESULTS TITLE	601-20200	95.03
11/20	11/05/2020	54754	2625	RESULTS TITLE	601-20200	95.77
Grand Totals:						110,293.99

City of Isanti

Check Register - Mayor/Council Approval
Check Issue Dates: 11/9/2020 - 11/12/2020Page: 1
Nov 12, 2020 02:18PM

Report Criteria:

Report type: Summary

Check.Type = {<>} "Adjustment"

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
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11/20	11/12/2020	54761	2689	ADVANCED POWER SERVICES INC	602-20200	163,515.00
11/20	11/12/2020	54762	494	ALLINA HEALTH SYSTEM	101-20200	65.00
11/20	11/12/2020	54763	1549	ASTECH CORP INC	444-20200	36,739.96
11/20	11/12/2020	54764	1858	ASTLEFORD INTERNATIONAL	101-20200	96.97
11/20	11/12/2020	54765	9	BERNICKS PEPSI-COLA	609-20200	732.60
11/20	11/12/2020	54766	368	BILLS QUALITY CLEANING	101-20200	446.00
11/20	11/12/2020	54767	2319	BREAKTHRU BEVERAGE	609-20200	17,106.39
11/20	11/12/2020	54768	1198	CENTER POINT ENERGY	609-20200	1,815.40
11/20	11/12/2020	54769	1047	CENTRAL TRUCK SERVICE INC	602-20200	573.76
11/20	11/12/2020	54770	1822	CENTURYLINK BUSINESS SERVICES	101-20200	32.50
11/20	11/12/2020	54771	918	CRYSTAL SPRINGS ICE	609-20200	252.99
11/20	11/12/2020	54772	8	DAHLHEIMER DISTRIBUTING CO	609-20200	27,801.42
11/20	11/12/2020	54773	2720	DEFIANT DISTRIBUTORS	609-20200	644.87
11/20	11/12/2020	54774	1840	DIRTWORKS INC	603-20200	21,674.88
11/20	11/12/2020	54775	257	EARL F. ANDERSEN - DIV. OF SAFETY SIGNS	101-20200	440.35
11/20	11/12/2020	54776	2028	FURTHER	101-20200	32.35
11/20	11/12/2020	54777	526	GENERAL REPAIR SERVICE	602-20200	683.58
11/20	11/12/2020	54778	949	GRAINGER INC	101-20200	192.20
11/20	11/12/2020	54779	2761	GRATITUDE FARMS	101-20200	250.00
11/20	11/12/2020	54780	2209	INNOVATIVE OFFICE SOLUTIONS, INC	101-20200	294.75
11/20	11/12/2020	54781	188	ISANTI COUNTY SHERIFF	101-20200	311.25
11/20	11/12/2020	54782	1563	ISANTI ELECTRIC INC	101-20200	782.00
11/20	11/12/2020	54783	7	JOHNSON BROTHERS LIQUOR CO	609-20200	7,917.11
11/20	11/12/2020	54784	5	KAWALEK TRUCKING	609-20200	262.40
11/20	11/12/2020	54785	131	MACQUEEN EQUIPMENT INC	602-20200	258.95
11/20	11/12/2020	54786	17	MCDONALD DISTRIBUTING CO	609-20200	13,749.27
11/20	11/12/2020	54787	616	MENARDS - CAMBRIDGE	101-20200	214.11
11/20	11/12/2020	54788	2500	METRO SALES INC.	101-20200	148.39
11/20	11/12/2020	54789	2953	MIDCONTINENT COMMUNICATIONS	108-20200	118.59
11/20	11/12/2020	54790	2978	MILBANK WINWATER WORKS	601-20200	776.16
11/20	11/12/2020	54791	2116	MINUTEMAN PRESS	101-20200	681.14
11/20	11/12/2020	54792	1180	MLB PRINTING INC	101-20200	140.00
11/20	11/12/2020	54793	479	MN DEPT OF PUBLIC SAFETY	609-20200	20.00
11/20	11/12/2020	54794	2842	MN PEIP	861-20200	24,901.28
11/20	11/12/2020	54795	2080	MVTL LABORATORIES INC	601-20200	174.16
11/20	11/12/2020	54796	2992	NEXTERA COMMUNICATIONS	101-20200	6,626.99
11/20	11/12/2020	54797	617	PAUSTIS & SONS	609-20200	845.50
11/20	11/12/2020	54798	44	PHILLIPS WINE & SPIRITS INC	609-20200	4,012.97
11/20	11/12/2020	54799	2406	QUALITY FLOW SYSTEMS INC	602-20200	740.50
11/20	11/12/2020	54800	2341	RED BULL DISTRIBUTION	609-20200	153.50
11/20	11/12/2020	54801	1361	STAPLES ADVANTAGE	609-20200	318.91
11/20	11/12/2020	54802	73	STAR	609-20200	304.20
11/20	11/12/2020	54803	554	STEVES TIRE INC	603-20200	1,482.04
11/20	11/12/2020	54804	2793	TEAM LABORATORY CHEMICAL, LLC	602-20200	618.50
11/20	11/12/2020	54805	1290	THE AMBLE GROUP	101-20200	202.98
11/20	11/12/2020	54806	2544	TIERNEY BROTHERS, INC	101-20200	9,709.65
11/20	11/12/2020	54807	97	TOTAL CONTROL SYSTEMS INC	602-20200	973.74
11/20	11/12/2020	54808	1820	URBANS HARDWARE INC	602-20200	156.24
11/20	11/12/2020	54809	2027	US INTERNET	603-20200	57.80
11/20	11/12/2020	54810	686	VERIZON WIRELESS	609-20200	1,235.62
11/20	11/12/2020	54811	42	VIKING COCA-COLA BOTTLING CO	609-20200	341.05
11/20	11/12/2020	54812	4	WATSON CO INC	609-20200	4,111.61

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
Grand Totals:						356,362.58

Dated: _____

Mayor: _____

City Council: _____

City Recorder: _____

Report Criteria:

Report type: Summary

Check.Type = {<-} "Adjustment"

City of Isanti

Gross Payroll	101,052.15
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Social Security & Medicare	5,161.31
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Public Employees Retirement	10,370.64
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Total City Expense	<u>116,584.10</u>
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Pay Date	11/13/2020
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Pay Period	23 (10/25-11/7/20)
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Memo for Council Action

To: Mayor Johnson and Members of the City Council
From: Finance Director Betker
Date: November 17th 2020
Subject: Resolution Approving 2020 Audit Engagement Letter

Background:

Resolution 2016-298 designated Abdo, Eick & Meyers, LLP as the City's audit firm for 2020. The attached audit engagement letter documents and confirms the auditor's acceptance of the appointment, the objective and scope of the audit, the extent of the auditor's responsibilities to the client and the form of any reports.

Finance Director Betker has reviewed the engagement letter and is recommending acceptance.

Request:

Consider resolution approving engagement letter for 2020 audit.

Attachment(s):

- Resolution 2020-XXX – Approving the Engagement Letter for the 2020 Audit
- 2020 Audit Engagement Letter

RESOLUTION 2020-XXX

APPROVING THE ENGAGEMENT LETTER FOR THE 2020 AUDIT

WHEREAS, MN State Statutes require the City of Isanti to employ a certified public accounting firm to audit, examine and report upon the books and records of the accounts of the City; and,

WHEREAS, the City of Isanti, through Resolution 2016-298, designated the public accounting firm of Abdo, Eick & Meyers, LLP for their auditors for 2020;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Isanti, Minnesota to hereby approve the Engagement Letter for the 2020 Audit in the amount of \$31,700, with funding as follows:

- | | |
|----------|--|
| 1. 50.0% | 101-41500-301 Financial Administration |
| 2. 12.5% | 601-49400-301 Water Utility |
| 3. 12.5% | 602-49450-301 Sanitary Sewer Utility |
| 4. 12.5% | 603-49500-301 Storm Water Utility |
| 5. 12.5% | 609-49750-301 Liquor Store |

This Resolution is hereby approved by the Isanti City Council this 17th day of November, 2020.

Attest:

Mayor Jeff Johnson

Katie Brooks
Human Resources/City Clerk

October 29, 2020

Management, Honorable Mayor and City Council
City of Isanti
Isanti, Minnesota

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

- 1) Management's Discussion and Analysis
- 2) Schedule of Funding Progress and Employer's Contributions
- 3) Schedule of Net OPEB Liability, Employer Contributions and Investment Returns

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

- 1) Combining and Individual Fund Financial Statements and Schedules
- 2) Summary Financial Report - Revenues and Expenditures for General Operations - Governmental Funds

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

- 1) Introductory Section

Audit Objectives

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

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

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting abuse.

