

AGENDA
CITY OF ISANTI
CITY COUNCIL MEETING
TUESDAY, APRIL 20, 2021 – 7:00 P.M.
CITY HALL

Seating may be limited. If you would like to send in a comment for Public Comment or a Public Hearing to be read on your behalf, please submit to the City Clerk jstrand@cityofisanti.us or (763) 762-5759.

A. Call to Order

B. Pledge of Allegiance

C. Roll Call

D. Public Comment

E. Adopt Agenda

F. Proclamations/Commendations/Certificate Award

1. VFW “Buddy” Poppy

G. Approve City Council Minutes

1. April 6, 2021- Regular Meeting of the City Council
2. February 2, 2021 EDA Meeting Minutes

H. Announcements

1. Park, Recreation, & Culture Board Meeting Tuesday, April 27, 2021 at 6:00 p.m.
2. City Council Meeting Tuesday, May 4, 2021 at 7:00 p.m.
3. Economic Development Authority Meeting Tuesday, May 4, 2021
(Following the City Council Meeting)

I. Council Committee Reports

J. Public Hearings

1. Main Street Reconstruction Project
 - a. Resolution 2021-XXX Authorizing Improvement on the Main Street Reconstruction Project
 - b. Resolution 2021-XXX Approving Plans and Ordering Advertisement for Bids for the Main Street Reconstruction Project

K. Business Items

1. Resolution 2021-XXX Accepting the 2020 Annual Financial Report and Management Letter (Abdo, Eick and Meyers- *Justin Nilson*)

City Administrator Josi Wood

2. Resolution 2021-XXX Approving a Special Event Permit Request for Walk for Life

City Engineer Jason Cook

3. Resolution 2021-XXX Accepting Plans and Specifications and Authorizing Advertisement for Bid for the 2021 Pavement Management Project

L. Approve Consent Agenda

1. Payroll in the Amount of \$114,147.05 Accounts Payable in the Amount of \$228,052.63

2. Resolution 2021-XXX Approval of New Hire Seasonal Eric Jones
3. Resolution 2021-XXX Accepting Resignation from PT Police Officer Eric Baumgart
4. Resolution 2021-XXX Accepting Quote for Cleaning Services and Authorizing Entering into a Contract for Cleaning Services
5. Resolution 2021-XXX Approving a Minor Development Agreement with Coffee Holdings LLC
6. Resolution 2021-XXX Setting Work Sessions for 2022 Budget
7. Approving Request for Proposal for Electrical Maintenance Services
8. Resolution 2021-XXX Approving a Mutual Aid Agreement Between the City of Isanti and the City of Cambridge for the Sharing of Equipment and Personnel Resources

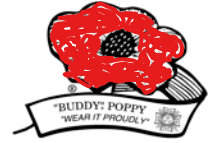
M. Other Communications

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

Adjournment



VFW "Buddy" ® Poppy



A PROCLAMATION

WHEREAS: The annual distribution of Buddy Poppies by the Veterans of Foreign Wars of the United States has been officially recognized and endorsed by governmental leaders since 1922; and,

WHEREAS: VFW Buddy Poppies are assembled by disabled veterans and the proceeds of this worthy fundraising campaign are used exclusively for the benefit of disabled and needy veterans and the widows and orphans of deceased veterans; and,

WHEREAS: The basic purpose of the annual distribution of Buddy Poppies by the Veterans of Foreign Wars is eloquently reflected in the desire to "Honor the Dead by Helping the Living," therefore; I, Jeff Johnson, Mayor of the city of Isanti do hereby urge the citizens of this community to recognize the merits of this cause by contributing generously to its support through your donations for Buddy Poppies on the day set aside for the distribution of these symbols of appreciation for the sacrifices of our honored dead.

I urge all patriotic citizens to wear a Buddy Poppy as mute evidence of our gratitude to the men and women of this country who have risked their lives in defense of the freedoms which we continue to enjoy as American citizens.

Mayor Jeff Johnson

Attest

Jaden Strand
City Clerk

BUDDY POPPY GAME

East Bethel Bandits vs. Isanti Redbirds

Minnesota Town Teams

ISANTI BASEBALL FIELD

ISANTI, MN.

Friday May 14, 2021 6:30pm

IF YOU WANT TO THANK SOMEONE FOR THEIR SERVICE

SUPPORT & HONOR THEIR MEMORY

3rd ANNUAL BUDDY POPPY GAME

ANOKA COUNTY vs ISANTI COUNTY

ANOKA COUNTY

KOREA

ARMY Davis, Clark Manly	PVT	20 Oct 1951	Anoka
ARMY Emmans, Gerald Randall	PFC	05 Nov 1951	Anoka
ARMY Jensen, Keith Anders	2LT	16 Oct 1951	Anoka
USMC Patchen, Leon Ernest	PVT	12 Dec 1950	Anoka
USAF Towsen, Donald E	MSGT	31 Jan 1951	Cedar
ARMY Whitehead, Marvin Lyle	PFC	30 July 1950	Anoka
USMC Wojciechowski, Laurence	PFC	28 Nov 1950	Constance

VIETNAM

USAF Bowman, David Lloyd Jr.	A1C	06 Feb 1968	Anoka
ARMY Clitty, Charles Gust	PFC	11 Jun 1968	Spring Lake Park
ARMY Cowden, Leslie Lawrence	SP5	03 Feb 1968	Cedar
ARMY Dehn, Arthur Andrew	CPL	26 May 1970	Anoka
USMC Hedlund, Peter Burr	SGT	09 Feb 1968	Cedar
ARMY Hill, Henry Jr.	1LT	23 Aug 1968	Anoka
NAVY Jensen, James Allen	FN	29 Apr 1969	Anoka
ARMY Johns, Jeffery Jay	SP4	14 Sep 1969	Anoka
ARMY Kaster, Stephen Joseph	1LT	02 Nov 1970	Coon Rapids
ARMY Larson, Duane Clifford	SP5	04 Feb 1970	Fridley
USMC Lenoue, Bruce Vernon	CPL	30 Mar 1967	Anoka
ARMY Lundy, Gerald Vernon	SGT	07 May 1970	Anoka
USMC McDaniel, John Thomas	PFC	10 Sep 1967	Spring Lake Park
USMC Miller, James Walter	PFC	02 Jan 1968	Fridley
ARMY Nyblom, Duane Willard	PFC	15 May 1969	Fridley
ARMY Peterson, Bradley Eugene	SSG	11 Mar 1967	Anoka
ARMY Peterson, Donald Lee	PFC	30 Apr 1968	Fridley
ARMY Peterson, Leroy Emanuel	SP4	19 Jul 1966	Coon Rapids
ARMY Potthoff, Thomas Albert	SP4	21 May 1969	Circle Pines
ARMY Rick, Eugene Merlyn	SFC	10 Oct 1965	Coon Rapids
ARMY Riley, Thomas Jay	SP4	18 Nov 1967	Columbia Heights
USMC Saathoff, Raymond Joseph	LCPL	16 Mar 1971	Blaine
ARMY Verwers, Roger Lee	PFC	22 Apr 1967	Coon Rapids

IRAQ/AFGHANISTAN

USMC Baune, Taylor John	CPL	13 Jun 2012	Andover
ARMY Beardsley, William Joseph	SSG	27 Feb 2007	Coon Rapids
USMC Pospisil, Kenneth Blake	SSGT	14 Dec 2005	Andover
ARMY Rundell, Gregory Brian	SPC	26 Mar 2008	Ramsey
ARMY Studer, Brian Edward	SSG	22 Aug 2008	Ramsey

ISANTI COUNTY

KOREA

ARMY Carlson, Ralph William	SGT	04 Jan 1951	Braham
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VIETNAM

USMC Boeck, Gary Raymond	LCPL	06 Jan 1971	Braham
ARMY Hakes, Clarence Dean	WO1	24 Feb 1971	Isanti
ARMY Larson, Verle Norman	SP4	05 Aug 1969	Dalbo
USMC Nelson, Ronald Elwood	LCPL	07 Jan 1966	Braham
ARMY Oker, David Paul	PFC	20 Jan 1969	Isanti
ARMY Peterson, Duane Arvid	SGT	05 May 1970	Isanti
ARMY Peterson, Michael Gerald	PFC	26 Oct 1966	Stanchfield

IRAQ/AFGHANISTAN

ARMY Kemple, Andrew Joseph	CPL	12 Feb 2006	Cambridge
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**MINUTES
CITY OF ISANTI
CITY COUNCIL MEETING
TUESDAY, APRIL 6, 2021 – 7:00 P.M.
CITY HALL**

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

The Pledge of Allegiance was recited.

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

Members Absent: None

Staff Present: City Administrator Josi Wood, City Clerk Jaden Strand, Community Development Director Sheila Sellman, City Engineer Jason Cook and Chief of Police Travis Muyres

Others Present: Josh Robinson

D. Public Comment

None

E. Adopt Agenda

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

F. Proclamations/Commendations/Certificate Award

1. Week of the Young Child- April 10 through April 16, 2021

Mayor Johnson proclaimed that April 10th, 2021 through April 16th, 2021 will be recognized as the *Week of the Young Child* and encouraged all citizens to make an investment in early childhood in Isanti, MN.

G. Approve City Council Minutes

1. March 19, 2021- Special City Council Meeting
2. March 16, 2021- Regular Meeting of the City Council
3. March 16, 2021- Committee of the Whole Meeting
4. January 19, 2021- Planning Commission Meeting
5. March 2, 2021- Planning Commission Special Meeting
6. February 23, 2021- Parks, Recreation and Culture Board Meeting

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

H. Announcements

- | | |
|---|--------------------------------------|
| 1. Special City Council Meeting | Tuesday, April 13, 2021 at 5:00 p.m. |
| 2. Committee of the Whole | Tuesday, April 20, 2021 at 5:00 p.m. |
| 3. Special Economic Development Authority | Tuesday, April 20, 2021 at 6:30 p.m. |
| 4. City Council Meeting | Tuesday, April 20, 2021 at 7:00 p.m. |

5. Planning Commission Meeting

Tuesday, April 20, 2021

(Immediately following the City Council Meeting)

I. Council Committee Reports

Councilor Collison shared that BMX is back up and running as normal.

Councilor Gordon shared that restrooms were vandalized at Neighborhood Park and Bluebird Park and asked for city staff to be on the lookout for such activity.

J. Public Hearings

None

K. Business Items

City Administrator Josi Wood

- 1. Resolution 2021-055** Approving a Special Event Permit Request for the Race for Life, DK Gold Cup Qualifier & MN State Qualifier

City Administrator Josi Wood shared that an application has been received from Rum River BMX Association to hold Race for Life, DK Gold Cup Qualifier and MN State Qualifier events. Josh Robinson from Rum River BMX was in attendance if there were any questions. Wood further shared that Rum River BMX has submitted all the required information and staff is recommending approval of the event.

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

Robinson shared that the Race for Life is a charity event where all the proceeds go to the Leukemia and Lymphoma Society. A membership is not needed for that day so anyone that wants to try the sport has the ability. Robinson continued to share that the Gold Cup Qualifier is a regional series. A large turnout is expected as the Gold Cup Finals will be held in Minnesota near St. Cloud.

Community Development Director Sheila Sellman

- 2. Resolution 2021-056** Approving a Site Plan, Conditional Use Permit for a Caribou Coffee with a Drive-Thru Located at 260 5th Ave NE

Community Development Director Sheila Sellman shared that the Planning Commission held a public hearing on March 16th for the Conditional Use Permit for Caribou Coffee with drive-thru and Site Plan. The proposal that was presented to the Planning Commission meets city requirements. The Planning Commission recommended approval.

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

- 3. Resolution 2021-057** Approving a Variance to the Rear Setback for 511 Blue Bird Court

Community Development Director Sheila Sellman shared that the Planning Commission held a public hearing on March 16th and no one from the public spoke. Staff gave the report and concluded that not all of the practical difficulties used in connection with granting a variance could be made; therefore, recommended denial. After the Planning Commission reviewed the report, they recommended approval with a 6-1 vote.

Motion by Bergley, second by Collison to approve resolution as presented. Motion passed 4-1 with Mayor Johnson voting nay. Motion carried.

4. Resolution 2021-158 Approving the Final Plat for Fairway Greens

Community Development Director Sheila Sellman shared that at the January 19, 2021 City Council meeting, the Council approved the Preliminary Plat and Planned Unit Development for Fairway Greens North with conditions. The applicant Home Pride, Inc has applied for Final approvals. At this time only the final plat will be considered. The applicant and staff are still working on final plans for the development including phasing layout and development agreement. This approval will be for the final plat of the first addition and will contain 56 lots. The development agreement will be considered for approval at a different meeting once all plans and agreements are completed.

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

City Engineer Jason Cook

5. Resolution 2021-059 Accepting Plans and Specifications and Authorizing Request for Quote for the 2021 Storm System Maintenance Project

City Engineer Jason Cook shared that this is to finalize the 2021 Storm System Maintenance Project. After the last round of the Main Street study, the storm sewer pipe has been added along Whiskey Road. Cook continued to share that he was recently in that location and the entire sidewalk is under water and this would resolve the problem. The estimated cost is below the requirement to go out for formal public bids, it is requested for direction to move forward with asking for quotes with a deadline by the end of the month to bring back to the May 4th meeting.

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

L. Approve Consent Agenda

1. Payroll in the Amount of \$116,440.85, Accounts Payable in the Amount of \$488,771.14 and First Quarter Payroll for Council/ Boards/ Commissions in the Amount of \$9,278.65
2. **Resolution 2021-060** Approving Application for Exempt Gambling Permit for Rum River BMX 50/50 Raffle
3. **Resolution 2021-061** Accepting Resignation for Liquor Store Clerk Emily Nelson
4. **Resolution 2021-062** Accepting Parks, Recreation and Culture Board Member Michael Becker's Resignation
5. **Resolution 2021-063** Approving a Water Shutoff Policy for Non-Payment During Cold Weather Months
6. **Resolution 2021-064** Approving IAJOFD Lease Payment for 2020
7. **Resolution 2021-065** Amending the 2021 Sewer Budget
8. **Resolution 2021-066** Authorizing an Additional Generator Monitoring Alarm
9. **Resolution 2021-067** Approving Donation Box at Liquor Store
10. **Resolution 2021-068** Approving the Re-Hire of Part-Time Public Works Seasonal Joel Bazey
11. **Resolution 2021-069** Approving the Re-Hire of Sarah Bjork for the Position of Administrative Assistant Internship
12. **Resolution 2021-070** Authorizing the Purchase of an Employee Assistant Program (EAP)

13. Resolution 2021-071 Approving the Hire of Part-Time Liquor Store Clerk II for Kalee Springer

Councilor Gordon asked for confirmation if the cost of \$312 annually is for all employees or for each employee.

City Administrator Josi Wood confirmed it is for all employees.

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

M. Other Communications

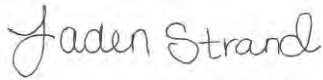
1. Draft Minutes for the March 23, 2021 Parks, Recreation and Culture Board Meeting

Adjournment

A motion was made by Bergley, seconded by Lundeen to adjourn. Motion passed 5-0. Motion carried.

Meeting adjourned at 7:18 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Jaden Strand".

Jaden Strand
City Clerk

Economic Development Authority
Meeting February 2, 2021
Meeting Minutes

1. **Call to Order:** Chair Johnson called the meeting to order at 8:87pm
 - a. **Pledge of Allegiance**
 - b. **Roll Call:** Members present: Jeff Johnson, Jimmy Gordon, Paul Bergley, Steve Lundeen, Dan Collison (via phone) Luke Merrill, Justin Nielson. Staff present: Community Development Director Sheila Sellman and City Administrator Josi Wood.
 - c. **Agenda Modifications:** None
 - d. **Adopt Agenda:** Motion by Lundeen, second my Merrill to adopt the agenda. Motion passed 7-0
2. **Approve Minutes of January 5, 2021 Regular Economic Development Authority Meeting:** Motion by Merrill, second by Bergley to approve, motion passed 7-0.
3. **Closed Session**
Consideration of sale of EDA land pursuant to Minnesota Statutes Section 13D.05 Subd 3(c) PID 16.053.0151 and 16.029.1400. The EDA went into closed session. The EDA directed staff to proceed as discussed in the closed session.
4. **Other Business / Updates / Communications** Sellman gave an update on the latest COVID Relief grant funds available. She is 80% finished with Retail Academy. Sheila will continue to attend seminars and meetings about COVID relief grants/loans.
5. **Adjournment:** Lundeen moved to adjourn, second by Bergley, motion passed 7-0 the meeting was adjourned at 9:11pm.