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

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

Audit Procedures - Internal Control

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

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

Audit Procedures - Compliance

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

Other Services

We will prepare a general ledger trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information in the general ledger into a working trial balance. As part of the audit, we will assist with preparation of your financial statements and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. We will also use the financial statements to complete the Office of the State Auditors' Reporting Forms. We will also enter the current year capital asset transactions into our software based on information you provide. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

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

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

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

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

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

You are responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. You are also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

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

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

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

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

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

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

We expect to begin our audit in February 2021 and to issue our reports no later than June 30, 2021. Steven R. McDonald, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be as follows:

Audit	\$ 29,900
GASB 75 Implementation	1,000
2020 Office of the State Auditor's Reporting Form	<u>800</u>
Total	<u>\$ 31,700</u>
2020 TIF Reporting Forms	\$ 500/District

In an effort to reduce environmental impact, you will receive printable, downloadable PDFs of your report. To receive one (1) paper report, you will be charged \$150 for a set-up fee. Additional paper copies will be charged at the rate of \$50 per report.

You may also be billed for travel and other out-of-pocket costs such as report production, typing, postage, etc. if not included in the fee listed above. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Amounts not paid within 30 days from the invoice date will be subject to a late payment charge of .66 percent per month (8 percent per year). If for any reason the account is turned over to collections, additional fees will be added to cover collections cost. In accordance with our Firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Except in the event of your failure to make a payment when due, in the event of a dispute related in any way to our services, our Firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identify for purposes of the award of attorneys' fees. In the event you fail to make a payment for services or to reimburse for costs advanced by the Firm on your behalf, the Firm reserves the right to take all legally permissible action, including commencement of litigation in lieu of mediation, and shall have the right to collect its costs, including reasonable attorney's fees, incurred in any such collection or litigation activities.

Should the City of Isanti desire to employ the Firm's partner(s) or employee(s) involved in the performance of any audit, review or attest service for or relating to the City at any time during the then current fiscal year of the City up to and including the date of the audit report for that year, or in the twelve months preceding the audit report date for the immediately preceding year, it must have the written consent of the Firm to enter into an employment contract with the Firm partner or employee. Should the Firm agree to such arrangement, the agreement will include a payment equal to 200% of the partner or employee's current annual salary.

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the City in the performance of our services. The City shall not, during the term of this agreement and for the twelve months following its termination for any reason, without the prior written consent of the Firm, solicit for employment, or hire any current or former partner or professional employee of the Firm, or any affiliate thereof, if such partner or professional employee has been involved in the performance of any audit, review, or attest service for or relating to the City at any time during the then current fiscal year of the City up to and including the date of the audit report for that year, or in the twelve months preceding the audit report date for the immediately preceding year.

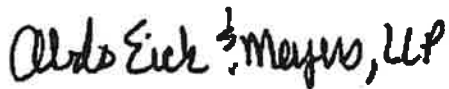
In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such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

We have the right to withdraw from this engagement, at our discretion, if you do not provide us with any information we request in a timely manner; refuse to cooperate with our reasonable requests or misrepresent any facts; we have reason to believe you may have engaged, or may be planning to engage, in conduct that is unethical and/or unlawful; you engage in conduct directed toward or affecting firm personnel that is disrespectful, inappropriate, and/or potentially unlawful; or we determine that continuing the engagement is not in the best interests of the firm or threatens legal or reputational harm to the firm. In the event of withdrawal under any of these circumstances, such withdrawal will release us from any obligation to complete your report and will constitute completion of our engagement.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2017 Peer Review Report accompanies this letter.

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

Sincerely,



ABDO, EICK & MEYERS, LLP
Certified Public Accountants & Consultants

RESPONSE:

This letter correctly sets forth the understanding of the **City of Isanti**.

By: _____

Title: _____



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

January 30, 2018

**To the Partners of
Abdo, Eick and Meyers, LLP
and the Peer Review Committee of the Minnesota Society
of Certified Public Accountants**

We have reviewed the system of quality control for the accounting and auditing practice of Abdo, Eick & Meyers, LLP (the firm) in effect for the year ended May 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA and an examination of a SOC 2 service organization.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Abdo, Eick & Meyers, LLP in effect for the year ended May 31, 2017, 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*. Abdo, Eick & Meyers, LLP has received a peer review rating of *pass*.



Brady Martz and Associates, P.C.

BRADY, MARTZ & ASSOCIATES, P.C.

RESOLUTION 2020-XXX**OFFERING THE POSITION OF PART-TIME LIQUOR STORE CLERK TO
JENNAFER HORGEN**

WHEREAS, the City Council of the City of Isanti is required to approve all new employees; and,

WHEREAS, the staff was directed to advertise and accept applications to fill a Liquor Store Part-Time Clerk position; and,

WHEREAS, Jennafer Horgen was selected as the most qualified candidate for the open Part-Time Liquor Store Clerk position. Offers are contingent on successfully passing a background check and reference check. If any of the mentioned contingencies are not met, the offer can and will be rescinded;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Isanti, Minnesota, as follows:

1. That Human Resources is hereby directed to offer the Part-Time Liquor Store Clerk position to Jennafer Horgen for the City of Isanti and that she shall be eligible to start in that position on or after November 17th, 2020.
2. This position is part time and not eligible for benefits.
3. That Jennafer Horgen shall start at Step 1 of the Wage Scale at \$11.89 per hour.
4. That Human Resources is directed to complete all required documentation for the completion of the employment offer.
5. That Human Resources is directed to forward an executed copy of this resolution to the employee and place a copy in the employee's personnel file for future reference.

This Resolution is hereby approved by the Isanti City Council this 17th day of November 2020.

Attest:

Mayor Jeff Johnson

Katie Brooks
Human Resources/City Clerk

RESOLUTION 2020-XXX**APPROVING THE INTERNAL PROMOTION OF LIQUOR STORE CLERK III TO
CHRISTY BONCZEK**

WHEREAS, the City Council of the City of Isanti is required to approve hiring of all employees; and,

WHEREAS, the Liquor Store Clerk III posting was made available to all internal Liquor store staff; and,

WHEREAS, Human Resources and the Liquor Store Manager deemed current Part-time Liquor Store Clerk employee Christy Bonczek to be the best candidate for the position; and,

WHEREAS, the position of Liquor Store Clerk III is a part-time and non- benefit eligible position; and,

WHEREAS, the promotion for Christy Bonczek will open a position for a part-time Liquor Store Clerk that staff is directed to fill;

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
ISANTI, MINNESOTA AS FOLLOWS:**

1. That Human Resources has offered the Liquor Store Clerk III position to Christy Bonczek for the City of Isanti and that she will be eligible to start in that position effective November 18, 2020.
2. That Christy Bonczek shall start at step 1 of the wage scale at \$14.60 per hour.
3. Human Resources are authorized to complete any required documentation for the position change.
4. That Human Resources is directed to forward an executed copy of this resolution to the employee and place a copy in the employee's personnel file for future reference.

This resolution was duly adopted by the Isanti City Council this 17th day of November 2020.

Attest:

Mayor Jeff Johnson

Katie Brooks
Human Resources/City Clerk

L.5.

Position Classification & Compensation Study Report

City of Isanti

Isanti, Minnesota
October 30, 2020



AEM Workforce Solutions™

People
+ Process.
Going
Beyond the
Numbers



October 30, 2020

AEM Workforce Solutions™

City of Isanti
Josi Wood
City Administrator
110 1st Ave NW
Isanti, MN 55040

Executive Summary

Our firm was contracted by the City of Isanti to provide a complete position classification and compensation study for the 2021 budget year. The City has never conducted a formal independent position classification and compensation study but has experienced population growth, organizational changes, changing position responsibilities, and the addition of new positions in recent years. This independent study was viewed by City leadership as an opportunity for Isanti to accomplish a variety of important strategic priorities, including job description updates and review, an analysis of the current municipal and private compensation markets, a review of current and potential Minnesota Pay Equity compliance requirements, a review of current active collective bargaining agreements, and an evaluation of current length of service and performance based step increase award policies.

As part of our study, AEMWS relied upon the accuracy of updated position descriptions provided by the City, however, as part of the job description analysis, we have provided a Fair Labor Standards Act (FLSA) review checklist to support the overtime exemption election for all applicable existing positions. The updated Job Descriptions are included as **Appendix A** of this report. FLSA testing checklists were provided to the City separate from this report.

To achieve the objectives set forth in our project scope of work, we completed a scoring exercise using a model similar to the State of Minnesota Hay Study. Using this model, each position was given a score in the following categories; know-how, problem solving, accountability and special conditions. These categories are intended to measure and rank the level of knowledge, skills, and impact on City operations for each position.

To complete the evaluation and scoring of Isanti positions, we reviewed the organizational structure, job descriptions and requested additional information and clarification from City leadership, as needed. Upon completing the scoring of positions to determine pay equity, our firm also completed a market wage analysis to compare the City's current wage scale, by position, to the overall public employee wage market in Minnesota.