Respectfully Submitted – Sheila Sellman EDA Secretary/Community Development Director.



Real People. Real Solutions.

J.

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

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

MEMORANDUM

Date: April 12, 2021
To: Honorable Mayor Johnson and Members of the City Council
From: Jason W Cook, P.E.
City Engineer
Subject: Main Street Reconstruction Project
Public Hearing, Project Authorization, Plan Approval and Authorization to Advertise for Bids
City of Isanti, MN
Project No.: 0R1.123865

An Informational Open House was conducted on March 25th, 2021. Eight individuals representing Six properties attended in person and approximately 5 individuals attended online via Zoom. There is a total of 27 non-City properties on the assessment roll. The majority of attendees agreed the roadway was in need of repair. Most questions were regarding individual assessment amounts, interest rates and the number of years to pay the assessment.

The next step in the MS 429 assessment process is to hold a public hearing on the improvement.

Following the Public Hearing input, should you decide to proceed with the project, a resolution ordering the improvement has been included in the Council packet as well as a resolution approving the plans and specifications and authorization to advertise for bids.

Following is a schedule for the project:

- 1) April 20, 2021 – Hold Public Hearing, Mayor and City Council order the improvements
- 2) April 20, 2021 – Mayor and City Council approves final plans and orders advertisement of bids
- 3) June 1, 2021 – Open bids
- 4) June 8, 2021 – Mayor and City Council awards bid
- 5) June 2021 – Commence construction
- 6) November, 2021 – Substantial construction completion
- 7) November, 2021 – Conduct final assessment hearing

As required by the Minnesota State Statute Chapter 429 process, we are requesting that City Council authorize the project, approve plans and specifications and authorize advertisement for bids.

A resolution is attached to authorize the project. A second resolution is attached to approve the plans and authorize the advertisement for bids.

I will be at the April 20, 2021 Council meeting to provide a condensed presentation on the project and assist with questions during the Public Hearing. Please contact me with any questions or comments.

RESOLUTION 2021-XXX

**AUTHORIZING IMPROVEMENT
ON THE MAIN STREET RECONSTRUCTION PROJECT**

WHEREAS, pursuant to Resolution 2021-049 of the City Council adopted March 16, 2021, fixed a date for a council hearing on the improvement of Main Street W from Whiskey Road to 4th Avenue NW. The improvement shall consist of street reconstruction and sidewalk reconstruction, and;

WHEREAS, ten days' mailed notice and two weeks' published notice of the hearing was given, and the hearing was held thereon on the 20th day of April, 2021, at which all persons desiring to be heard were given an opportunity to be heard thereon;

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

1. Such improvement is necessary, cost-effective, and feasible as detailed in the feasibility report.
2. Such improvement is hereby ordered as proposed.

This resolution was duly adopted by the Isanti City Council this 20th day of April 2021.

Motion:

Seconded:

Carried:

Attest:

Mayor Jeff Johnson

Jaden Strand
City Clerk

RESOLUTION 2021-XXX**APPROVING PLANS AND ORDERING ADVERTISEMENT FOR BIDS FOR THE MAIN STREET RECONSTRUCTION PROJECT**

WHEREAS, pursuant to Resolution No. 2021-050 passed by the Council, the City Engineer, Bolton & Menk, Inc. has prepared plans and specifications for the Main Street Reconstruction project. The improvements shall consist of in whole or a part in the above-mentioned improvement area: street reconstruction, sidewalk reconstruction, and curb & gutter reconstruction;

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

1. Such plans and specifications, copies of which are on file in the City Offices, are hereby approved.
2. Bolton & Menk, Inc. shall prepare and cause to be inserted in the official paper and in Finance & Commerce and on QuestCDN an advertisement for bids upon the making of such improvement under such approved plans and specifications. The advertisement shall be published for 21 days, shall specify the work to be done, shall state that bids will be received by the Clerk until 2:00 pm on June 1, 2021 at which time they will be publicly opened in the Council Chambers of the City Hall by the City Engineer, will then be tabulated, and will be considered by the council at approximately 7:00 p.m. on June 8, 2021, in the Council Chambers of the City Hall. Any bidder whose responsibility is questioned during consideration of the bid will be given an opportunity to address the Council on the issue of responsibility. No bids will be considered unless sealed and filed with the Clerk and accompanied by a bid bond payable to the City of Isanti for five percent (5%) of the amount of such bid.

This resolution was duly adopted by the Isanti City Council this 20th day of April 2021.

Attest:

Mayor Jeff Johnson

Jaden Strand
City Clerk



Memo for Council Action

To: Mayor Johnson and Members of the City Council
From: Finance Director Betker
Date: April 20th 2021
Subject: Resolution 2021-XXX Accepting the 2020 Annual Financial Report & Management Letter

Background:

Justin Nilson, Audit Manager with Abdo, Eick & Meyers (AEM) will discuss the 2020 Annual Financial Report and Management Letter by Zoom.

Request:

Consider resolution accepting the 2020 Annual Financial Report and Management Letter

Attachment:

- Resolution 2021-XXX – Accepting the 2020 Annual Financial Report and Management Letter
- 2020 Audit Presentation Slides
- 2020 Management Letter
- 2020 Annual Financial Report

RESOLUTION 2021-XXX

**ACCEPTING THE 2020 ANNUAL FINANCIAL REPORT AND
MANAGEMENT LETTER**

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 designated the public accounting firm of Abdo, Eick & Meyers, LLP for their auditors for 2020;

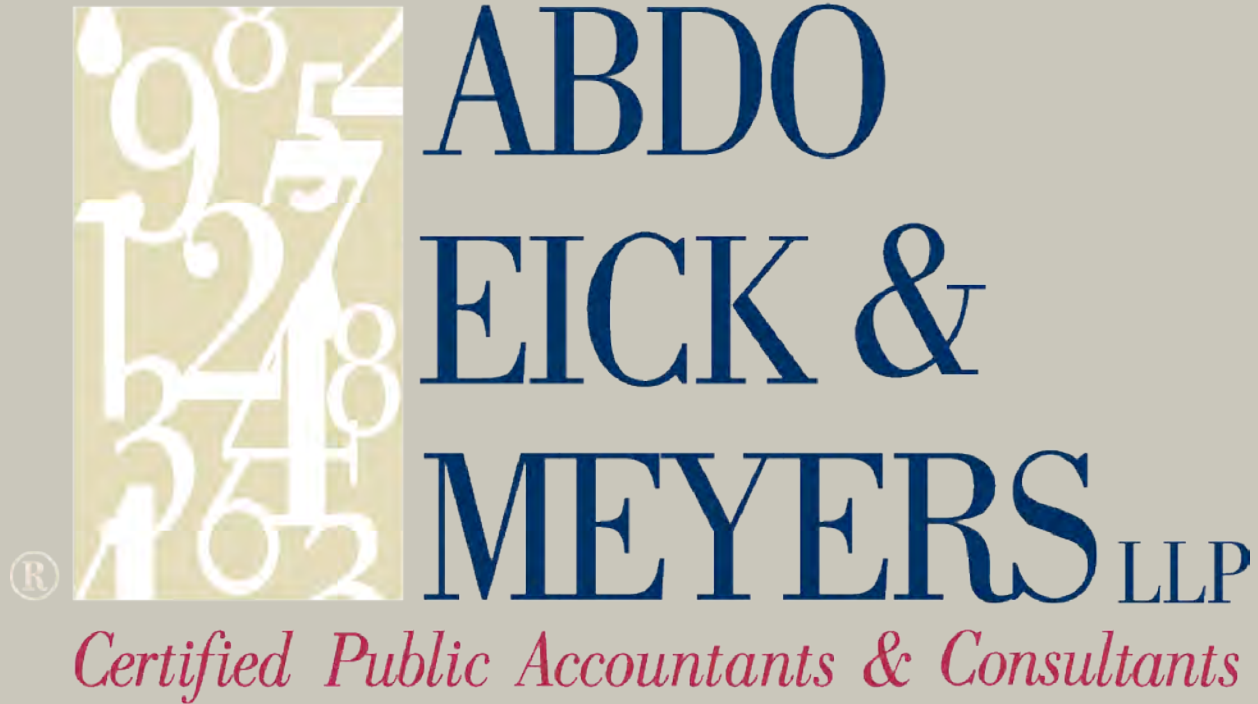
NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Isanti, Minnesota hereby approves the 2020 Annual Financial Report and Management Letter.

This Resolution is hereby approved by the Isanti City Council this 20th day of April 2021.

Attest:

Mayor Jeff Johnson

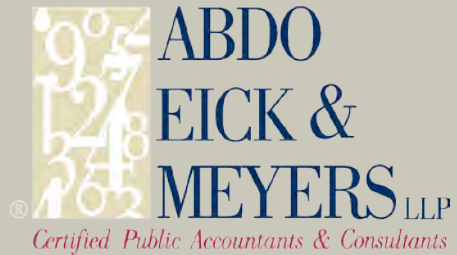
Jaden Strand
City Clerk



**City of
Isanti**

**2020
Financial
Statement
Audit**

Introduction



Audit Opinion and Responsibility

General Fund Results

Other Governmental Funds

Enterprise Funds

Key Performance Indicators

Audit Results



Auditor's Opinion



Minnesota Legal Compliance



Audit Results

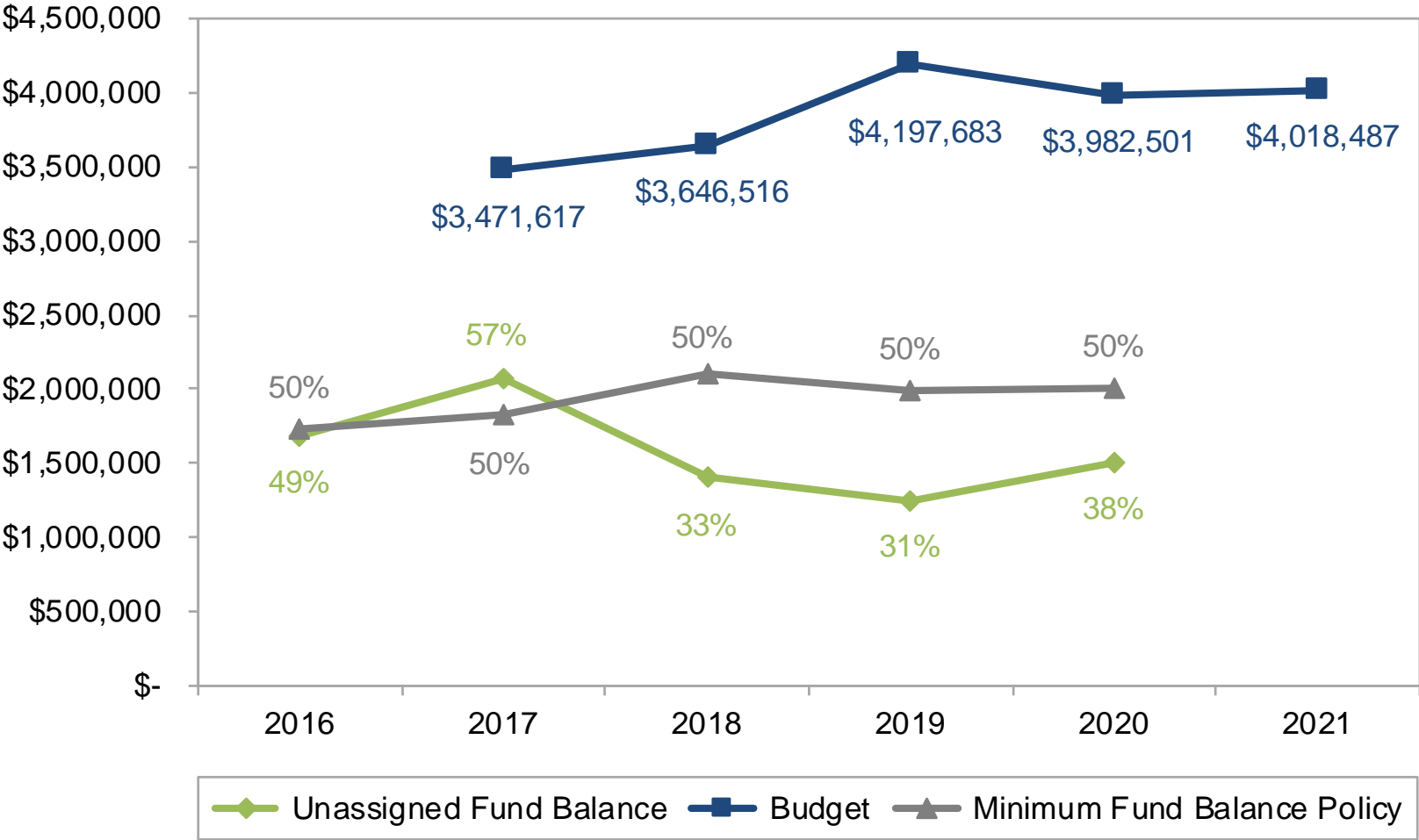
2020 Audit Findings



Preparation of Financial Statements

- Internal Control Finding

General Fund - Fund Balances

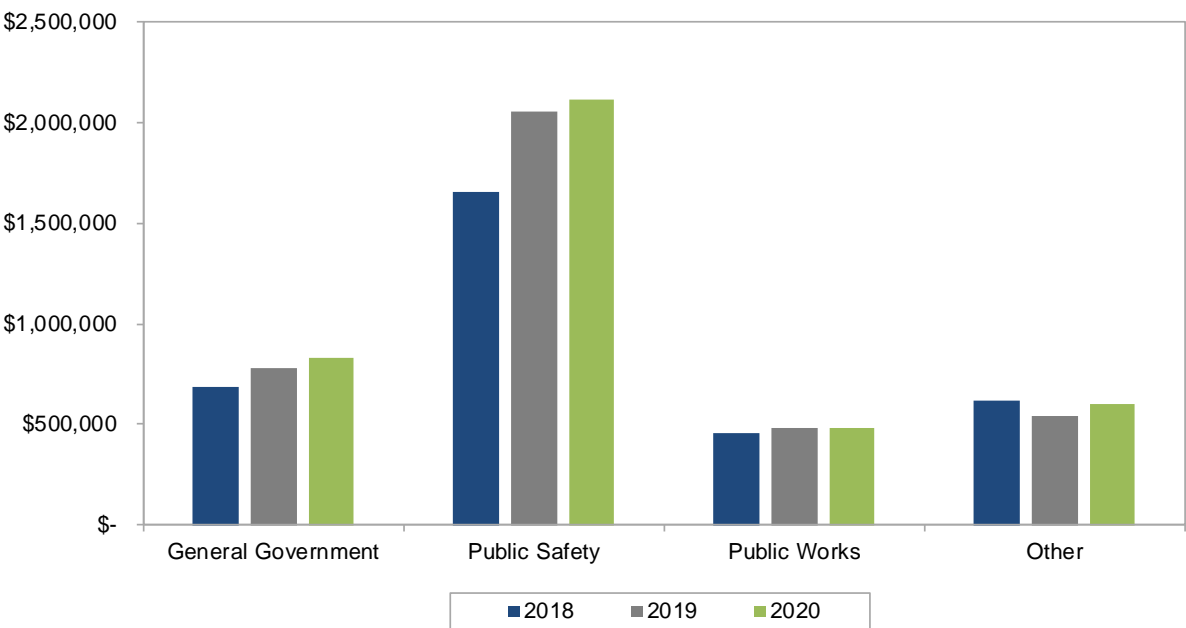
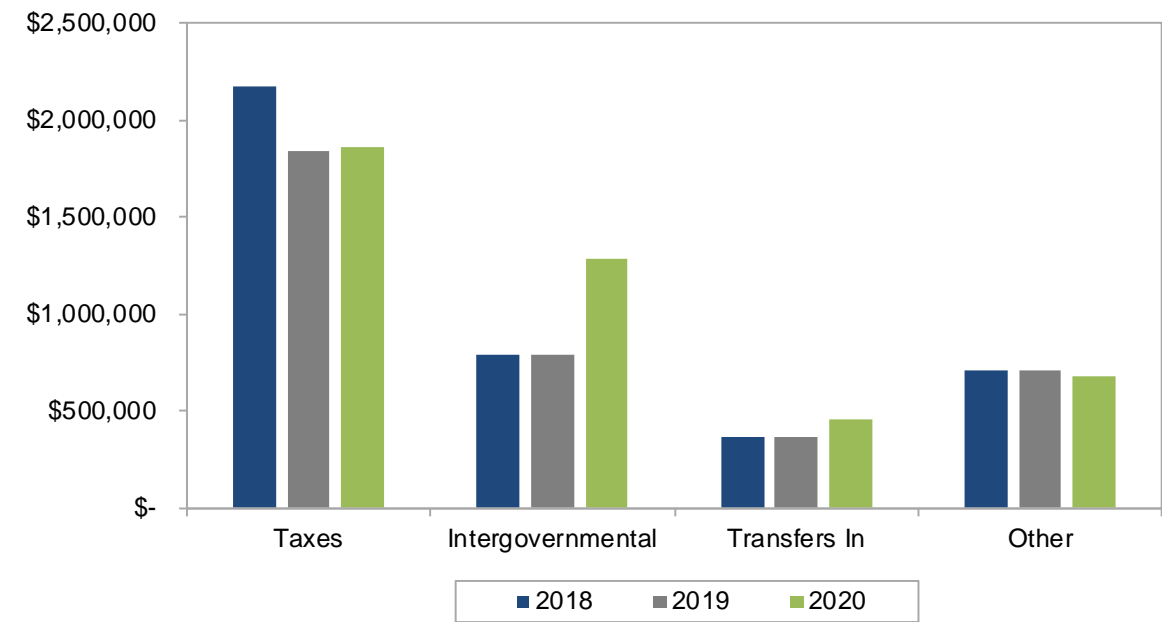


General Fund Budget to Actual



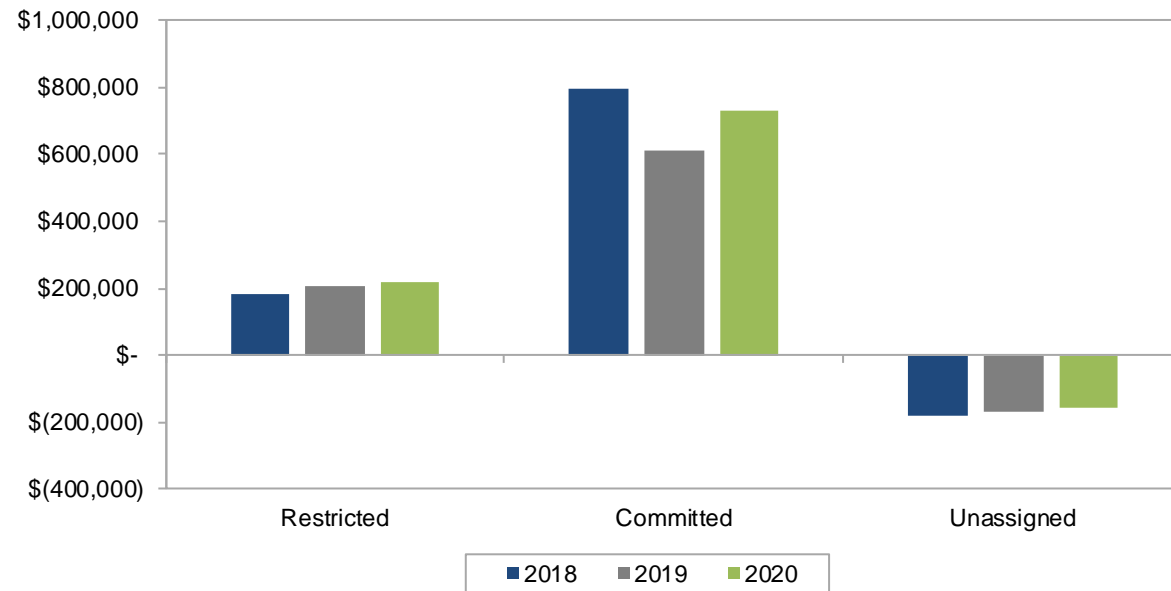
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 3,481,600	\$ 3,827,152	\$ 345,552
Expenditures	<u>3,739,938</u>	<u>4,027,265</u>	<u>(287,327)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(258,338)</u>	<u>(200,113)</u>	<u>58,225</u>
Other Financing Sources (Uses)			
Transfers in	451,176	455,976	4,800
Transfers out	<u>(242,563)</u>	<u>-</u>	<u>242,563</u>
Total Other Financing Sources (Uses)	<u>208,613</u>	<u>455,976</u>	<u>247,363</u>
Net Change in Fund Balances	(49,725)	255,863	305,588
Fund Balances, January 1	<u>1,263,274</u>	<u>1,263,274</u>	<u>-</u>
Fund Balances, December 31	<u><u>\$ 1,213,549</u></u>	<u><u>\$ 1,519,137</u></u>	<u><u>\$ 305,588</u></u>

General Fund Revenues and Expenditures by Type



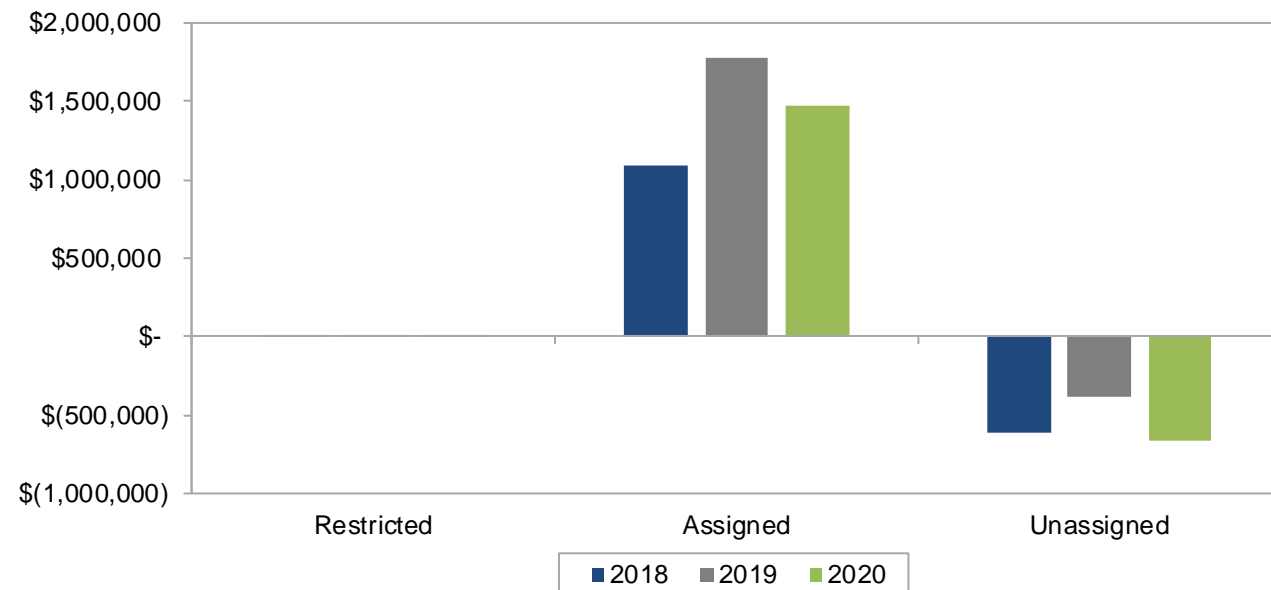
Special Revenue Fund Balances

Fund	Fund Balances December 31,		Increase (Decrease)
	2019	2020	
Nonmajor			
Redbirds Maintenance	\$ 1,871	\$ (149)	\$ (2,020)
Economic Development Authority	160,851	153,956	(6,895)
Park	103,504	245,870	142,366
Revolving Loan	329,941	323,718	(6,223)
Forfeiture	9,884	7,115	(2,769)
Youth Rec Education Safety	3,272	-	(3,272)
Cambridge Isanti Joint Event	1,472	-	(1,472)
Isanti Indoor Arena	(167,588)	(157,901)	9,687
TIF 9	136,149	151,972	15,823
TIF 10	57,854	58,341	487
City Technology Improvement	8,746	11,888	3,142
Total	<u>\$ 645,956</u>	<u>\$ 794,810</u>	<u>\$ 148,854</u>



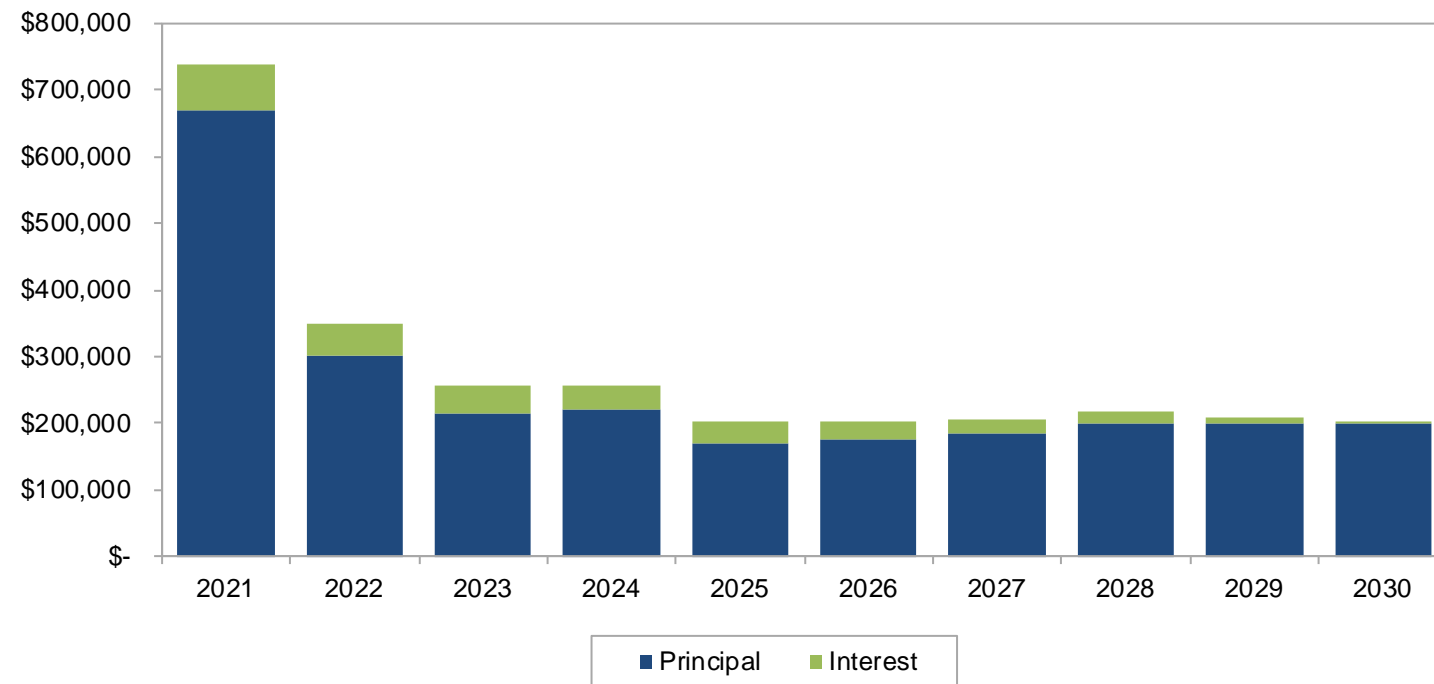
Capital Projects Fund Balances

Capital Projects Fund	Fund Balances December 31,		Increase (Decrease)
	2019	2020	
Major			
Street Construction	\$ (15,328)	\$ (527,490)	\$ (512,162)
Highway 64 and Cajima	358,853	4,508	(354,345)
Capital Replacement	797,706	802,358	4,652
Nonmajor			
2017 Palomino Road Street Improvements	(287,974)	(66,193)	\$ 221,781
Fairway Blvd/County 5 Signal	200,848	215,429	14,581
City Parking Improvements	(74,687)	(74,687)	-
2017 Pavement Management Improvements	431,367	458,625	27,258
Total	<u>\$ 1,410,785</u>	<u>\$ 812,550</u>	<u>\$ (598,235)</u>

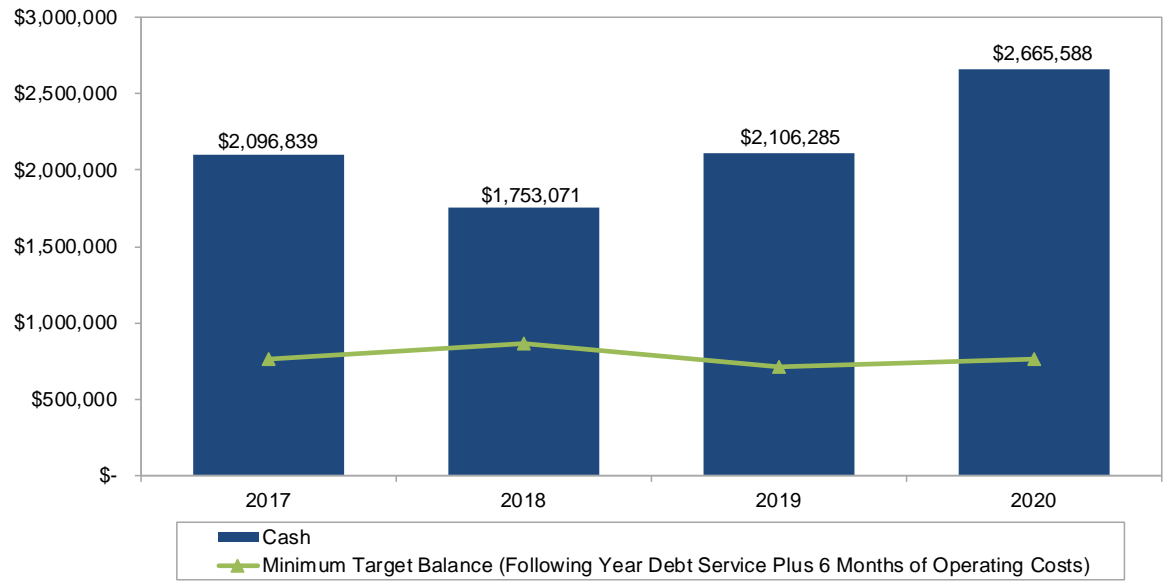
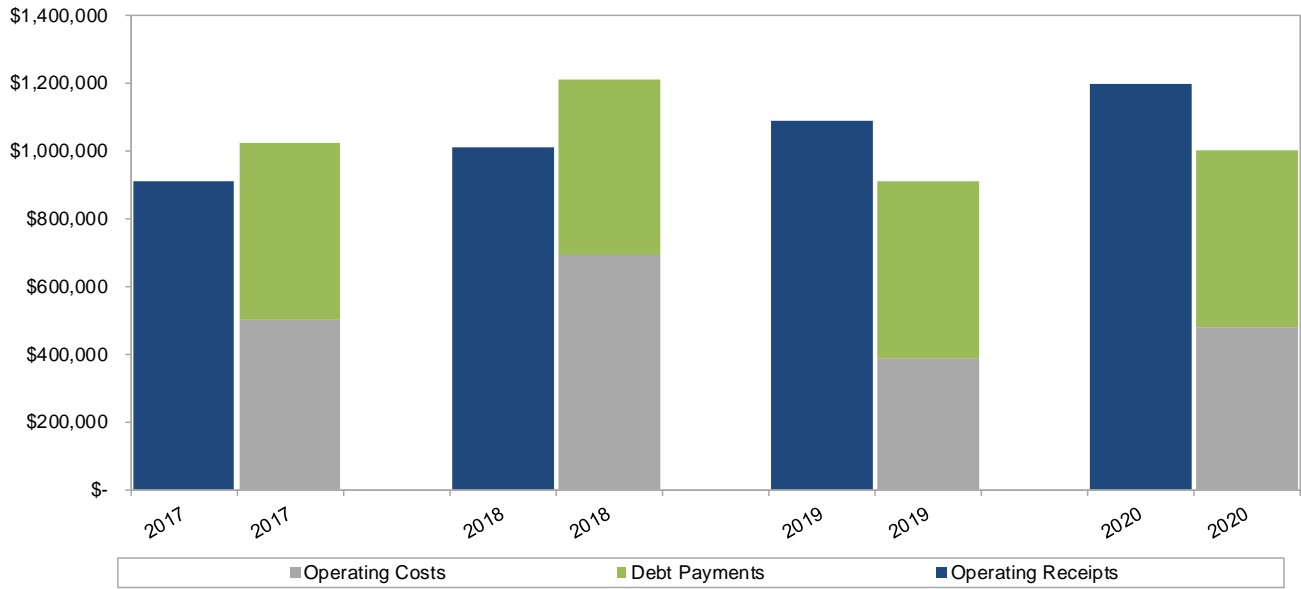