The market analysis consisted of analyzing salary data from comparable local governments in Minnesota by reviewing municipal salary data published by the League of Minnesota Cities (LMC) through their 2020 annual salary survey and by directly soliciting wage data from two (2) municipalities that did not participate in the LMC survey. Private sector wage information, provided by the Minnesota Department of Employment and Economic Development, was also referenced for several positions, as identified by the City, with comparable and/or competitive private sector positions.

The results of both the classification (position scoring) and compensation analysis follow.

Methodology

Historically, the City has relied upon an internally developed step and grade compensation model for positions not governed by a collective bargaining agreement and has performed its own informal compensation analysis on a regular basis to remain competitive. While some positions may have been paid higher or lower than the predicted pay scale, the City has maintained consistent compliance with the Minnesota Pay Equity Act, submitting its most recent reporting in 2018. The City will be required to submit their next Pay

In recent years, the City has experienced population growth, employee turnover, changing position responsibilities, and the addition of new positions which have impacted both the job duties and wage demands for many positions. City leadership is also anticipating population growth of up to 61% over the next 5-10 years. In light of these organizational changes and significant projected growth, the City of Isanti determined that an formal, independent, system-wide position reclassification and market wage analysis was necessary to assist executive leadership in establishing a new, logical and justifiable employee wage and salary framework to build upon in the future.

Scoring Analysis

This section reflects the review and analysis of all Isanti job descriptions. To complete this task AEM Workforce Solutions, LLC used existing and updated job description information for current positions, based on direction from the City. Our firm reviewed the changes and solicited necessary feedback from City representatives to gain the insight needed to score the various positions. The positions were scored using a plan adapted from the Hay method. The model assigned each position a score in the following categories (adapted from the State of Minnesota 2009 Hay Manual): Know-How, Problem Solving, Accountability, and Special Conditions.

Know-How represents the knowledge, skills and abilities (KSAs) an employee needs to be successful in a particular job. The Hay evaluation method places the greatest emphasis on Know-How. Know-How is defined as an expert skill, information or body of knowledge that imparts an ability to cause a desired result. The Know-How category is the most heavily weighted category. If a position is more easily learned, the position will point toward the lower end of the scale.

Know-How category is further divided into three parts: Depth and Breadth of Job-Specific Knowledge (aka Technical and Specialized Know-How and Job-Specific Knowledge); Integrating Know-How (aka Managerial Breadth or Know-How); and Human Relation Skills (aka Human Relations Know-How). A number is assigned for total Know-How points by making several separate choices for each of the three elements described and an overall assessment.

Job-Specific Knowledge includes the position's requirements for knowledge and skills related to practices, procedures, specialized techniques and professional disciplines. It also includes basic and job-specific supervisory and managerial knowledge, skills, and abilities (KSAs), when appropriate. This aspect of Know-How does not make distinctions among differently-sized managerial jobs nor does it include human relation skills. It is important to remember that this element measures the requirements of the position, not the qualifications of an incumbent.

Integrating Know-How considers the need to integrate and manage progressively more diverse functions and is used to rank managerial breadth and scope, from similar to very different functions. When required, basic and job-specific supervisory and managerial knowledge, skills and abilities are included in the Job-Specific part of a Know-How rating. The overall size of an organization directly influences the number of managerial breath categories, because the organizational size often reflects requirements for increased managerial complexity and diversity.

Human Relation Skills is the third element of a job's Know-How rating. It is the active, practicing interpersonal skills typically required for productive working relationships to work with, or through, others inside and/or outside of the organization to get work accomplished. It assumes that each job requires a foundation of basic human relations skills. To be effective, an employee must typically be proficient at the highest level of Human Relations Skill regularly required for the position.

Problem Solving is the process of working through details of a problem to reach a solution. Problem solving may include mathematical or systematic operations and can be a gauge of an individual's critical thinking skills. Problem Solving measures the intensity of the mental process that uses Know-How to: (1) identify, (2) define, and (3) resolve problems. It is a percentage of Know-How, reflecting the fact that "you think with what you know." This is true of even the most creative work. Ideas are put together from something already there. The raw material of any thinking is knowledge of facts, principles and means.

Context includes the influences or environment that limit or guide decision-making such as rules, instructions, procedures, standards, policies, principles from fields of science and academic disciplines. Positions are guided by organizational, departmental or functional goals, policies, objectives and practices circumscribed by procedures and instructions. In general, policies describe the "what" of a subject matter, procedures detail the steps needed to follow through on a policy (i.e., how, where, when, by whom) and instructions outline the specific aspects of how to perform the tasks, such as the operation of a machine or how to select the appropriate letters to use in particular situations.

Thinking Challenge includes the nature of the problems encountered and the mental processes used to resolve the problems. The scale ranges from simple problems to very complex issues, with the premise that simple issues recur regularly in the same form and after a while are resolved by rote or instinct, but very difficult issues require substantial thinking and deliberation. The types of situations encountered and the processes involved in identifying, defining or resolving related problems are considered. Thinking Challenge reflects the degree of difficulty in finding improvements and adapting to changes.

Accountability does not mean being responsible for getting one's own work done. Rather, it reflects responsibility for actions and their consequences and the measured effect of the job on end results for the organization. Accountability includes three factors: Freedom to Act/Empowerment, Magnitude, and Job Impact.

Freedom to Act/Empowerment involves the degree of personal or procedural control or guidance exercised over the position. For example, what constraints are put on an employee in this job? How closely supervised is the position? What kinds of decisions are made higher up in the organization?

Magnitude is the portion of the total organization encompassed by the position's primary purpose. It's most typically indicated by the general dollar size of the area(s) most directly affected by the job, i.e., the resources over which the position has control or influence. A variety of factors are considered such as size of budget is employee responsible for, what degree of influence is held and is this person a decision maker.

Job Impact is considered to be indirect (indirect or contributory) or direct and measurable (shared or primary). It involves the way in which the position's actions affect end results in the agency. For example, how does the employee influence the business - directly or indirectly? Does the employee provide advisory or interpretive services for others to use in making decisions? Is the job an information-recording one? Does it provide a necessary service with a relatively small effect on the business of the agency? "Contributory" and "primary" are, by far, the most frequently used options."

Special Conditions consider the physical effort, environmental conditions, hazard exposure, and sensory attention demands that an employee is commonly subject to in the position. For example, two positions may be assigned identical points in all other areas but the position that is regularly required to work in extreme outdoor conditions (i.e. heat or extreme cold) would receive additional points for these factors.

The work associated with this scoring represents the primary work conducted for this assignment, which is to review positions and functions and provide a consistent measurement and "scoring" of functions and responsibilities within the municipality.

Findings and Recommendations

Position Points

Table 1 represents the total score assigned to each position based on the Methodology discussed.

Table 1: Position Classification and Point Assignment

Position	Department	Points
Liquor Store Clerk II	Liquor	101
Administrative Intern	Administration	110
Economic Development / Marketing Intern	Community Development	110
Custodian	Public Services	117
Parks, Recreation, and Culture Intern	Public Services	118
Seasonal Maintenance Worker	Public Services	121
Liquor Store Clerk I	Liquor	124
Police Data Clerk	Police	135
Receptionist/Utility Billing Clerk	Administration	135
Background Investigator	Police	145
Community Service Officer	Police	149
Police Secretary	Police	162
Utility Billing/Accounting Clerk	Administration	180
Maintenance Technician I	Public Services	200
City Clerk	Administration	215
Maintenance Technician II	Public Services	225
Community Development Specialist	Community Development	235
Assistant Liquor Store Manager	Liquor	236
Parks, Recreation, and Culture Coordinator	Public Services	250
Equipment Mechanic	Public Services	256
Assistant Finance Director	Administration	265
Utility Lead	Public Services	285
Parks, Recreation, and Culture Manager	Public Services	312
Police Officer - Full Time	Police	315
Police Officer - Part Time	Police	315
Police Investigator	Police	339
Building Official	Community Development	346
Foreman	Public Services	348
Liquor Store Manager	Liquor	364
Lieutenant	Police	380
Human Resources Director	Administration	449
Community Development Director	Community Development	474
Public Services Director	Public Services	478
Police Chief	Police	518
Finance Director	Administration	529
City Administrator	Administration	717

Market Analysis

This section documents a sample of the wages offered to the employees of comparable local governmental units in Minnesota. The comparable government entities identified for this study were communities of comparable size, complexity, geographic location, and proximity to the metro area.

The City of Isanti is within 30 miles of several communities with populations of over 10,000, including North Branch, Wyoming, and Ramsey, and is within 40 miles of the inner-metro. As a result, the City is likely competing for talented employees with these larger out-state and northern metro communities. The City should consider a competitive compensation scale to attract and retain qualified employees that have the knowledge, skills and abilities to provide service levels expected within the community, particularly considering the significant population growth expected in the next 5-10 years. These factors, coupled with the demand of specific technical and multi-faceted positions within the City, have resulted in the recommendations provided in this survey.