Debt Service Funds

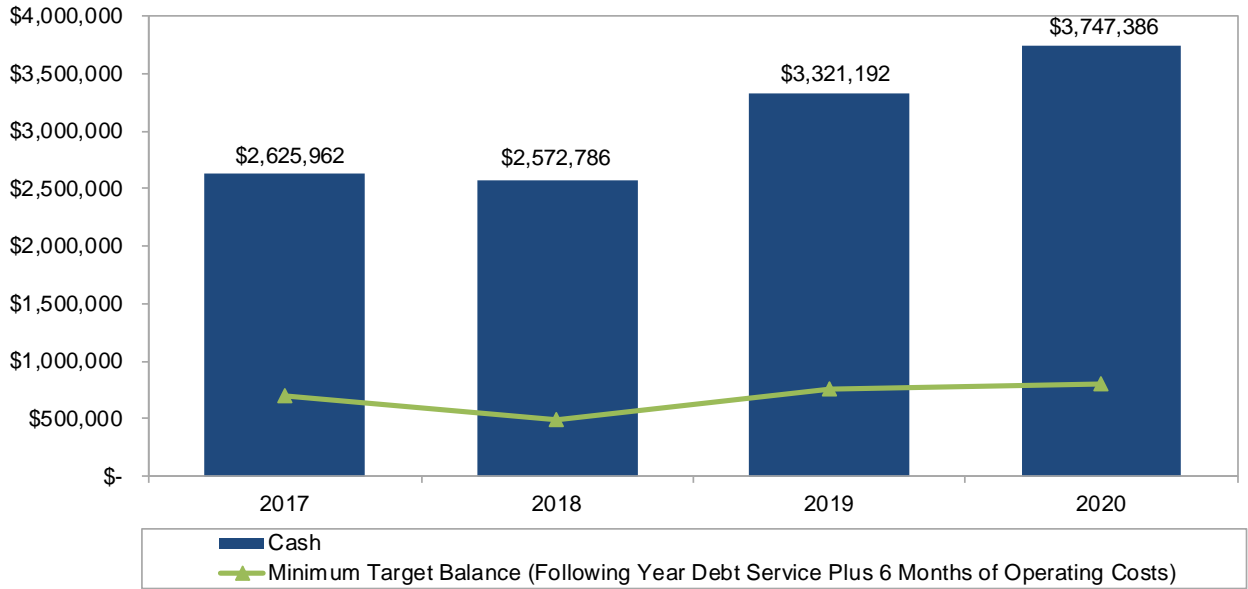
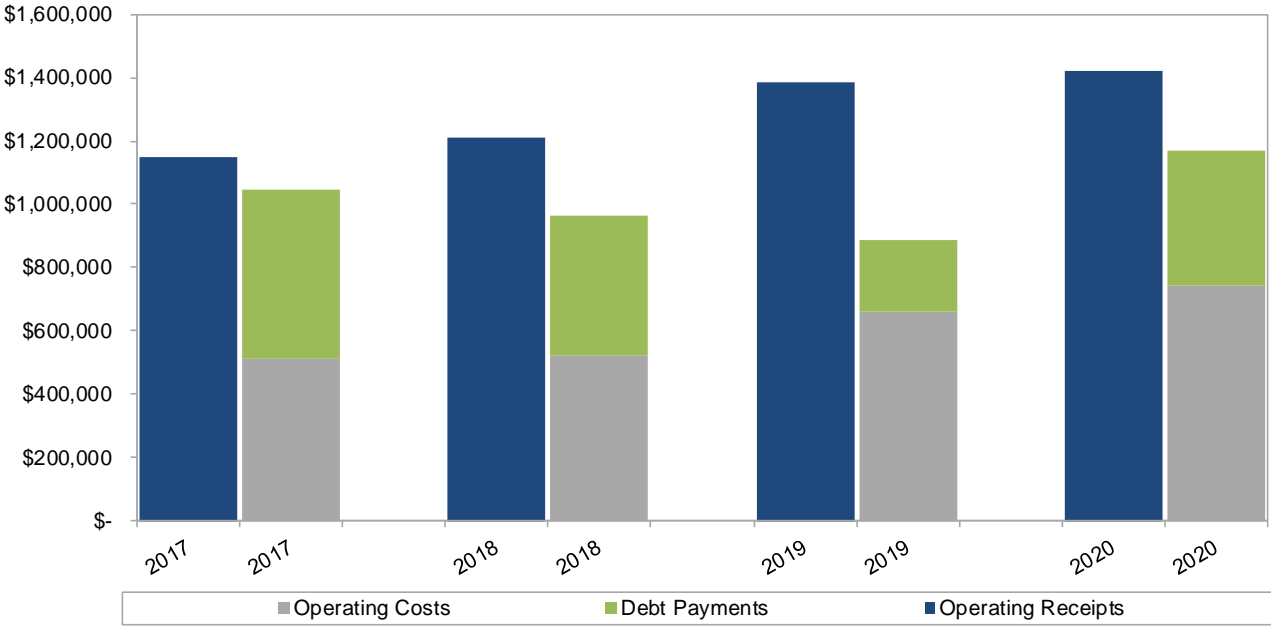
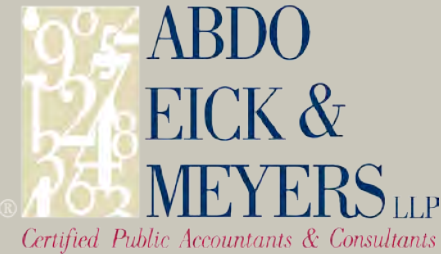
Debt Service Fund	Cash Balance	Total Assets	Bonds Outstanding	Maturity Date
2010B G.O. Improvement Bonds	\$ 436,374	\$ 719,384	\$ 375,000	08/01/21
2011A G.O. Improvement Bonds	152,725	187,443	175,000	02/01/22
2014A G.O. Tax Abatement Bonds	314,383	314,611	1,805,000	02/01/30
2014B G.O. Improvement Bonds	34,678	68,747	180,000	02/01/24
Total	<u>\$ 938,160</u>	<u>\$ 1,290,185</u>	<u>\$ 2,535,000</u>	
		Total Remaining Interest Payments	<u>\$ 307,301</u>	



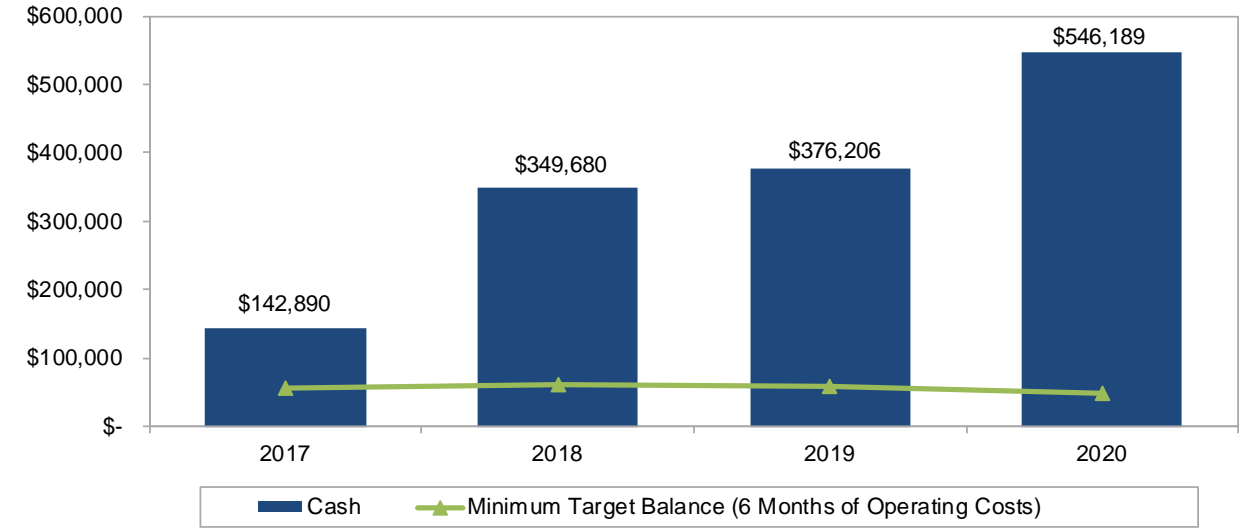
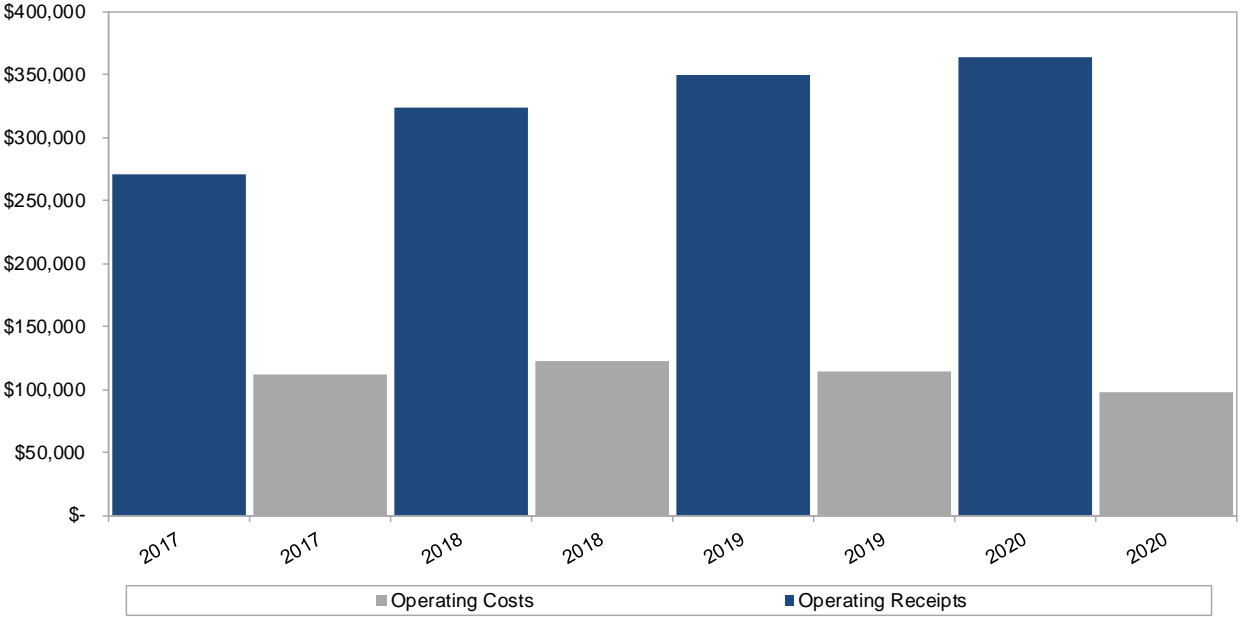
Water Fund - Cash Flows from Operations and Cash Balances



Sewer Fund - Cash Flows from Operations and Cash Balances



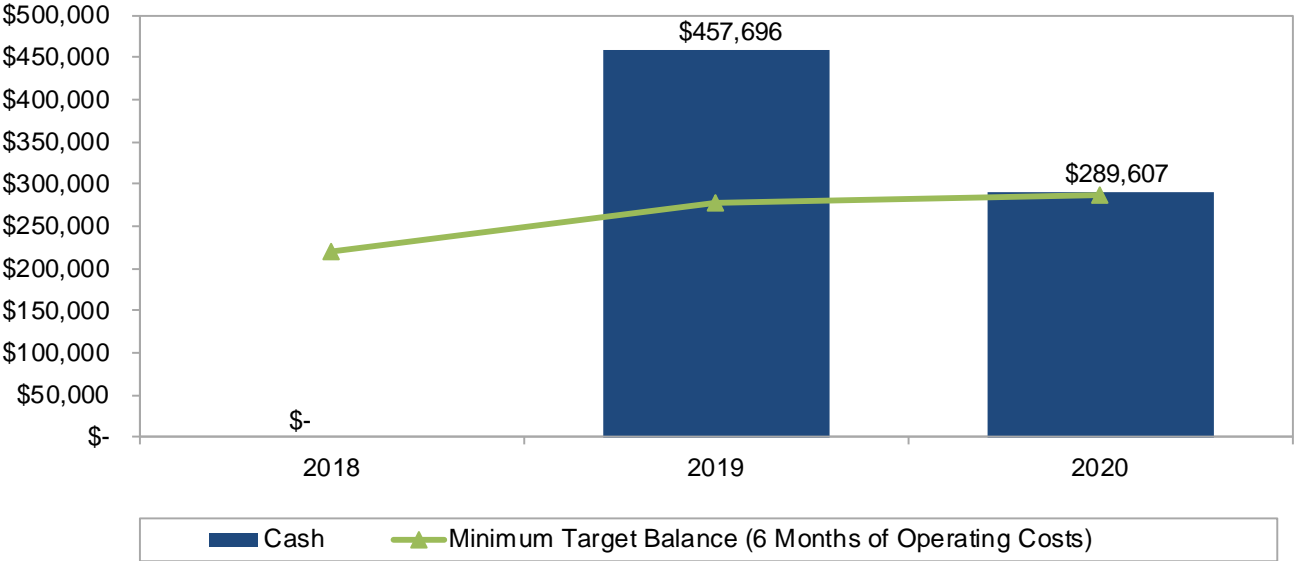
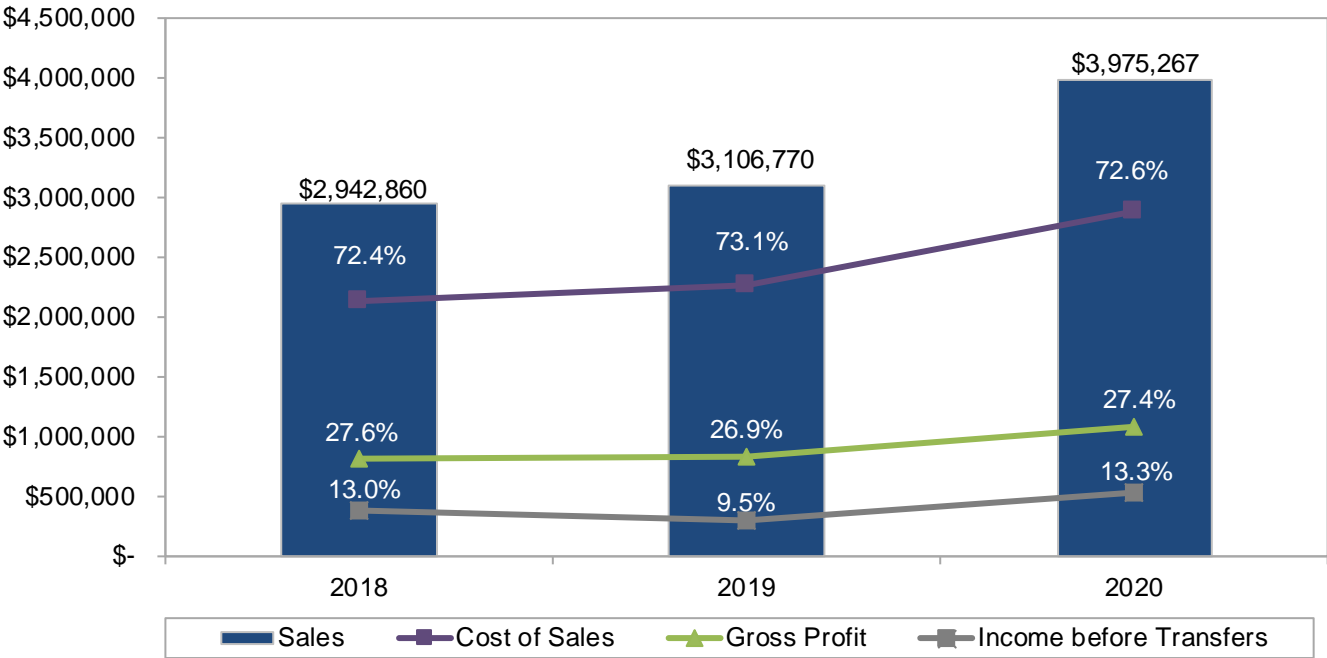
Stormwater Fund - Cash Flows from Operations and Cash Balances