The wages of the comparable positions for the municipalities listed in **Table 2** were compared with those at the City of Isanti. **It should be noted that the governments listed do not always have the exact type or number of positions as Isanti and, in these cases, assumptions about duties and levels of responsibilities were made based on job titles and supervisory reporting information and were used to identify comparable positions.**

Table 2 - Market Survey

The Market Survey lists government agencies that were included in standard demographics for at least one existing position in the market analysis.

Statewide Analysis

<i>Albertville</i>	<i>Fergus Falls</i>	<i>Medina</i>	<i>Rockford</i>
<i>Alexandria</i>	<i>Glencoe</i>	<i>Mendota Heights</i>	<i>Rogers</i>
<i>Arden Hills</i>	<i>Grand Rapids</i>	<i>Montevideo</i>	<i>Scandia</i>
<i>Becker</i>	<i>Grand Rapids Public Utilities</i>	<i>Monticello</i>	<i>Shorewood</i>
<i>Belle Plaine</i>	<i>Grant County</i>	<i>Morris</i>	<i>South Lake Minnetonka Police Dept</i>
<i>Bemidji</i>	<i>Hermantown</i>	<i>Mounds View</i>	<i>Spring Lake Park</i>
<i>Big Lake</i>	<i>Hugo</i>	<i>Murray County</i>	<i>St. Anthony Village</i>
<i>Big Stone County</i>	<i>Hutchinson</i>	<i>New Prague</i>	<i>St. Francis</i>
<i>Blaine</i>	<i>International Falls</i>	<i>New Ulm</i>	<i>St. Paul Park</i>
<i>Brainerd</i>	<i>Jackson County</i>	<i>Norman County</i>	<i>St. Peter</i>
<i>Buffalo</i>	<i>Jordan</i>	<i>North Mankato</i>	<i>Stevens County</i>
<i>Byron</i>	<i>Kasson</i>	<i>North Oaks</i>	<i>Stewartville</i>
<i>Cambridge</i>	<i>Kittson County</i>	<i>North St. Paul</i>	<i>Vadnais Heights</i>
<i>Centennial Lakes Police Department</i>	<i>Koochiching County</i>	<i>Nowthen</i>	<i>Victoria</i>
<i>Chippewa County</i>	<i>La Crescent</i>	<i>Oak Grove</i>	<i>Virginia</i>
<i>Circle Pines</i>	<i>Lake City</i>	<i>Oak Park Heights</i>	<i>Virginia Public Utilities</i>
<i>Clearwater County</i>	<i>Lake County</i>	<i>Orono</i>	<i>Waconia</i>
<i>Cloquet</i>	<i>Lake Elmo</i>	<i>Otsego</i>	<i>Wadena</i>
<i>Columbus</i>	<i>Le Sueur</i>	<i>Pennington County</i>	<i>Wadena County</i>
<i>Cook County</i>	<i>Lincoln County</i>	<i>Pipestone County</i>	<i>Watertown</i>
<i>Cottonwood County</i>	<i>Lino Lakes</i>	<i>Pope County</i>	<i>Watsonwan County</i>
<i>Crookston</i>	<i>Little Canada</i>	<i>Princeton</i>	<i>Wayzata</i>
<i>Dayton</i>	<i>Little Falls</i>	<i>Ramsey</i>	<i>Wilkin County</i>
<i>Delano</i>	<i>Luverne</i>	<i>Red Lake County</i>	<i>Windom</i>
<i>Detroit Lakes</i>	<i>Mahnomen County</i>	<i>Rice Lake</i>	<i>Worthington</i>
<i>East Bethel</i>	<i>Mahtomedi</i>	<i>Robbinsdale</i>	<i>Wyoming</i>
<i>Fairmont</i>	<i>Marshall</i>	<i>Rock County</i>	<i>Yellow Medicine County</i>
<i>Faribault County</i>	<i>Marshall County</i>		

Metro & Central Minnesota Analysis

<i>Alexandria</i>	<i>Jordan</i>	<i>Orono</i>
<i>Arden Hills</i>	<i>Lake Elmo</i>	<i>Ramsey</i>
<i>Belle Plaine</i>	<i>Lino Lakes</i>	<i>Robbinsdale</i>
<i>Big Lake</i>	<i>Little Canada</i>	<i>Rockford</i>
<i>Blaine</i>	<i>Mahtomedi</i>	<i>Rogers</i>
<i>Brainerd</i>	<i>Medina</i>	<i>Scandia</i>
<i>Buffalo</i>	<i>Mendota Heights</i>	<i>Shorewood</i>
<i>Cambridge</i>	<i>Monticello</i>	<i>South Lake Minnetonka Police Dept</i>
<i>Centennial Lakes Police Department</i>	<i>Morris</i>	<i>Spring Lake Park</i>
<i>Circle Pines</i>	<i>Mounds View</i>	<i>St. Anthony Village</i>
<i>Columbus</i>	<i>New Prague</i>	<i>St. Francis</i>
<i>Dayton</i>	<i>North Oaks</i>	<i>St. Paul Park</i>
<i>East Bethel</i>	<i>North St. Paul</i>	<i>Vadnais Heights</i>
<i>Fergus Falls</i>	<i>Nowthen</i>	<i>Victoria</i>
<i>Hugo</i>	<i>Oak Grove</i>	<i>Waconia</i>
<i>Hutchinson</i>	<i>Oak Park Heights</i>	<i>Watertown</i>
		<i>Wayzata</i>

The market analysis has been adjusted to reflect comparable 2020 wages for the local governments analyzed. Results, by individual position, of the market wage study is reflected in **Table 3a & 3b**.

Table 3a - Market Analysis – Statewide

2020 Market Analysis - Statewide								
Position Title	Market Min Salary (2020 Rates)		City Over / (Under) Current Market Minimum	%	Market Max Salary (2020 Rates)		City Over / (Under) Current Market Maximum	%
Administrative Intern	\$ 19.35	\$ 40,248.00	*	*	\$ 24.55	\$ 51,064.00	*	*
Assistant Finance Director	\$ 28.82	\$ 59,945.60	\$ (2.24)	-8%	\$ 38.85	\$ 80,808.00	\$ (6.03)	-18%
Assistant Liquor Store Manager	\$ 23.87	\$ 49,649.60	\$ (1.81)	-8%	\$ 32.23	\$ 67,038.40	\$ (4.99)	-18%
Background Investigator	\$ 17.66	\$ 36,732.80	*	*	\$ 19.60	\$ 40,768.00	*	*
Building Official	\$ 33.41	\$ 69,492.80	\$ (6.83)	-26%	\$ 41.98	\$ 87,318.40	\$ (9.16)	-28%
City Administrator	\$ 49.47	\$ 102,897.60	\$ 0.50	1%	\$ 62.68	\$ 130,374.40	\$ (0.98)	-2%
City Clerk	\$ 30.38	\$ 63,190.40	*	*	\$ 37.93	\$ 78,894.40	*	*
Community Development Director	\$ 40.53	\$ 84,302.40	\$ (3.61)	-10%	\$ 51.38	\$ 106,870.40	\$ (5.80)	-13%
Community Development Specialist	\$ 25.67	\$ 53,393.60	\$ (0.75)	-3%	\$ 32.22	\$ 67,017.60	\$ (1.46)	-5%
Community Service Officer	\$ 18.83	\$ 39,166.40	\$ (1.20)	-7%	\$ 23.26	\$ 48,380.80	\$ (1.49)	-7%
Custodian	\$ 14.66	\$ 30,492.80	\$ (2.77)	-23%	\$ 18.46	\$ 38,396.80	\$ (3.79)	-26%
Deputy City Clerk/Human Resources	\$ 23.33	\$ 48,526.40	\$ (4.57)	-24%	\$ 29.80	\$ 61,984.00	\$ (6.64)	-29%
Economic Development / Marketing Intern	\$ 21.42	\$ 44,553.60	*	*	\$ 28.09	\$ 58,427.20	*	*
Equipment Mechanic	\$ 23.39	\$ 48,651.20	\$ 1.07	4%	\$ 29.84	\$ 62,067.20	\$ 0.35	1%
Finance Director	\$ 41.26	\$ 85,820.80	\$ 0.93	2%	\$ 53.24	\$ 110,739.20	\$ (1.15)	-2%
Foreman	\$ 30.83	\$ 64,126.40	\$ (2.45)	-9%	\$ 38.03	\$ 79,102.40	\$ (4.13)	-12%
Human Resources Director	\$ 35.38	\$ 73,590.40	*	*	\$ 47.95	\$ 99,736.00	*	*
Human Resources/City Clerk	\$ 28.65	\$ 59,592.00	\$ 1.44	5%	\$ 36.33	\$ 75,566.40	\$ 0.82	2%
Lieutenant	\$ 38.28	\$ 79,622.40	\$ 0.81	2%	\$ 45.71	\$ 95,076.80	\$ (4.82)	-12%
Liquor Store Clerk I	\$ 14.53	\$ 30,222.40	\$ 1.48	9%	\$ 18.71	\$ 38,916.80	\$ 1.06	5%
Liquor Store Clerk II	\$ 14.03	\$ 29,182.40	\$ 0.57	4%	\$ 18.71	\$ 38,916.80	\$ (0.68)	-4%
Liquor Store Manager	\$ 30.06	\$ 62,524.80	\$ 0.60	2%	\$ 39.07	\$ 81,265.60	\$ (1.22)	-3%
Maintenance Technician II	\$ 22.76	\$ 47,340.80	\$ (0.43)	-2%	\$ 29.44	\$ 61,235.20	\$ (1.88)	-7%
Parks, Recreation, and Culture Coordinator	\$ 25.50	\$ 53,042.87	\$ 0.49	2%	\$ 33.11	\$ 68,876.72	\$ (1.02)	-3%
Parks, Recreation, and Culture Intern	\$ 17.72	\$ 36,857.60	*	*	\$ 23.73	\$ 49,358.40	*	*
Parks, Recreation, and Culture Manager	\$ 28.82	\$ 59,945.60	\$ (2.83)	-11%	\$ 36.48	\$ 75,878.40	\$ (4.39)	-14%
Police Chief	\$ 42.75	\$ 88,920.00	\$ (3.17)	-8%	\$ 53.38	\$ 111,030.40	\$ (4.52)	-9%
Police Data Clerk	\$ 20.36	\$ 42,338.45	\$ (2.32)	-13%	\$ 26.27	\$ 54,650.44	\$ (4.00)	-18%
Police Investigator	\$ 28.95	\$ 60,216.00	\$ 0.64	2%	\$ 36.61	\$ 76,148.80	\$ (0.48)	-1%
Police Officer - Full Time	\$ 26.34	\$ 54,787.20	\$ 2.84	10%	\$ 34.64	\$ 72,051.20	\$ 1.00	3%
Police Officer - Part Time	\$ 27.53	\$ 57,262.40	\$ 1.13	4%	\$ 36.64	\$ 76,211.20	\$ (1.52)	-4%
Police Secretary	\$ 20.00	\$ 41,600.00	\$ 1.58	7%	\$ 25.77	\$ 53,601.60	\$ 0.87	3%
Public Services Director	\$ 40.34	\$ 83,907.20	\$ (2.39)	-6%	\$ 51.24	\$ 106,579.20	\$ (4.38)	-9%
Receptionist/Utility Billing Clerk	\$ 18.29	\$ 38,043.20	\$ 0.47	3%	\$ 25.63	\$ 53,310.40	\$ (2.47)	-11%
Seasonal Maintenance Worker	\$ 12.40	\$ 25,792.00	*	*	\$ 15.85	\$ 32,968.00	*	*
Utility Billing/Accounting Clerk	\$ 21.25	\$ 44,200.00	\$ (0.86)	-4%	\$ 28.03	\$ 58,302.40	\$ (2.86)	-11%
Utility Lead	\$ 27.69	\$ 57,595.20	\$ (4.61)	-20%	\$ 34.19	\$ 71,115.20	\$ (5.88)	-21%
*Blank fields indicate that position is currently open/unfilled or not necessarily comparable to the market data								
		AVERAGE	\$ (0.94)	-3%			\$ (2.72)	-8%

Table 3b – Market Analysis – Metro & Central Minnesota

2020 Wage Analysis - Metro & Central Minnesota								
Position Title	Market Min Salary (2020 Rates)		City Over / (Under) Current Market Minimum	%	Market Max Salary (2020 Rates)		City Over / (Under) Current Market Maximum	%
Administrative Intern	\$ 21.72	\$ 45,168.91	*	*	\$ 27.41	\$ 57,017.54	*	*
Assistant Finance Director	\$ 30.52	\$ 63,473.60	\$ (3.93)	-15%	\$ 41.73	\$ 86,807.12	\$ (8.91)	-27%
Assistant Liquor Store Manager	\$ 25.10	\$ 52,205.69	\$ (3.04)	-14%	\$ 34.52	\$ 71,810.84	\$ (7.28)	-27%
Background Investigator	\$ 17.88	\$ 37,190.40	*	*	\$ 20.60	\$ 42,841.07	*	*
Building Official	\$ 34.64	\$ 72,045.83	\$ (8.05)	-30%	\$ 43.70	\$ 90,888.27	\$ (10.88)	-33%
City Administrator	\$ 52.00	\$ 108,152.48	\$ (2.02)	-4%	\$ 66.05	\$ 137,384.97	\$ (4.35)	-7%
City Clerk	\$ 31.43	\$ 65,372.18	*	*	\$ 39.01	\$ 81,145.24	*	*
Community Development Director	\$ 43.17	\$ 89,790.29	\$ (6.25)	-17%	\$ 53.90	\$ 112,120.00	\$ (8.33)	-18%
Community Development Specialist	\$ 25.17	\$ 52,361.07	\$ (0.26)	-1%	\$ 31.47	\$ 65,458.27	\$ (0.71)	-2%
Community Service Officer	\$ 18.87	\$ 39,241.80	\$ (1.23)	-7%	\$ 22.85	\$ 47,535.80	\$ (1.08)	-5%
Custodian	\$ 15.51	\$ 32,260.80	\$ (3.62)	-30%	\$ 18.80	\$ 39,093.60	\$ (4.12)	-28%
Deputy City Clerk/Human Resources	\$ 24.22	\$ 50,378.13	\$ (5.46)	-29%	\$ 29.45	\$ 61,249.73	\$ (6.28)	-27%
Economic Development / Marketing Intern	\$ 21.48	\$ 44,671.47	*	*	\$ 26.79	\$ 55,730.13	*	*
Equipment Mechanic	\$ 27.19	\$ 56,549.93	\$ (2.73)	-11%	\$ 32.45	\$ 67,500.46	\$ (2.26)	-7%
Finance Director	\$ 45.28	\$ 94,187.42	\$ (3.09)	-7%	\$ 58.39	\$ 121,458.37	\$ (6.30)	-12%
Foreman	\$ 32.36	\$ 67,298.41	\$ (3.98)	-14%	\$ 38.74	\$ 80,575.73	\$ (4.84)	-14%
Human Resources Director	\$ 40.00	\$ 83,204.80	*	*	\$ 56.69	\$ 117,918.08	*	*
Human Resources/City Clerk	\$ 29.88	\$ 62,159.76	\$ 0.20	1%	\$ 37.56	\$ 78,126.88	\$ (0.41)	-1%
Lieutenant	\$ 43.34	\$ 90,155.40	\$ (4.26)	-11%	\$ 52.18	\$ 108,531.38	\$ (11.29)	-28%
Liquor Store Clerk I	\$ 14.33	\$ 29,810.18	\$ 1.68	11%	\$ 18.30	\$ 38,054.55	\$ 1.48	7%
Liquor Store Clerk II	\$ 11.74	\$ 24,419.20	\$ 2.86	20%	\$ 15.90	\$ 33,066.06	\$ 2.13	12%
Liquor Store Manager	\$ 33.28	\$ 69,216.46	\$ (2.62)	-9%	\$ 43.21	\$ 89,878.19	\$ (5.36)	-14%
Maintenance Technician I	\$ 22.05	\$ 45,861.84	\$ (4.02)	-22%	\$ 29.09	\$ 60,513.44	\$ (6.85)	-31%
Maintenance Technician II	\$ 24.43	\$ 50,815.27	\$ (2.11)	-9%	\$ 31.04	\$ 64,558.68	\$ (3.48)	-13%
Parks, Recreation, and Culture Coordinator	\$ 26.23	\$ 54,566.29	\$ (0.24)	-1%	\$ 34.12	\$ 70,977.23	\$ (2.03)	-6%
Parks, Recreation, and Culture Intern	\$ 18.70	\$ 38,903.80	*	*	\$ 26.01	\$ 54,090.40	*	*
Parks, Recreation, and Culture Manager	\$ 29.33	\$ 60,998.27	\$ (3.33)	-13%	\$ 36.88	\$ 76,701.97	\$ (4.79)	-15%
Police Chief	\$ 45.23	\$ 94,079.92	\$ (5.65)	-14%	\$ 57.73	\$ 120,085.92	\$ (8.87)	-18%
Police Data Clerk	\$ 20.83	\$ 43,332.46	\$ (2.79)	-15%	\$ 27.65	\$ 57,511.40	\$ (5.38)	-24%
Police Investigator	\$ 32.18	\$ 66,937.00	\$ (2.59)	-9%	\$ 40.89	\$ 85,046.58	\$ (4.76)	-13%
Police Officer - Full Time	\$ 28.86	\$ 60,022.25	\$ 0.32	1%	\$ 39.06	\$ 81,242.69	\$ (5.38)	-14%
Police Officer - Part Time	\$ 27.79	\$ 57,804.00	\$ 0.87	3%	\$ 40.15	\$ 83,520.00	\$ (5.03)	-14%
Police Secretary	\$ 22.12	\$ 45,999.37	\$ (0.53)	-2%	\$ 27.84	\$ 57,898.37	\$ (1.19)	-4%
Public Services Director	\$ 42.36	\$ 88,115.85	\$ (4.41)	-12%	\$ 53.32	\$ 110,898.43	\$ (6.46)	-14%
Receptionist/Utility Billing Clerk	\$ 18.87	\$ 39,244.34	\$ (0.11)	-1%	\$ 26.84	\$ 55,831.03	\$ (3.68)	-16%
Seasonal Maintenance Worker	\$ 11.67	\$ 24,266.67	*	*	\$ 15.10	\$ 31,408.00	*	*
Utility Billing/Accounting Clerk	\$ 21.89	\$ 45,528.51	\$ (1.50)	-7%	\$ 29.35	\$ 61,042.72	\$ (4.17)	-17%
Utility Lead	\$ 28.86	\$ 60,034.47	\$ (5.79)	-25%	\$ 34.71	\$ 72,206.25	\$ (6.41)	-23%
<i>*Blank fields indicate that position is currently open/unfilled or not necessarily comparable to the market data</i>								
		AVERAGE	\$ (2.58)	-9%			\$ (4.78)	-14%