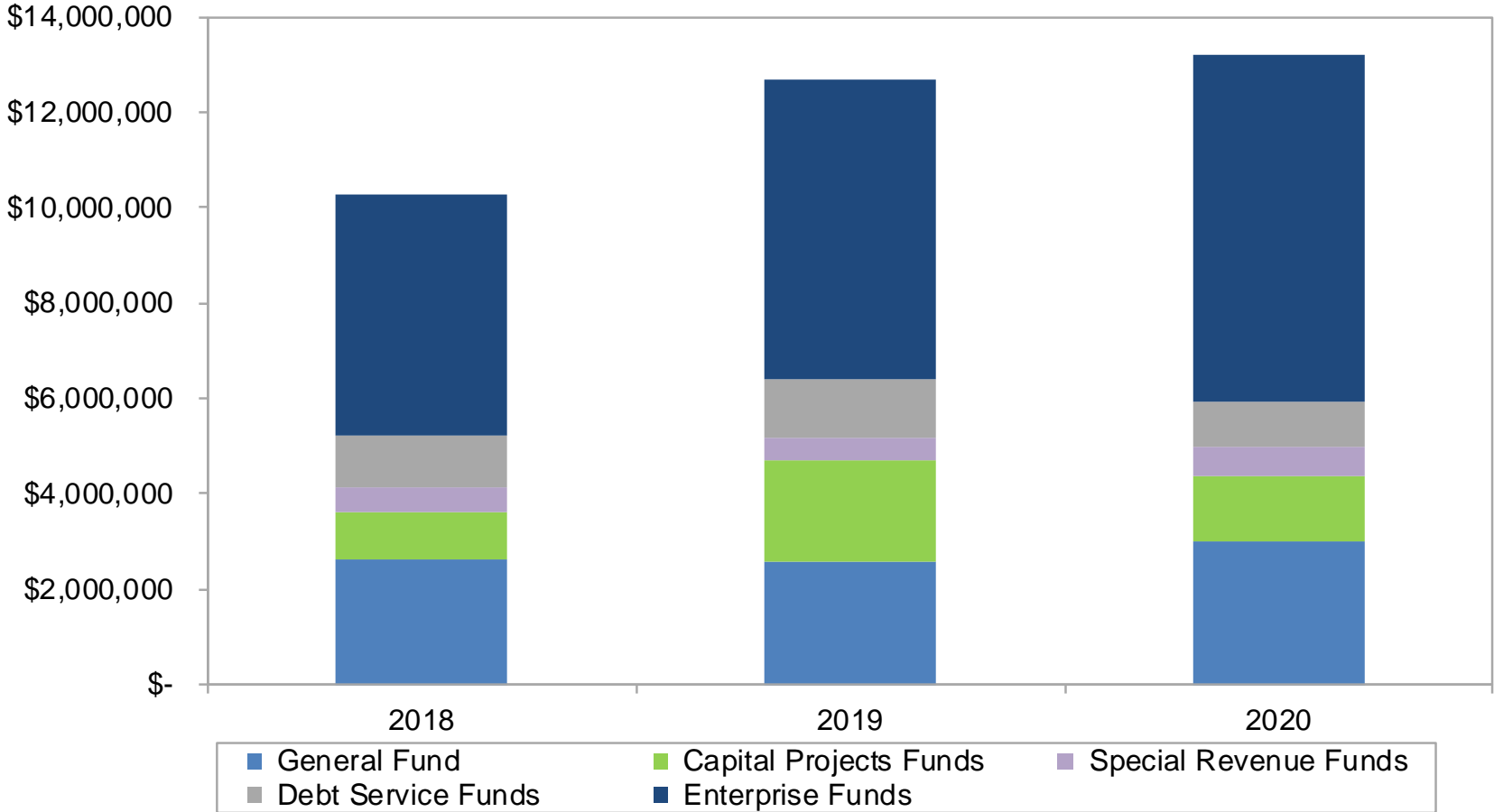
Liquor Store Fund - Gross Profit and Cash Balances

	2018		2019		2020		2019
	Total	Percent	Total	Percent	Total	Percent	OSA Averages
Sales	\$ 2,942,860	100.0 %	\$ 3,106,770	100.0 %	\$ 3,975,267	100.0 %	100.0 %
Cost of Sales	<u>2,129,562</u>	<u>72.4</u>	<u>2,270,724</u>	<u>73.1</u>	<u>2,886,887</u>	<u>72.6</u>	<u>73.6</u>
Gross Profit	813,298	27.6	836,046	26.9	1,088,380	27.4	26.4
Operating Expenses	<u>437,579</u>	<u>14.9</u>	<u>553,910</u>	<u>17.8</u>	<u>571,770</u>	<u>14.4</u>	<u>19</u>
Operating Income	375,719	12.7	282,136	9.1	516,610	13.0	7.7
Nonoperating Revenues							-
(Expenses)	<u>7,382</u>	<u>0.3</u>	<u>13,233</u>	<u>0.4</u>	<u>12,629</u>	<u>0.3</u>	<u>0.4</u>
Income Before Transfers	383,101	13.0	295,369	9.5	529,239	13.3	8.1
Transfers Out	<u>(350,000)</u>	<u>(11.9)</u>	<u>(350,000)</u>	<u>(11.3)</u>	<u>(350,000)</u>	<u>(8.8)</u>	<u>-</u>
Change in Net Position	<u>\$ 33,101</u>	<u>1.1 %</u>	<u>\$ (54,631)</u>	<u>(1.8) %</u>	<u>\$ 179,239</u>	<u>4.5 %</u>	<u>8.1 %</u>
Cash and investments	<u>\$ -</u>		<u>\$ 457,696</u>		<u>\$ 289,607</u>		