Key market wage analysis considerations and findings include:

- All market and City of Isanti wage data is based on 2020 compensation scales.
- Private market wage data, collected from the Minnesota Department of Economic Development's 1st Quarter 2020 report, was used for the following positions:
 - City Administrator (CEO)
 - Assistant Finance Director
 - Assistant Liquor Store Manager
 - Finance Director
 - Human Resources Director
 - Liquor Store Clerk I
 - Liquor Store Clerk II
 - Liquor Store Manager
 - Receptionist/Utility Billing Clerk
 - Utility Billing/Accounting Clerk
- All City of Isanti union agreements are in place through December 31, 2022. Covered positions have been included in the market study but are not included in the proposed step/grade compensation model.
- A negative average market variance indicates that the current City of Isanti wages fall **BELOW** the market
- A positive average market variance indicates that the current City of Isanti wages fall **ABOVE** the market
- Current pay range MINIMUMS for each position were, on average, 3% - 9% below the market minimum pay for similar positions. It is important to note, however, that this is only an average.
- Current pay range MAXIMUMS for each position were, on average, 8% - 14% below the market minimum pay for similar positions. In some cases where Cities are awarding step increases primarily based on length of service, this lower than average maximum pay can create challenges related to retention of experienced employees.
- The significant market variances for many positions typically indicates that either the position wage range is well above or below the market or that the position within the City of Isanti is not comparable, in regard to duties, experience requirements, and responsibilities, to other positions with similar titles in comparable cities.
- Intern positions were very difficult to establish realistic comparable positions for market wage analysis. As a result, our findings reflect preliminary market minimum and maximum wages but, to avoid these outliers from skewing organizational totals, the Intern position variances (current wages compared to market data) were not used when calculating City averages.
- The Background Investigator position was assigned a point classification, based on the job description provided, but was not included in the overall market wage average due to a lack of relevant market comparables.
- Overall, a reevaluation of the existing position classification and wage scale will assist in realigning all positions in relation to the City's internal organizational structure and to the market. Doing so will, presumably have a positive impact on future employee recruitment and current employee satisfaction and retention.
- The League of Minnesota Cities Survey and other Market Survey results are reflective of 2020 wage data. It is important to consider that many cities approve annual Cost of Living Adjustments (COLA) and will plan to do so for a January 1, 2021, effective date. As a result, it should be noted that, should the City not elect to apply a 2021 COLA adjustment to their current compensation model or implement the proposed compensation scale updates, current market variances, as reflected in the following table, may continue to grow.
- Many of our clients are budgeting 2021 cost of living adjustments between 1.5% – 3.0%. Examples of approved 2020 Cost of Living Adjustments, which we anticipate to be somewhat higher than 2021 approved adjustments due to COVID-19 related budget impacts, for several comparable cities are listed below.

<i>Blaine</i>	<i>3.0%</i>	<i>Mounds View</i>	<i>3.0%</i>
<i>Shorewood</i>	<i>3.0%</i>	<i>Becker</i>	<i>2.5%</i>
<i>Orono</i>	<i>2.5%</i>	<i>Oak Park Heights</i>	<i>3.0%</i>
<i>Arden Hills</i>	<i>2.5%</i>		

Compensation Plan

During initial discussions with City leadership, it was clear that the following key strategic goals and assumptions applied:

- The City of Isanti, in anticipation of continued and significant growth over the next 5-10 years, is motivated to attract and retain qualified talent to facilitate successful City operations and leadership. In order to do this effectively, wage scales must be extremely competitive, preferably slightly above, comparable public employee market averages.
- The City is interested and open to implementing a more performance/merit based step increase award program, rather than awarding steps primarily based on length of service. This change is motivated by the desire to provide better incentives and opportunities to the City's highest performers and it is assumed that doing so would require changes and improvements to the current performance evaluation and management program.
- While employees represented by collective bargaining agreements are not subject to the City of Isanti's internal step and grade compensation program, they still have a desire to evaluate the marketability of current agreed upon wage scales.
- The current Deputy Clerk/Human Resources and Human Resources/City Clerk positions will be reallocating duties and transitioning to City Clerk and Human Resources Director positions, per approved 2020 City staffing plan.
- The current Parks, Recreation, and Culture Manager position, while still included in the study, will likely be transitioned to the Parks, Recreation, and Culture Coordinator during 2021.

The proposed compensation model reflects the following structural components:

- Step and grade model utilizes a total of 12 steps, including the start step, to achieve maximum compensation within a total of 21 grade levels.
- The first 9 steps are intended to be used as the "standard" compensation scale, to be awarded using the City's current step award process, primarily length of service and acceptable performance. The minimum and maximum pay levels for the "Standard" compensation scale are both, on average, within 2% of market minimum and maximums for each position.
- The top 3 steps of the scale are intended to be used as a 100% performance based Bonus Scale. These additional 3 steps could be used to offer compensation levels slightly above the market maximums (on average, 14% above the average market maximum) for the City's highest performers and most impactful employees. Effective implementation and management of the use of this Bonus Scale, including an effective performance management program to consistently identify and motivate high performers, is key to the success of this feature.
- The proposed scale includes a 8.50% adjustment between grades
- The Standard Scale reflects a 3.00% adjustment between steps.
- The Bonus Scale reflects a 4.25% adjustment between steps
- The range within each Standard Scale grade (Step 1 through Step 9) is 26.64%.
- The range within each Bonus Scale grade (step 9 through step 12) is 13.28%

Table 4 - Step and Grade Scale – Proposed Compensation Model

Points	Grade	Standard Steps										BONUS PERFORMANCE STEPS			
		1	2	3	4	5	6	7	8	9	10	11	12		
0	75	1 \$	11.00 \$	11.33 \$	11.67 \$	12.02 \$	12.38 \$	12.75 \$	13.13 \$	13.52 \$	13.93 \$	14.52 \$	15.14 \$	15.78	
76	81	2	11.94	12.30	12.67	13.05	13.44	13.84	14.26	14.69	15.13	15.77	16.44	17.14	
82	88	3	12.95	13.34	13.74	14.15	14.57	15.01	15.46	15.92	16.40	17.10	17.83	18.59	
89	102	4	14.05	14.47	14.90	15.35	15.81	16.28	16.77	17.27	17.79	18.55	19.34	20.16	
103	124	5	15.24	15.70	16.17	16.66	17.16	17.67	18.20	18.75	19.31	20.13	20.99	21.88	
125	129	6	16.54	17.04	17.55	18.08	18.62	19.18	19.76	20.35	20.96	21.85	22.78	23.75	
130	134	7	17.95	18.49	19.04	19.61	20.20	20.81	21.43	22.07	22.73	23.70	24.71	25.76	
135	155	8	19.48	20.06	20.66	21.28	21.92	22.58	23.26	23.96	24.68	25.73	26.82	27.96	
156	181	9	21.14	21.77	22.42	23.09	23.78	24.49	25.22	25.98	26.76	27.90	29.09	30.33	
182	209	10	22.94	23.63	24.34	25.07	25.82	26.59	27.39	28.21	29.06	30.30	31.59	32.93	
210	238	11	24.89	25.64	26.41	27.20	28.02	28.86	29.73	30.62	31.54	32.88	34.28	35.74	
239	258	12	27.01	27.82	28.65	29.51	30.40	31.31	32.25	33.22	34.22	35.67	37.19	38.77	
259	316	13	29.31	30.19	31.10	32.03	32.99	33.98	35.00	36.05	37.13	38.71	40.36	42.08	
317	374	14	31.80	32.75	33.73	34.74	35.78	36.85	37.96	39.10	40.27	41.98	43.76	45.62	
375	405	15	34.50	35.54	36.61	37.71	38.84	40.01	41.21	42.45	43.72	45.58	47.52	49.54	
406	466	16	37.43	38.55	39.71	40.90	42.13	43.39	44.69	46.03	47.41	49.42	51.52	53.71	
467	514	17	40.61	41.83	43.08	44.37	45.70	47.07	48.48	49.93	51.43	53.62	55.90	58.28	
515	618	18	44.06	45.38	46.74	48.14	49.58	51.07	52.60	54.18	55.81	58.18	60.65	63.23	
619	681	19	47.81	49.24	50.72	52.24	53.81	55.42	57.08	58.79	60.55	63.12	65.80	68.60	
682	750	20	51.87	53.43	55.03	56.68	58.38	60.13	61.93	63.79	65.70	68.49	71.40	74.43	
751	826	21	56.28	57.97	59.71	61.50	63.35	65.25	67.21	69.23	71.31	74.34	77.50	80.79	

Conclusion

Table 5 – Position Point & Grade Assignment with Minimum, Midpoint, Standard Maximum and Bonus Maximum Salary

Position	Department	Points	New		Current Rate	Standard	Standard	Standard	Bonus
			Grade			Min Step	Midpoint	Max Step	Max Step
						1	5	9	12
Liquor Store Clerk II	LIQUOR	101	4	\$	15.17	\$ 14.05	\$ 15.81	\$ 17.79	\$ 20.16
Administrative Intern	ADMINISTRATION	110	5	\$	14.00	\$ 15.24	\$ 17.16	\$ 19.31	\$ 21.88
Economic Development / Marketing Intern	COMMUNITY DEVELOPMENT	110	5	\$	-	\$ 15.24	\$ 17.16	\$ 19.31	\$ 21.88
Custodian	PUBLIC SERVICES	117	5	\$	11.89	\$ 15.24	\$ 17.16	\$ 19.31	\$ 21.88
Parks, Recreation, and Culture Intern	PUBLIC SERVICES	118	5	\$	-	\$ 15.24	\$ 17.16	\$ 19.31	\$ 21.88
Seasonal Maintenance Worker	PUBLIC SERVICES	121	5	\$	-	\$ 15.24	\$ 17.16	\$ 19.31	\$ 21.88
Liquor Store Clerk I	LIQUOR	124	5	\$	17.26	\$ 15.24	\$ 17.16	\$ 19.31	\$ 21.88
Police Data Clerk	POLICE	135	8	\$	22.27	\$ 19.48	\$ 21.92	\$ 24.68	\$ 27.96
Receptionist/Utility Billing Clerk	ADMINISTRATION	135	8	\$	23.16	\$ 19.48	\$ 21.92	\$ 24.68	\$ 27.96
Community Service Officer	POLICE	149	8	\$	17.63	\$ 19.48	\$ 21.92	\$ 24.68	\$ 27.96
Police Secretary	POLICE	162	9	\$	26.64	\$ 21.14	\$ 23.78	\$ 26.76	\$ 30.33
Utility Billing/Accounting Clerk	ADMINISTRATION	180	9	\$	22.78	\$ 21.14	\$ 23.78	\$ 26.76	\$ 30.33
City Clerk	ADMINISTRATION	215	11	\$	-	\$ 24.89	\$ 28.02	\$ 31.54	\$ 35.74
Community Development Specialist	COMMUNITY DEVELOPMENT	235	11	\$	24.92	\$ 24.89	\$ 28.02	\$ 31.54	\$ 35.74
Assistant Liquor Store Manager	LIQUOR	236	11	\$	23.79	\$ 24.89	\$ 28.02	\$ 31.54	\$ 35.74
Parks, Recreation, and Culture Coordinator	PUBLIC SERVICES	250	12	\$	28.03	\$ 27.01	\$ 30.40	\$ 34.22	\$ 38.77
Assistant Finance Director	ADMINISTRATION	265	13	\$	27.84	\$ 29.31	\$ 32.99	\$ 37.13	\$ 42.08
Parks, Recreation, and Culture Manager	PUBLIC SERVICES	312	13	\$	28.03	\$ 29.31	\$ 32.99	\$ 37.13	\$ 42.08
Building Official	COMMUNITY DEVELOPMENT	346	14	\$	-	\$ 31.80	\$ 35.78	\$ 40.27	\$ 45.62
Liquor Store Manager	LIQUOR	364	14	\$	37.85	\$ 31.80	\$ 35.78	\$ 40.27	\$ 45.62
Human Resources Director	ADMINISTRATION	449	16	\$	-	\$ 37.43	\$ 42.13	\$ 47.41	\$ 53.71
Community Development Director	COMMUNITY DEVELOPMENT	474	17	\$	42.69	\$ 40.61	\$ 45.70	\$ 51.43	\$ 58.28
Public Services Director	PUBLIC SERVICES	478	17	\$	42.40	\$ 40.61	\$ 45.70	\$ 51.43	\$ 58.28
Police Chief	POLICE	518	18	\$	48.86	\$ 44.06	\$ 49.58	\$ 55.81	\$ 63.23
Finance Director	ADMINISTRATION	529	18	\$	50.44	\$ 44.06	\$ 49.58	\$ 55.81	\$ 63.23
City Administrator	ADMINISTRATION	717	20	\$	61.70	\$ 51.87	\$ 58.38	\$ 65.70	\$ 74.43

*Indicates position(s) where current rate exceeds the recommended pay scale

When comparing the proposed step and grade scale to the current pay structure, the proposed scale incorporates five (5) additional steps, including the Bonus Scale, within each grade to provide more upward wage opportunity while still aligning within market and budget considerations. The proposed compensation model also has two (2) additional grade levels compared to the existing scale and the range between grades has gone from a variable percentage rate change to a standard 8.50% change. These changes allow for increased consistency and provide additional incentive for employees who are promoted into new positions to have future advancement opportunity within the standard scale. It also expands the scale to allow for future growth.

It is important to note that most non-managerial public services and police department positions are represented by unions and would not be subject to the proposed compensation model if implemented for 2021. The information provided, however, should be useful when evaluating the marketability of current union contract negotiations and agreements.

When comparing the proposed scale to market, the proposed scale is, on average, 2% above market averages on the Minimum Salary, equal to market averages for the Standard Scale Maximum Salary, and 14% above market averages for the Bonus Scale Maximum Salary, in the top 40% of the market. If the City of Isanti proceeds with implementing a more performance driven step increase award program, leaving the Bonus Scale maximum pay step slightly above market averages should assist in retaining and motivating key performers and the talent necessary to guide the City through future growth.

In light of our comprehensive study, our recommendation would be as follows:

- Adopt the proposed step and grade plan, effective January 1, 2021, moving each individual employee to the next salary step, without a decrease in salary, and
- Utilize the step and grade scale to calculate and apply all future annual approved cost of living increases (COLA) for all positions; and
- Utilize the step and grade scale to calculate and consistently apply all future performance and/or longevity based increases (above cost of living amounts); and
- If moving to a performance/merit based step increase award program, develop and document a consistent and intentional performance management program and methodology to provide greater clarity and guidance to City Councilmembers, leadership, and employees related to when and how these increases should be approved and applied going forward.

It should also be noted that, if there were ever an instance that an employee were awarded a wage above their appropriate grade maximum step, the City should consider implementing a formal and documented longevity plan that meets the definition of exceptional service pay to accommodate these types of pay scale exceptions.

Pay Equity Compliance

The existing pay scale for the City of Isanti was tested in the Minnesota Pay Equity Compliance system and was found to be in compliance. The reports generated from the test have been included in **Appendix B** of the report

The proposed scale has also been tested in the Minnesota Pay Equity Compliance system and was found to be in compliance. The reports generated from the test have been included in **Appendix C** of the report. In addition, **Appendix D** includes a publication from the State of Minnesota providing guidance on interpreting and understanding the Minnesota Pay Equity System.

Implementation

The next step in this process is to consider implementation of the Compensation System. Before moving to this step there are several questions the Council will want to consider.

- Should the City adopt a new step and grade plan, including updated job descriptions and position point assignments for existing positions?
- What is the overall cost of implementation, assuming employees would move to the step and grade program and are placed at the step closest to, but not below, their current salary?
- If adopted, how will the existing collective bargaining agreements for the LELS and Local 49 align with the plan, if at all?
- Because the proposed compensation plan is based on 2020 wage data, will the City adopt the plan and apply a Cost of Living Adjustment (COLA) effective January 1, 2021, to ensure that the wages remain in line with the market?
- Does the City's current performance management process provide clear guidance to employees and supervisors as to how and when step increases are awarded? Is the current process what the City hopes to use going forward or are changes in philosophy and/or format expected?
- How should the City address potential future situations where individual employee longevity and/or performance warrants exceptional service pay above the maximum wage for the relevant grade?