Liquor Store Fund - Gross Profit and Cash Balances

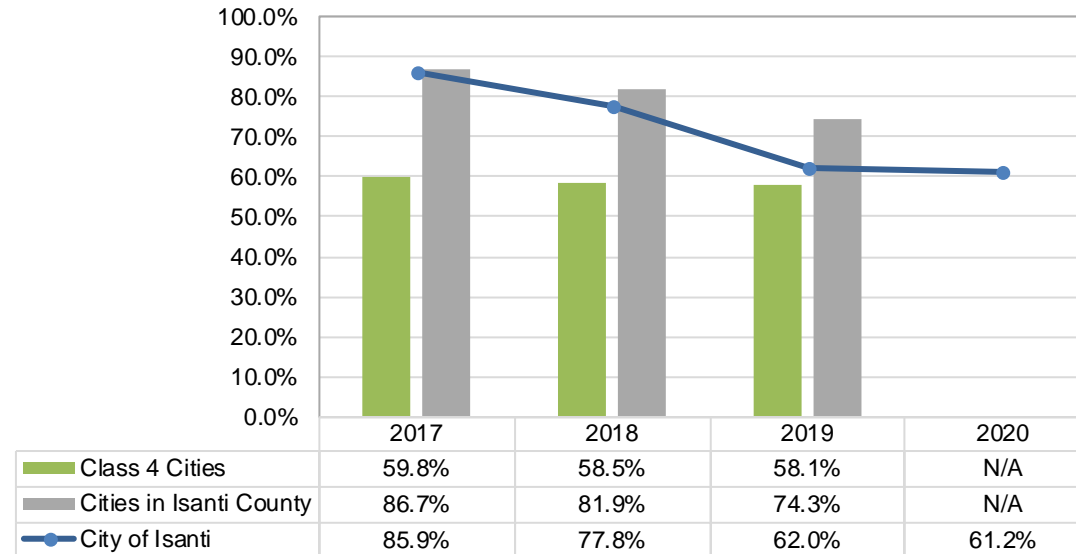


Cash and Investments Balances by Fund Type

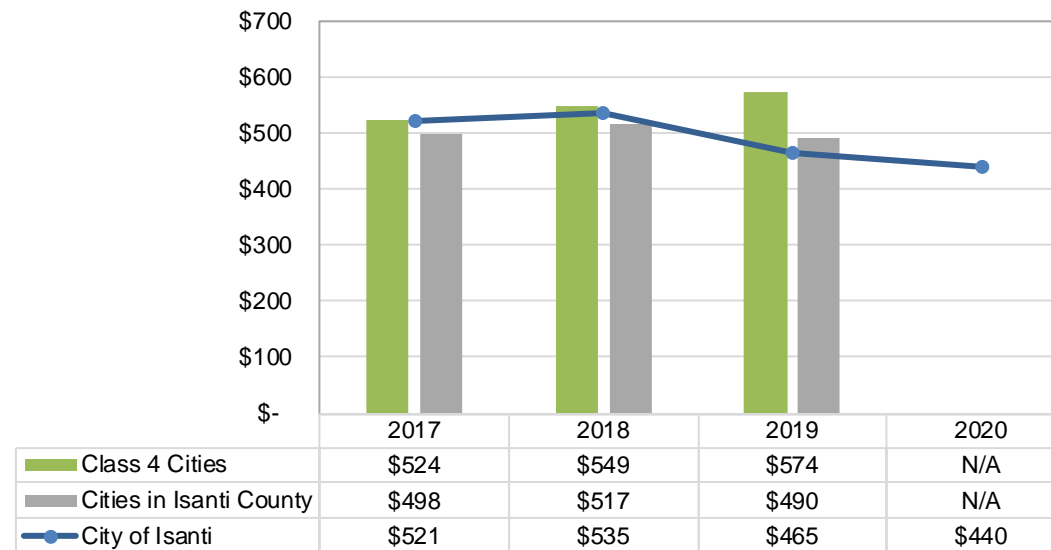


Key Performance Indicators

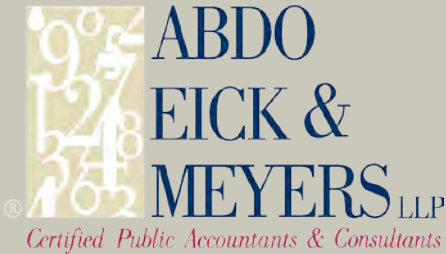
Tax Rates



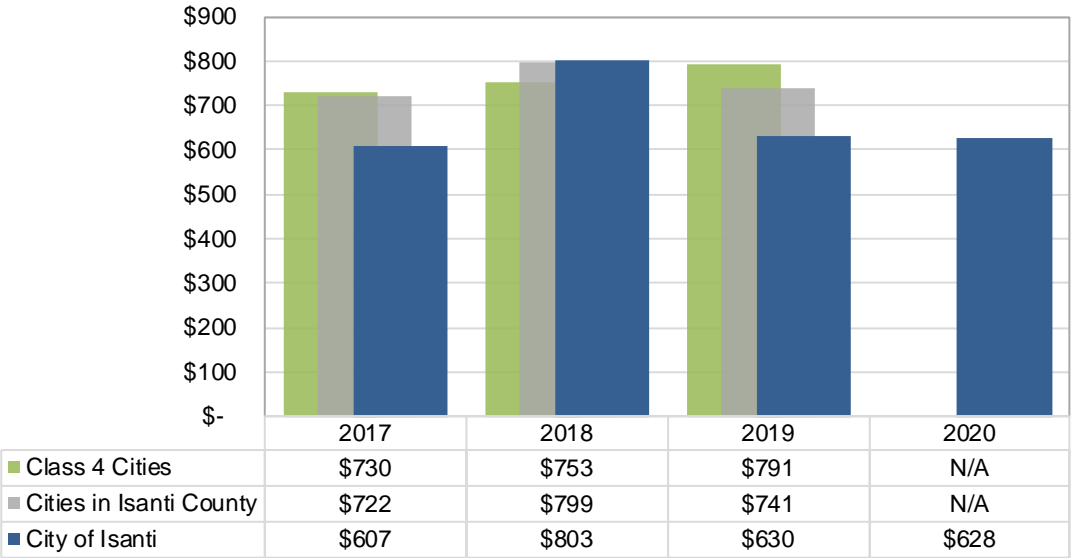
Taxes Per Capita



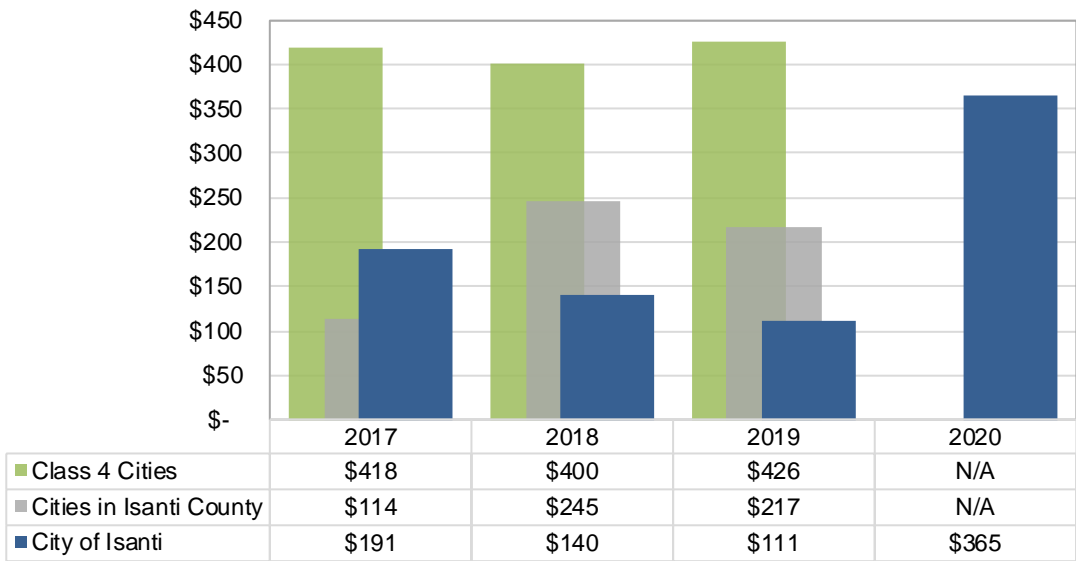
Key Performance Indicators



Current Expenditures Per Capita

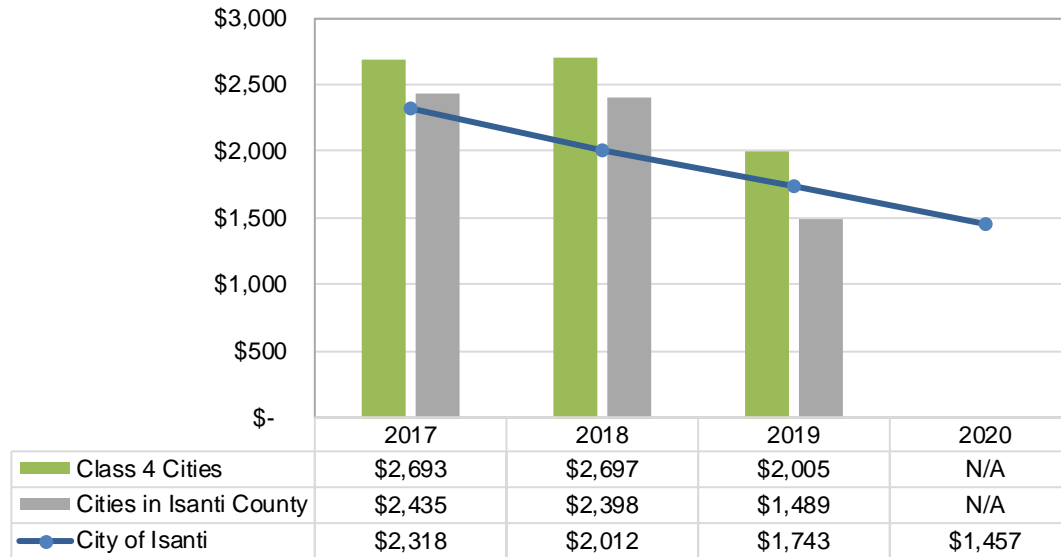


Capital Expenditures Per Capita

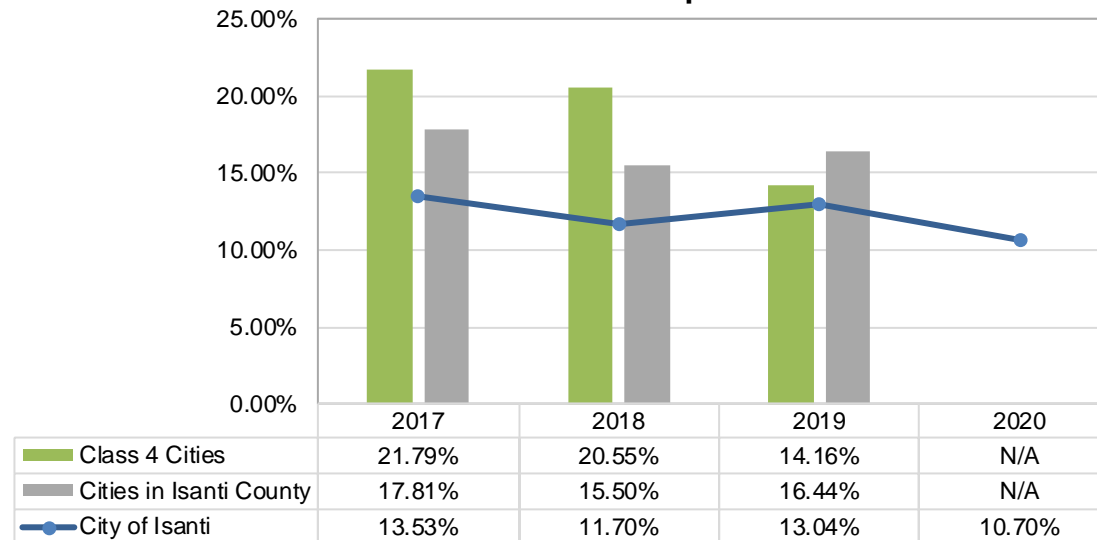


Key Performance Indicators

Debt Expenditures Per Capita



Debt Service Expenditures as a Percent of Total Expenditures



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Management Communication

City of Isanti

Isanti, Minnesota

For the Year Ended
December 31, 2020

April 14, 2021

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Isanti, Minnesota (the City) for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 30, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. As described below, we identified a deficiency that we consider to be a significant deficiency, finding 2020-001.

<i>Condition:</i>	As in prior years, we were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. Recent auditing standards require auditors to communicate this situation to the City Council as an internal control deficiency. Ultimately, it is management's responsibility to provide for the preparation of your statements and footnotes, and the responsibility of the auditor to determine the fairness of presentation of those statements. It is our responsibility to inform you that this deficiency could result in a material misstatement to the financial statements that could have been prevented or detected by your management. Essentially, the auditors cannot be part of your internal control process.
<i>Criteria:</i>	Internal controls should be in place to provide reasonable assurance over the reliability of financial records and reporting.
<i>Cause:</i>	From a practical standpoint, we both prepare your statements and determine the fairness of that presentation at the same time in connection with our audit. This is not unusual for us to do with organizations of your size.
<i>Effect:</i>	The effectiveness of the internal control system relies on enforcement by management. The effect of deficiencies in internal controls can result in undetected errors in financial reporting. We have instructed management to review a draft of the auditor prepared financials in detail for accuracy; we have answered any questions that management might have, and have encouraged research of any accounting guidance in connection with the adequacy and appropriateness of classification of disclosures in your statements. We are satisfied that the appropriate steps have been taken to provide you with the completed financial statements.
<i>Recommendation:</i>	Under these circumstances, the most effective controls lie in management's knowledge of the City's financial operations. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost and other considerations. Regarding the specific situations listed above, we would offer the following specific recommendations: 1) Utilize a disclosure checklist to ensure all required disclosures are present and agree to work papers, and 2) Agree your accounting information from your accounting software to the amounts reported in the financial statements.
<i>Management Response:</i>	For now, the City accepts the degree of risk associated with this condition and thoroughly reviews a draft of the financial statements.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements. As a result of our testing we noted no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or statutes set forth by the State of Minnesota.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ended December 31, 2020. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were depreciation on capital assets, allocation of payroll and compensated absences, liability for other post-employment benefit, and the liability of the City's pensions.

- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.
- Allocations of gross wages and payroll benefits are approved by City Council within the City's budget and are derived from each employee's estimated time to be spent servicing the respective functions of the City. These allocations are also used in allocating accrued compensated absences payable.
- The City's liability for other post-employment benefits was estimated to be zero primarily based on the assumption that employees, whom participate in the health insurance plan, will retire after the age of 65 and not continue to participate in the plan following retirement.
- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management: Recognizing expense activity for business subsidy payments.

We assisted in preparing a number of year end accounting entries. These were necessary to adjust the City's records at year end to correct ending balances. The City should establish more detailed processes and procedures to reduce the total number of entries in each category. The City will receive better and timelier information if the preparation of year end entries is completed internally.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 14, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (Management's Discussion and Analysis, the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, and the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios), Schedule of changes in the City's OPEB Liability and related ratios, which is information that supplements the basic financial statements. Our procedures consisted 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information (combining and individual fund financial statements and schedules and schedule of federal awards), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future City financial statements: ⁽¹⁾

GASB Statement No. 87 - Leases

Summary

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Effective Date and Transition

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or, if applied to earlier periods, the beginning of the earliest period restated). However, lessors should not restate the assets underlying their existing sales-type or direct financing leases. Any residual assets for those leases become the carrying values of the underlying assets.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements.

GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period

Summary

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

Future Accounting Standard Changes (Continued)

Effective Date and Transition

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

GASB Statement No. 91 - *Conduit Debt Obligations*

Summary

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements - often characterized as leases - that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

Effective Date and Transition

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

Future Accounting Standard Changes (Continued)

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

GASB Statement No. 92 - Omnibus 2020

Summary

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

Future Accounting Standard Changes (Continued)

Effective Date and Transition

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020.

Earlier application is encouraged and is permitted by topic.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements.

GASB Statement No. 93 - *Replacement of Interbank Offered Rates*

Summary

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend

Future Accounting Standard Changes (Continued)

Effective Date and Transition

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements.

GASB Statement No. 94 - *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

Summary

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

Effective Date and Transition

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

Future Accounting Standard Changes (Continued)

GASB Statement No. 95 - *Postponement of the Effective Dates of Certain Authoritative Guidance*

Summary

The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update - 2018
- Implementation Guide No. 2019-1, Implementation Guidance Update - 2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

Effective Date and Transition

The requirements of this Statement are effective immediately.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

Providing governments with sufficient time to apply the authoritative guidance addressed in this Statement will help to safeguard the reliability of their financial statements, which in turn will benefit the users of those financial statements.

Future Accounting Standard Changes (Continued)

GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements*

Summary

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

Under this Statement, a government generally should recognize a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, - which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

Effective Date and Transition

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

Future Accounting Standard Changes (Continued)

GASB Statement No. 97 - *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

Summary

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, Financial Reporting for Pension Plans, or paragraph 3 of Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, respectively.

This Statement (1) requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

This Statement supersedes the remaining provisions of Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances.

Effective Date and Transition

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

Future Accounting Standard Changes (Continued)

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

⁽¹⁾ *Note.* From GASB Pronouncements Summaries. Copyright 2020 by the Financial Accounting Foundation, 401 Merritt 7, Norwalk, CT 06856, USA, and is reproduced with permission.

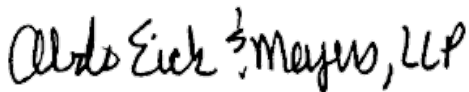
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Restriction on Use

This purpose of this communication is solely for the information and use of the City Council and management of the City and is not intended to be, and should not be used by anyone other than those specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
April 14, 2021

Annual Financial Report

City of Isanti

Isanti, Minnesota

For the Year Ended
December 31, 2020

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City of Isanti, Minnesota
Annual Financial Report
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INTRODUCTORY SECTION

CITY OF ISANTI
ISANTI, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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City of Isanti, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2020

ELECTED

<u>Name</u>	<u>Title</u>	<u>Term Expires December 31,</u>
Jeff Johnson	Mayor	2022
Jimmy Gordon	Council Member	2024
Steve Lundeen	Council Member	2024
Paul Bergley	Council Member	2022
Dan Collison	Council Member	2022

APPOINTED

Josi Wood	Administrator
Mike Betker	Finance Director

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FINANCIAL SECTION

CITY OF ISANTI
ISANTI, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Isanti, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Isanti, Minnesota (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 17 and the Schedules of Employer's Share of the Net Pension Liability and the Schedules of Employer's Contributions, the related note disclosures, and the Schedule of Changes in the City's OPEB Liability and Related Ratios starting on page 82 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

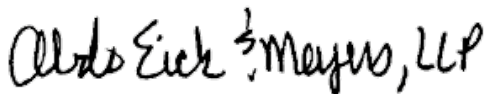
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2021 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
April 14, 2021

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Management's Discussion and Analysis

As management of the City of Isanti, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020.

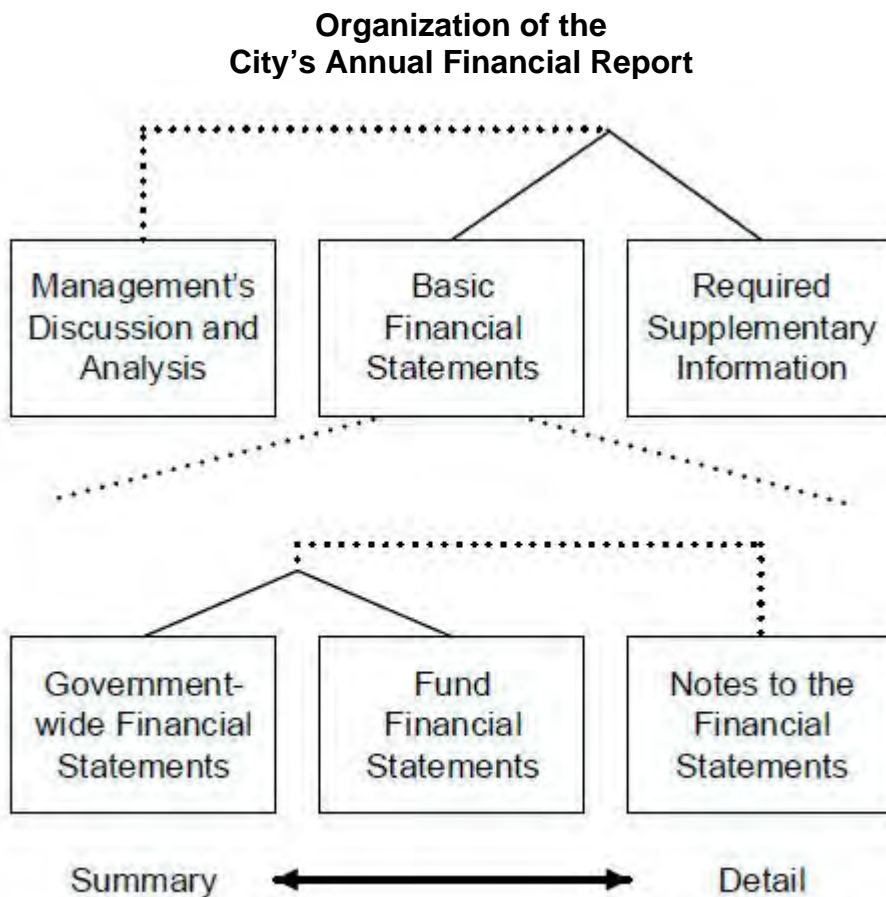
Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$49,994,492. Of this amount, \$9,492,051 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$4,716,658. This was largely a result of operating income within business-type activities of \$1,241,406 as well as capital contributions of \$740,863 from connection fees.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,064,200, a decrease of \$482,176, in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$1,509,947, or 37.5 percent of 2020 expenditures and transfers out.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

The following chart shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.



The following chart summarizes the major features of the City's financial statements, including the portion of the City's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system	Instances in which the City administers resources on behalf of someone else, such as developers
Required financial statements	<ul style="list-style-type: none"> Statement of Net Position Statement of Activities 	<ul style="list-style-type: none"> Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances 	<ul style="list-style-type: none"> Statements of Net Position Statements of Revenues, Expenses and Changes in Fund Net Position Statements of Cash Flows 	<ul style="list-style-type: none"> Statement of fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; fund do not currently contain capital assets, although they can
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid	
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and deferred inflows of resources and liabilities and deferred outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, economic development and interest on long-term debt. The business-type activities of the City include water, sewer, storm water and a liquor store.

The government-wide financial statements start on page 31 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and the fiduciary fund.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 35 individual governmental funds, 7 of which are Debt Service funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund and Debt Service fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 36 of this report.

Proprietary Funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, liquor store, and storm water.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements start on page 44 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 51 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found starting on page 82 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund financial statements and schedules start on page 90 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$49,994,492 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position (78.0 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Isanti's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Assets						
Current and other assets	\$ 6,346,526	\$ 6,631,435	\$ (284,909)	\$ 8,973,023	\$ 8,017,400	\$ 955,623
Capital assets, net of depreciation	18,710,299	17,044,869	1,665,430	29,365,779	28,390,257	975,522
Total Assets	<u>25,056,825</u>	<u>23,676,304</u>	<u>1,380,521</u>	<u>38,338,802</u>	<u>36,407,657</u>	<u>1,931,145</u>
Deferred Outflows of Resources						
Deferred pension resource	<u>733,127</u>	<u>1,067,006</u>	<u>(333,879)</u>	<u>65,181</u>	<u>46,583</u>	<u>18,598</u>
Liabilities						
Noncurrent liabilities outstanding	2,728,826	3,398,898	(670,072)	6,588,906	7,354,545	(765,639)
Other liabilities	<u>2,388,135</u>	<u>2,002,310</u>	<u>385,825</u>	<u>734,524</u>	<u>749,618</u>	<u>(15,094)</u>
Total Liabilities	<u>5,116,961</u>	<u>5,401,208</u>	<u>(284,247)</u>	<u>7,323,430</u>	<u>8,104,163</u>	<u>(780,733)</u>
Deferred Inflows of Resources						
Resources received in advance	610,064	760,223	(150,159)	-	-	-
Deferred pension resource	872,205	1,545,974	(673,769)	46,136	108,148	(62,012)
Deferred pension resource	<u>151,074</u>	<u>-</u>	<u>151,074</u>	<u>79,573</u>	<u>-</u>	<u>79,573</u>
Total Deferred Inflows of Resources	<u>1,633,343</u>	<u>2,306,197</u>	<u>(672,854)</u>	<u>125,709</u>	<u>108,148</u>	<u>17,561</u>
Net Position						
Net investment in capital assets	16,143,144	13,819,212	2,323,932	22,850,232	21,105,692	1,744,540
Restricted	1,509,065	1,809,514	(300,449)	-	-	-
Unrestricted	<u>1,387,439</u>	<u>1,407,179</u>	<u>(19,740)</u>	<u>8,104,612</u>	<u>7,136,237</u>	<u>968,375</u>
Total Net Position	<u>\$ 19,039,648</u>	<u>\$ 17,035,905</u>	<u>\$ 2,003,743</u>	<u>\$ 30,954,844</u>	<u>\$ 28,241,929</u>	<u>\$ 2,712,915</u>

An additional portion of the City's net position (3.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$9,492,051, may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

Governmental Activities. The City's net position increased \$4,716,658 during the current fiscal year. Governmental activities increased the City's net position by \$2,003,743. Significant changes from the prior year are noted below:

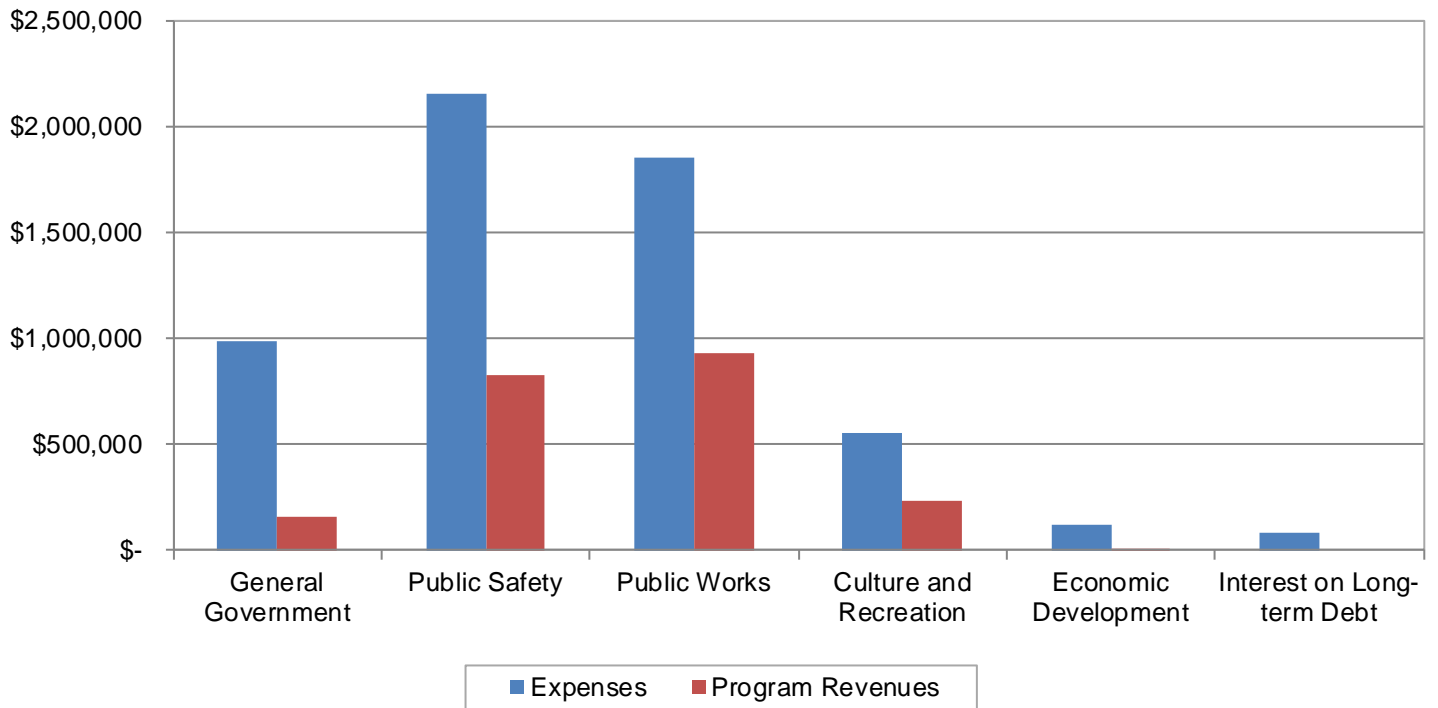
City of Isanti's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 640,779	\$ 667,789	\$ (27,010)	\$ 7,047,371	\$ 5,916,616	\$ 1,130,755
Operating grants and contributions	577,744	223,124	354,620	26,365	11,186	15,179
Capital grants and contributions	950,215	336,031	614,184	1,888,363	660,344	1,228,019
General Revenues						
Taxes						
Property taxes	2,723,977	2,340,623	383,354	-	-	-
Tax increment	17,674	28,074	(10,400)	-	-	-
Other taxes	344,928	333,619	11,309	-	-	-
Grants and contributions not restricted to specific programs	2,025,008	646,879	1,378,129	-	-	-
Unrestricted investment earnings	88,317	178,668	(90,351)	115,719	194,170	(78,451)
Gain on sale of capital assets	1,325	7,262	(5,937)	-	-	-
Total Revenues	<u>7,369,967</u>	<u>4,762,069</u>	<u>2,607,898</u>	<u>9,077,818</u>	<u>6,782,316</u>	<u>2,295,502</u>
Expenses						
General government	984,622	903,000	81,622	-	-	-
Public safety	2,158,670	2,083,053	75,617	-	-	-
Public works	1,853,237	1,854,836	(1,599)	-	-	-
Culture and recreation	553,572	586,995	(33,423)	-	-	-
Economic development	125,834	81,569	44,265	-	-	-
Interest on long-term debt	81,096	94,899	(13,803)	-	-	-
Water	-	-	-	998,762	935,191	63,571
Sewer	-	-	-	1,362,337	1,306,422	55,915
Storm Water	-	-	-	154,340	169,345	(15,005)
Liquor store	-	-	-	3,458,657	2,824,634	634,023
Total Expenses	<u>5,757,031</u>	<u>5,604,352</u>	<u>152,679</u>	<u>5,974,096</u>	<u>5,235,592</u>	<u>738,504</u>
Changes in Net Position Before Transfers and Special Items	1,612,936	(842,283)	2,455,219	3,103,722	1,546,724	1,556,998
Transfers - Capital Assets	-	-	-	-	-	-
Transfers - Internal Activities	<u>390,807</u>	<u>393,523</u>	<u>(2,716)</u>	<u>(390,807)</u>	<u>(393,523)</u>	<u>2,716</u>
Change in Net Position	2,003,743	(448,760)	2,452,503	2,712,915	1,153,201	1,559,714
Net Position, January 1	<u>17,035,905</u>	<u>17,484,665</u>	<u>(448,760)</u>	<u>28,241,929</u>	<u>27,088,728</u>	<u>1,153,201</u>
Net Position, December 31	<u>\$ 19,039,648</u>	<u>\$ 17,035,905</u>	<u>\$ 2,003,743</u>	<u>\$ 30,954,844</u>	<u>\$ 28,241,929</u>	<u>\$ 2,712,915</u>

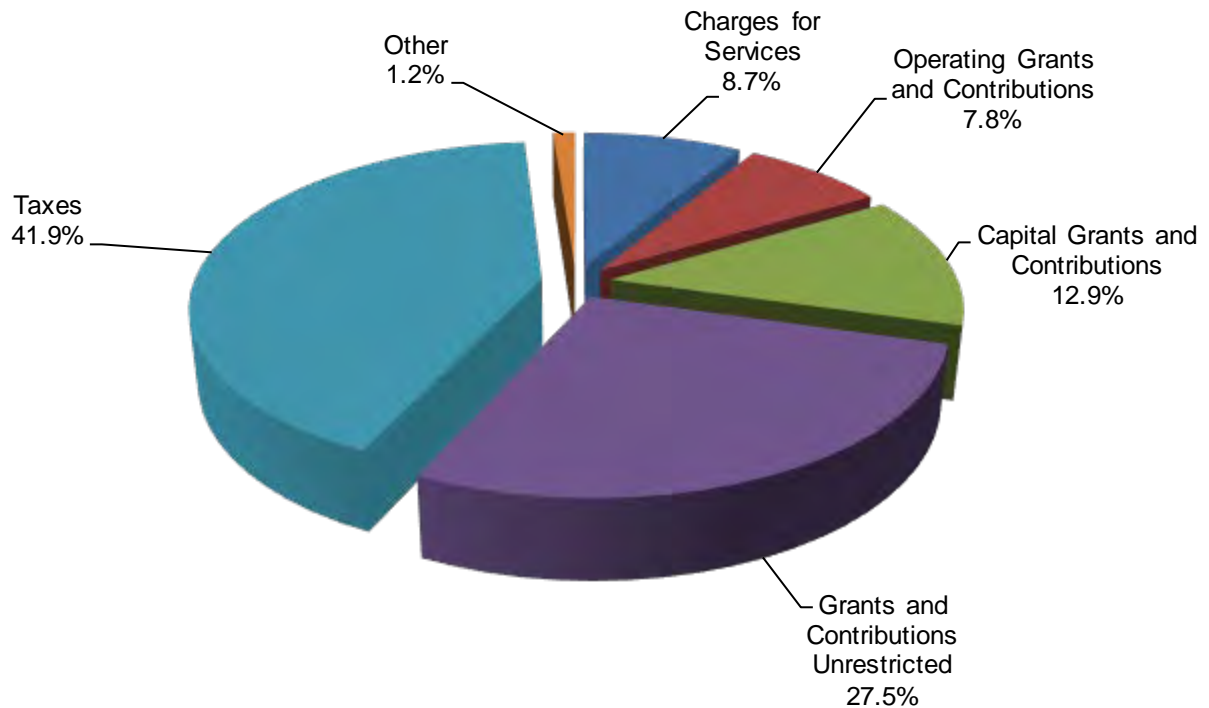
- Property taxes increased \$383,354 from the prior year in line with the City's budget and capital improvement plan.
- Capital grants and contributions increased \$614,184 due to grants received for street construction projects during the year.
- Economic development expenses increased \$382,502 during the year due to additional expenditures related to the pandemic.

The following graph depicts various governmental activities and shows the revenues and expenses directly related to those activities.

Expenses and Program Revenues - Governmental Activities

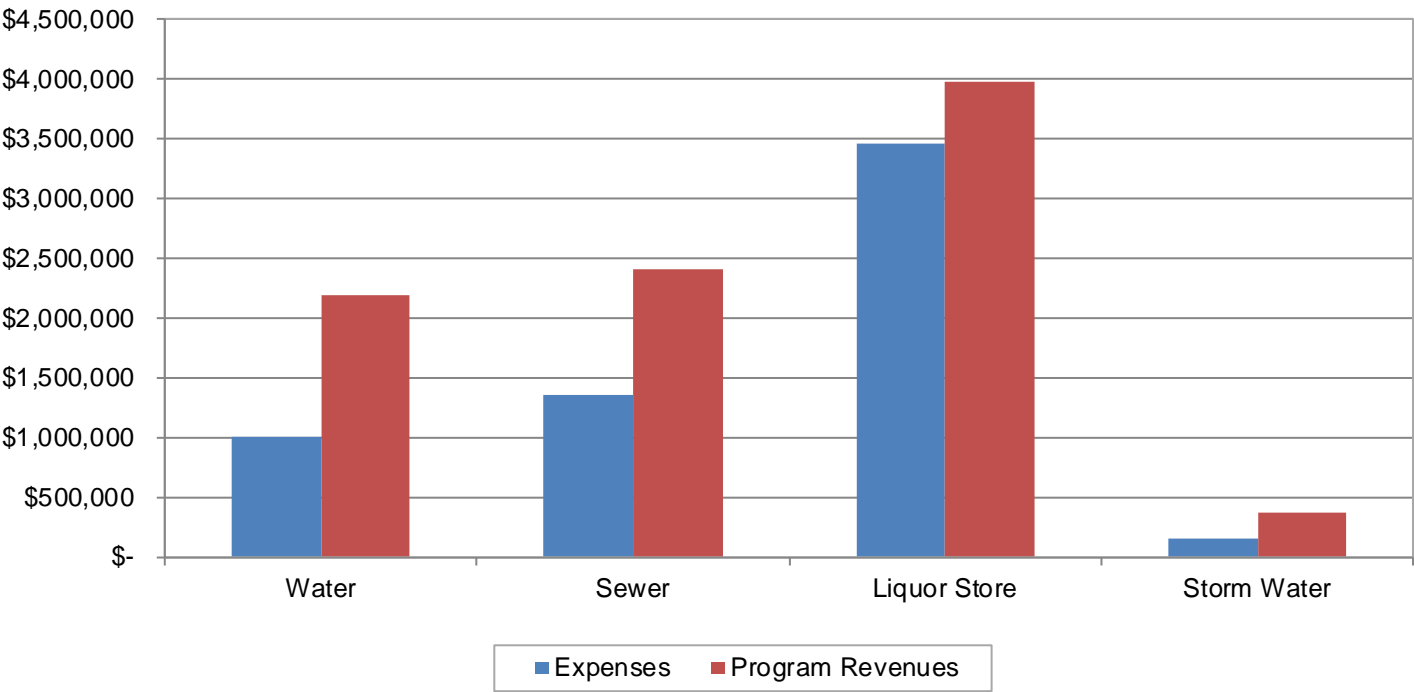


Revenues by Sources - Governmental Activities

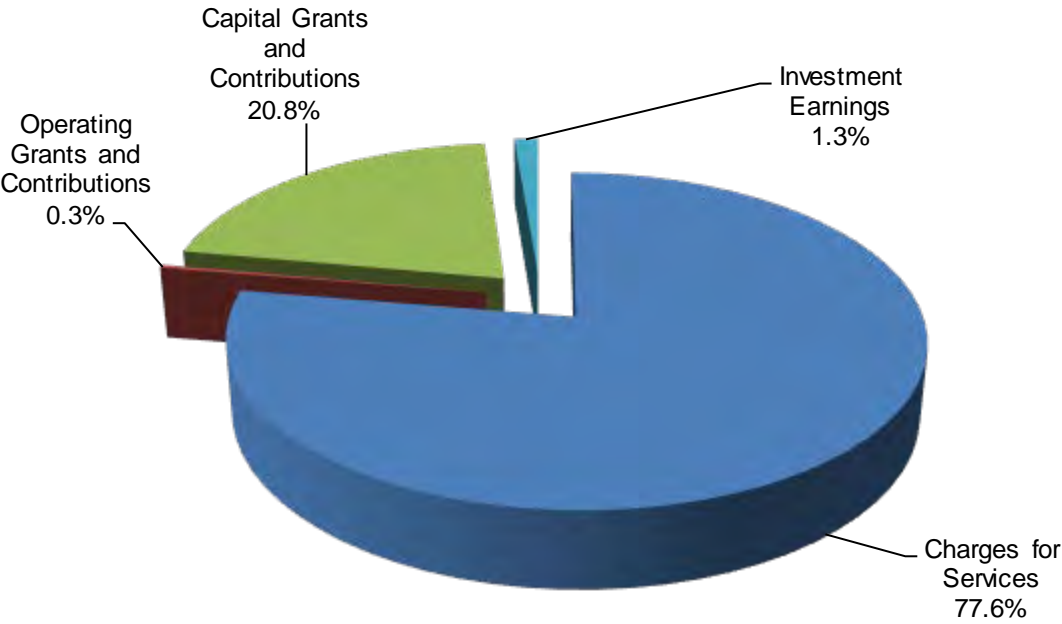


Business-type Activities. Business-type activities increased the City’s net position by \$2,712,915. The main reason for the increase was charges for services increased \$1,130,755 from the prior year. Additional information noted below:

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,064,200, a decrease of \$482,176 in comparison with the prior year. Of this total amount, 16.8 percent, or \$683,527, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance of \$3,380,673 is not available for new spending because it is either 1) nonspendable (\$16,057), 2) restricted (\$1,165,131), 3) Assigned (\$1,470,920) or 4) committed (\$728,565). For further classification, refer to Note 3F on page 70 of this report.

The General fund is the chief operating fund of the City. As a measure of the General fund's liquidity, it may be useful to compare fund balance to total fund expenditures and transfers out. Fund balance represents 37.6 percent of budgeted 2019 expenditures and transfers out. Of the fund balance, \$1,509,947 is unassigned and will be used for cash flow for general operations and will be used to support operations until funds are received in June from the first tax settlement.

The Debt Service fund balance decreased \$288,658 during the year mainly due to regularly scheduled principal and interest payments exceeding sources during the year.

The Street Construction fund had a decrease in fund balance of \$512,162. The decrease is mainly due to expenditures exceeding revenues during the year. MSA funding will be recognized in future years when available.

The Highway 64 and Cajima fund decreased \$354,345 during the year. The project expenses exceeded project revenues during the year. The project fund is expected to close in the future year.