If adopted, the proposed step and grade program would place employees at the step that is closest to their current salary, without a decrease in salary, and assumes that employees that are currently being compensated above the proposed wage scale would remain at their current rate of pay. Costs of adopting the proposed program for employees, including all union represented positions, with general increase and COLA variables, are:

Estimated Current Total Gross Payroll	Cost to Implement Proposed Step/Grade	Implement Step/Grade for 2021 with 2.0% COLA	Implement Step/Grade for 2021 with 3.0% COLA
\$ 2,394,000.00	\$ 2,443,000.00	\$ 2,451,900.00	\$ 2,453,500.00
	\$ 49,000.00 Increase	\$ 57,900.00 Increase	\$ 59,500.00 Increase
	2.05%	2.42%	2.49%

Closing

Should the City decide to move to the new step and grade plan, we recommend approval at a regular meeting of the City Council.

AEM Workforce Solutions, LLC would like to thank the City of Isanti for the opportunity to prepare and present this Position Classification and Compensation Analysis. We would especially like to thank the leadership team for their assistance in providing the necessary data to conduct the study.

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Isanti Police Department Monthly Report

October 2020

<u>Reported Crime</u>	<u>Month to Date</u>	<u>Year to Date</u>
Theft	16	120
Assault	3	25
Vandalism/Damage to Property	8	43
Narcotics	1	27
Burglary	1	5
Domestics	1	57
Crim Sex	2	6
Robbery	0	0
Loud Party/Disturbance	7	134
Medical	30	335
Permit to Purchase	12	114
Security Check / Extra Patrol	347	3,647

<u>Traffic Offenses</u>	<u>Month to Date</u>	<u>Year to Date</u>
No Insurance	2	45
DUI	1	11
Accidents	11	74
Hit & Run	0	4
Warrant P/U	2	19
Speed	17	240
DAR/DAC/DAS	1	43
Administrative Citations (Including Speed)	4	111

<u>Squad Mileage</u>	<u>Month End Mileage</u>	<u>Month Miles</u>	<u>YTD Miles</u>
Ford Explorer 221	94,909	1,473	11,466
Ford Explorer 224	90,657	1,336	19,062
Ford F150 225	39,605	1,177	12,953
Chevy Impala 223	97,703	102	2,981
Dodge Durango 226	20,909	623	13,126
Dodge Durango 227	27,622	1,498	22,737
Dodge Durango 228	3,080	1,800	3,080

CEZT REPORT OCTOBER 2020

[illegible]

CITY OF ISANTI MONTHLY REPORT

October 2020

RESIDENTIAL	Number of permits		Value of permits		Surcharge		Permit Fees		Sac/Wac Fees	
	Month	YTD	Month	YTD	Month	Quarter	Month	YTD	Month	YTD
FENCE	0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
ROOF / SIDING	60	331	\$0.00	\$0.00	\$60.00	\$60.00	\$4,800.00	\$27,250.00		
DECK	0	46	\$0.00	\$311,724.04	\$0.00	\$0.00	\$0.00	\$12,255.30		
LL FINISH	4	19	\$54,993.00	\$276,548.13	\$30.00	\$30.00	\$1,738.28	\$8,639.58		
REMODEL / ADDITION	1	9	\$0.00	\$12,008.70	\$1.00	\$1.00	\$80.00	\$1,027.78		
GARAGE / SHED	0	3	\$0.00	\$31,564.00	\$0.00	\$0.00	\$0.00	\$1,029.60		
MISCELLANEOUS	22	168	\$1,232.40	\$15,015.40	\$20.62	\$22.62	\$2,047.45	\$21,758.28		
SINGLE DWELLINGS	8	82	\$1,545,222.90	\$15,058,112.55	\$772.62	\$1,036.98	\$21,925.20	\$214,800.10		
MULTI DWELLINGS	0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
MECHANICAL	16	121	\$0.00	\$0.00	\$16.00	\$16.00	\$1,200.00	\$9,225.00		
PLUMBING	8	113	\$0.00	\$0.00	\$8.00	\$8.00	\$672.00	\$9,261.25		
RESIDENTIAL TOTAL	119	892	\$1,601,448.30	\$15,704,972.82	\$908.24	\$1,164.60	\$32,462.93	\$305,246.89		
COMMERCIAL										
NEW BUILDINGS	1	2	\$178,000.00	\$3,501,000.00	\$89.00	\$89.00	\$2,587.20	\$27,819.00		
REMODEL / ADDITION	0	3	\$0.00	\$316,520.00	\$0.00	\$0.00	\$0.00	\$5,454.90		
PLUMBING	1	3	\$103,000.00	\$121,000.00	\$51.50	\$51.50	\$2,549.25	\$2,714.25		
MECHANICAL	0	4	\$0.00	\$70,475.00	\$0.00	\$0.00	\$0.00	\$1,744.26		
ROOF / SIDING	0	2	\$0.00	\$6,000.00	\$0.00	\$0.00	\$0.00	\$2,042.70		
MISCELLANEOUS	2	24	\$0.00	\$127,890.00	\$2.00	\$2.00	\$100.00	\$4,564.20		
COMMERCIAL TOTAL	4	38	\$281,000.00	\$4,142,885.00	\$142.50	\$142.50	\$5,236.45	\$44,339.31		
RESIDENTIAL/COMMERCIAL TOTAL	123	930	\$1,882,448.30	\$19,847,857.82	\$1,050.74	\$1,307.10	\$37,699.38	\$349,586.20	\$51,260.00	\$488,201.00

YEARLY BUILDING PERMIT COMPARISONS

THRU 10/31/2020

Year	# permits	Single units	Multi units	Commercial	Permit Value	Permit Fees	WAC/SAC Fees
2015	404	37	0	0	\$8,026,537.06	\$147,002.54	\$279,405.00
2016	500	59	0	4	\$20,051,192.20	\$285,254.82	\$673,445.88
2017	604	82	0	3	\$15,447,899.00	\$260,533.88	\$645,866.80
2018	581	77	0	2	\$20,100,118.43	\$313,634.08	\$443,094.00
2019	627	70	0	2	\$16,312,146.54	\$280,671.03	\$417,614.00
2020	930	82	0	2	\$19,847,857.82	\$349,586.20	\$488,201.00

MONTHLY COMPARISON FOR 2020

Month	# Permits	Permit Value	Permit Fees
January	39	\$487,175.68	\$10,152.70
February	41	\$1,200,928.35	\$21,432.50
March	45	\$904,927.41	\$16,008.28
April	66	\$1,636,592.28	\$30,690.33
May	45	\$987,557.04	\$19,028.86
June	72	\$1,816,398.30	\$33,662.40
July	91	\$2,638,828.37	\$46,050.95
August	230	\$2,753,544.10	\$60,994.10
September	173	\$5,030,748.42	\$66,042.70
October	123	\$1,882,448.30	\$37,699.38
November	5	\$508,709.57	\$7,824.00
December	0	\$0.00	\$0.00
Totals	930	\$19,847,857.82	\$349,586.20



Real People. Real Solutions.

M.4.

7533 Sunwood Drive NW
Suite 206
Ramsey, MN 55303-5119

Ph: (763) 433-2851
Fax: (763) 427-0833
Bolton-Menk.com

MEMORANDUM

Date: November 9, 2020
To: Honorable Mayor Johnson and Members of the City Council
From: Jason W. Cook, P.E.
City Engineer
Subject: Project Status Report
Isanti, MN
Project No.: R13.120117

Please find listed below a status report of the current projects in the City of Isanti:

1) 6th Avenue Rehabilitation

All street work is complete. Final signage and punchlist items will be completed this month.

2) TH 65 & Cajima Street RCUT Improvements

This project is complete. Final closeout paperwork will be processed this month.

3) 2020 Pavement Management Project

This project is complete. Final closeout paperwork will be processed this month.

4) 2020 Storm System Management Project

This project is complete. Final closeout paperwork is also complete.

5) Legacy Pines 2nd Addition

Minor Punchlist Items will be addressed this month.

6) Legacy Pines 3rd Addition – Phase 1

The roadway surface is paved. The contractor will adjust manhole casting this week.

7) Legacy Pines 3rd Addition – Phase 2

The roadway surface is paved. The contractor will adjust manhole casting this week.

8) MS4 Implementation

We will continue to assist the City as requested to meet MS4 requirements.

In addition to the current projects listed above we have completed and accepted 55 private developments and 76 city contracts since being selected as your City Engineer in 2008.

Please contact me if you have any questions.