The Capital Replacement fund has an increase in fund balance of \$4,652 with an ending balance of \$802,358.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the enterprise funds at the end of the year amounted to \$8,104,612. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's original General fund budget was amended during the year, increasing expenditures \$49,725 with a budget to decrease fund balance by \$49,725. Revenues were \$345,552 over budget. This is primarily due intergovernmental revenue being more than budgeted by \$390,822. Expenditures were over budget by \$287,327. The largest variance in the General fund expenditures is due to economic development which was \$462 over budget.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2020, amounts to \$48,076,078 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities, roads and highways.

Major capital asset events during the current fiscal year included the following:

- 2018 Street Improvements that were finished and capitalized in 2019.
- 2019 Stormwater Improvements
- SCADA System Upgrades
- Water Chlorination System
- A/V Equipment (Council Chambers)
- Squad Vehicles and Police Equipment.

City of Isanti's Capital Asset (Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Land	\$ 2,414,179	\$ 2,424,266	\$ (10,087)	\$ 94,237	\$ 94,237	\$ -
Construction in Progress	698,990	115,870	583,120	701,538	160,599	540,939
Land Improvements	-	-	-	77,517	67,408	10,109
Buildings	3,365,761	3,507,705	(141,944)	3,301,846	3,401,123	(99,277)
Infrastructure	11,397,501	10,319,975	1,077,526	24,609,470	23,997,898	611,572
Machinery and Equipment	581,220	499,087	82,133	526,356	605,634	(79,278)
Vehicles	252,648	177,966	74,682	54,815	63,358	(8,543)
Total	<u>\$ 18,710,299</u>	<u>\$ 17,044,869</u>	<u>\$ 1,665,430</u>	<u>\$ 29,365,779</u>	<u>\$ 28,390,257</u>	<u>\$ 975,522</u>

Additional information on the City's capital assets can be found in Note 3D starting on page 64 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$8,997,056. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City. Total outstanding debt decreased \$1,427,520 during the year due to regularly schedule debt service payments.

City of Isanti's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
G.O. Bonds	\$ 1,985,000	\$ 2,190,000	\$ (205,000)	\$ -	\$ -	\$ -
G.O. Improvement Bonds	550,000	1,000,000	(450,000)	300,000	335,000	(35,000)
G.O. Revenue Bonds	-	-	-	6,162,056	6,890,056	(728,000)
Bond Premium	32,155	35,657	(3,502)	53,491	59,509	(6,018)
Total	<u>\$ 2,567,155</u>	<u>\$ 3,225,657</u>	<u>\$ (658,502)</u>	<u>\$ 6,515,547</u>	<u>\$ 7,284,565</u>	<u>\$ (769,018)</u>

Minnesota statutes limit the amount of net general obligation debt a City may issue to three percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and, therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues, or tax increments. As of December 31, 2020, the City is under the legal debt margin.

Additional information on the City's long-term debt can be found in Note 3E starting on page 66 of this report.

Economic Factors and Next Year's Budgets and Rates

- Property tax valuations within the City increased in 2020 by 14.90% and have continued to increase for 2021 by 12.03%.
- The 2021 budget includes a property tax levy of \$2,987,163 which is 9.78% higher than the 2020 levy but lowered the tax rate by 1.28%.
- The 2021 budget includes an amount for Local Government Aid in the amount of \$780,176.
- Franchise fees were implemented in 2016 to offset capital improvements, specifically pavement management costs.
- Isanti County has an average unemployment rate for 2020 of 6.4%. This compares with unemployment rates of 6.2% for the State of Minnesota and 8.1% for the United States.

All of these factors were considered in preparing the City's budget for the 2021 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Isanti, 110 1st Avenue Northwest, PO Box 428, Isanti, Minnesota 55040.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF ISANTI
ISANTI, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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City of Isanti, Minnesota

Statement of Net Position

December 31, 2020

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 5,945,112	\$ 7,248,770	\$ 13,193,882
Receivables			
Accrued interest	4,159	5,267	9,426
Taxes	43,844	-	43,844
Accounts	101,485	380,588	482,073
Loans	168,045	-	168,045
Special assessments	956,806	73,201	1,030,007
Internal balances	(915,064)	915,064	-
Due from other governments	2,182	-	2,182
Inventories	-	346,989	346,989
Prepaid items	16,057	3,144	19,201
Land held for resale	23,900	-	23,900
Capital assets			
Land and construction in progress	3,113,169	795,767	3,908,936
Depreciable assets (net of accumulated depreciation)	15,597,130	28,570,012	44,167,142
Total Assets	<u>25,056,825</u>	<u>38,338,802</u>	<u>63,395,627</u>
Deferred Outflows of Resources			
Deferred pension resources	<u>733,127</u>	<u>65,181</u>	<u>798,308</u>
Liabilities			
Accounts payable	155,201	90,248	245,449
Deposits payable	490,162	-	490,162
Due to other governments	6,759	43,691	50,450
Accrued salaries payable	40,050	25,206	65,256
Accrued interest payable	7,020	36,229	43,249
Noncurrent liabilities			
Due within one year			
Long-term debt	755,449	826,773	1,582,222
Due in more than one year			
Long-term debt	1,973,377	5,762,133	7,735,510
Net pension liability	1,643,364	515,143	2,158,507
Other postemployment benefits liability	45,579	24,007	69,586
Total Liabilities	<u>5,116,961</u>	<u>7,323,430</u>	<u>12,440,391</u>
Deferred Inflows of Resources			
Resources received in advance	610,064	-	610,064
Deferred pension resources	872,205	46,136	918,341
Deferred OPEB resources	151,074	79,573	230,647
Total Deferred Inflows of Resources	<u>1,633,343</u>	<u>125,709</u>	<u>1,759,052</u>
Net Position			
Net investment in capital assets	16,143,144	22,850,232	38,993,376
Restricted for			
Debt service	1,281,637	-	1,281,637
Public safety	7,115	-	7,115
Community center improvements	10,000	-	10,000
Economic development	210,313	-	210,313
Unrestricted	<u>1,387,439</u>	<u>8,104,612</u>	<u>9,492,051</u>
Total Net Position	<u>\$ 19,039,648</u>	<u>\$ 30,954,844</u>	<u>\$ 49,994,492</u>

The notes to the financial statements are an integral part of this statement.

City of Isanti, Minnesota
Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 984,622	\$ 42,018	\$ 114,035	\$ -
Public safety	2,158,670	479,900	350,021	-
Public works	1,853,237	27,993	95,946	810,715
Culture and recreation	553,572	84,903	10,692	139,500
Economic development	125,834	5,965	7,050	-
Interest on long-term debt	81,096	-	-	-
Total Governmental Activities	<u>5,757,031</u>	<u>640,779</u>	<u>577,744</u>	<u>950,215</u>
Business-type Activities				
Water	998,762	1,218,232	9,457	968,123
Sewer	1,362,337	1,485,563	11,932	920,240
Liquor store	3,458,657	3,975,510	3,574	-
Stormwater	154,340	368,066	1,402	-
Total Business-type Activities	<u>5,974,096</u>	<u>7,047,371</u>	<u>26,365</u>	<u>1,888,363</u>
Total	<u>\$ 11,731,127</u>	<u>\$ 7,688,150</u>	<u>\$ 604,109</u>	<u>\$ 2,838,578</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Tax increments

Franchise taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Gain on sale of capital assets

Transfers - Internal Activities

Total General Revenues and Transfers

Change in Net Position

Net Position, January 1

Net Position, December 31

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues
and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (828,569)	\$ -	\$ (828,569)
(1,328,749)	-	(1,328,749)
(918,583)	-	(918,583)
(318,477)	-	(318,477)
(112,819)	-	(112,819)
(81,096)	-	(81,096)
<u>(3,588,293)</u>	<u>-</u>	<u>(3,588,293)</u>
-	1,197,050	1,197,050
-	1,055,398	1,055,398
-	520,427	520,427
-	215,128	215,128
<u>-</u>	<u>2,988,003</u>	<u>2,988,003</u>
<u>(3,588,293)</u>	<u>2,988,003</u>	<u>(600,290)</u>
2,354,665	-	2,354,665
369,312	-	369,312
17,674	-	17,674
344,928	-	344,928
2,025,008	-	2,025,008
88,317	115,719	204,036
1,325	-	1,325
390,807	(390,807)	-
<u>5,592,036</u>	<u>(275,088)</u>	<u>5,316,948</u>
2,003,743	2,712,915	4,716,658
<u>17,035,905</u>	<u>28,241,929</u>	<u>45,277,834</u>
<u>\$ 19,039,648</u>	<u>\$ 30,954,844</u>	<u>\$ 49,994,492</u>

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

CITY OF ISANTI
ISANTI, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

City of Isanti, Minnesota

Balance Sheet
Governmental Funds
December 31, 2020

	101	900's	425	444
	General	Debt Service	Street Construction	Highway 64 and Cajima
Assets				
Cash and temporary investments	\$ 2,984,155	\$ 938,160	\$ 61,367	\$ 4,557
Receivables				
Accrued interest	1,828	657	45	3
Taxes	42,031	-	-	-
Accounts	12,304	-	-	-
Loans	-	-	-	-
Special assessments	186	351,368	74,279	-
Due from other governments	2,182	-	-	-
Advances to other funds	25,060	-	-	-
Prepaid items	9,190	-	-	-
Land held for resale	5,000	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 3,081,936</u>	<u>\$ 1,290,185</u>	<u>\$ 135,691</u>	<u>\$ 4,560</u>
Liabilities				
Accounts payable	\$ 88,161	\$ 1,528	\$ 31,528	\$ 52
Deposits payable	490,162	-	-	-
Due to other governments	6,759	-	-	-
Accrued salaries payable	38,770	-	-	-
Due to other funds	113,943	-	-	-
Advances from other funds	801,121	-	-	-
Total Liabilities	<u>1,538,916</u>	<u>1,528</u>	<u>31,528</u>	<u>52</u>
Deferred Inflows of Resources				
Unavailable revenue - delinquent taxes	23,720	-	-	-
Unavailable revenue - special assessments	163	350,954	74,279	-
Unavailable revenue - intergovernmental	-	-	557,374	-
Total Deferred Inflows of Resources	<u>23,883</u>	<u>350,954</u>	<u>631,653</u>	<u>-</u>
Fund Balances				
Nonspendable	9,190	-	-	-
Restricted	-	937,703	-	-
Committed	-	-	-	-
Assigned	-	-	-	4,508
Unassigned	1,509,947	-	(527,490)	-
Total Fund Balances	<u>1,519,137</u>	<u>937,703</u>	<u>(527,490)</u>	<u>4,508</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,081,936</u>	<u>\$ 1,290,185</u>	<u>\$ 135,691</u>	<u>\$ 4,560</u>

The notes to the financial statements are an integral part of this statement.

920 Capital Replacement	Other Governmental Funds	Total Governmental Funds
\$ 801,072	\$ 1,155,801	\$ 5,945,112
592	1,034	4,159
-	1,813	43,844
685	88,496	101,485
-	168,045	168,045
530,973	-	956,806
-	-	2,182
-	-	25,060
-	6,867	16,057
-	18,900	23,900
<u>\$ 1,333,322</u>	<u>\$ 1,440,956</u>	<u>\$ 7,286,650</u>
\$ (10)	\$ 33,942	\$ 155,201
-	-	490,162
-	-	6,759
-	1,280	40,050
-	-	113,943
-	25,060	826,181
<u>(10)</u>	<u>60,282</u>	<u>1,632,296</u>
-	-	23,720
530,974	-	956,370
-	52,690	610,064
<u>530,974</u>	<u>52,690</u>	<u>1,590,154</u>
-	6,867	16,057
10,000	217,428	1,165,131
-	728,565	728,565
792,358	674,054	1,470,920
-	(298,930)	683,527
<u>802,358</u>	<u>1,327,984</u>	<u>4,064,200</u>
<u>\$ 1,333,322</u>	<u>\$ 1,440,956</u>	<u>\$ 7,286,650</u>

The notes to the financial statements are an integral part of this statement.

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City of Isanti, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2020

Amounts reported for the governmental activities in the statement of net position are different because

Total Fund Balances - Governmental Funds	\$ 4,064,200
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	37,682,740
Less: accumulated depreciation	(18,972,441)
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Noncurrent liabilities at year-end consist of	
Bond principal payable	(2,535,000)
Plus bond premium	(32,155)
Compensated absences payable	(161,671)
Other postemployment benefits payable	(45,579)
Net pension liability	(1,643,364)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.	
Taxes receivable	23,720
Special assessments receivable	956,370
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	733,127
Deferred inflows of pension resources	(1,023,279)
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(7,020)</u>
Total Net Position - Governmental Activities	<u><u>\$ 19,039,648</u></u>

The notes to the financial statements are an integral part of this statement.

City of Isanti, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	101	900's	425	444
	General	Debt Service	Street Construction	Highway 64 and Cajima
Revenues				
Taxes	\$ 1,859,747	\$ 369,312	\$ 163,000	\$ -
Franchise taxes	-	-	-	-
Licenses and permits	445,053	-	-	-
Intergovernmental	1,288,115	-	-	486,000
Charges for services	133,060	-	-	-
Fines and forfeitures	33,500	-	-	-
Special assessments	-	27,881	-	-
Investment earnings	40,076	14,811	91	(1,394)
Miscellaneous	27,601	-	-	-
Total Revenues	<u>3,827,152</u>	<u>412,004</u>	<u>163,091</u>	<u>484,606</u>
Expenditures				
Current				
General government	833,621	-	-	-
Public safety	2,111,144	-	-	-
Public works	479,468	-	-	-
Culture and recreation	333,834	-	-	-
Economic development	24,528	-	-	-
Capital outlay				
General government	69,575	-	-	-
Public safety	160,435	-	-	-
Public works	10,160	-	675,253	838,951
Culture and recreation	4,500	-	-	-
Economic development	-	-	-	-
Debt service				
Principal	-	655,000	-	-
Interest and other	-	86,469	-	-
Total Expenditures	<u>4,027,265</u>	<u>741,469</u>	<u>675,253</u>	<u>838,951</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(200,113)</u>	<u>(329,465)</u>	<u>(512,162)</u>	<u>(354,345)</u>
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	-
Transfers in	455,976	40,807	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>455,976</u>	<u>40,807</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	255,863	(288,658)	(512,162)	(354,345)
Fund Balances, January 1	<u>1,263,274</u>	<u>1,226,361</u>	<u>(15,328)</u>	<u>358,853</u>
Fund Balances, December 31	<u>\$ 1,519,137</u>	<u>\$ 937,703</u>	<u>\$ (527,490)</u>	<u>\$ 4,508</u>

The notes to the financial statements are an integral part of this statement.

920 Capital Replacement	Other Governmental Funds	Total Governmental Funds
\$ 256,000	\$ 97,476	\$ 2,745,535
-	344,928	344,928
-	-	445,053
-	221,561	1,995,676
-	172,655	305,715
-	-	33,500
12,579	-	40,460
12,010	22,723	88,317
4,522	23,097	55,220
<u>285,111</u>	<u>882,440</u>	<u>6,054,404</u>
-	-	833,621
-	2,890	2,114,034
-	-	479,468
-	24,457	358,291
-	102,570	127,098
31,325	23,122	124,022
84,593	-	245,028
56,902	292,477	1,873,743
26,938	-	31,438
-	500	500
-	-	655,000
-	-	86,469
<u>199,758</u>	<u>446,016</u>	<u>6,928,712</u>
<u>85,353</u>	<u>436,424</u>	<u>(874,308)</u>
1,325	-	1,325
-	-	496,783
<u>(82,026)</u>	<u>(23,950)</u>	<u>(105,976)</u>
<u>(80,701)</u>	<u>(23,950)</u>	<u>392,132</u>
4,652	412,474	(482,176)
<u>797,706</u>	<u>915,510</u>	<u>4,546,376</u>
<u>\$ 802,358</u>	<u>\$ 1,327,984</u>	<u>\$ 4,064,200</u>

The notes to the financial statements are an integral part of this statement.

City of Isanti, Minnesota
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2020

Amounts reported for governmental activities in the statement of activities are different because

Total Net Change in Fund Balances - Governmental Funds	\$ (482,176)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital outlays	1,823,795
Depreciation expense	(1,408,628)
Governmental funds report a gain (loss) on sale of capital assets to the extent of cash exchanged, whereas the disposition of the assets book value is included in the total gain (loss) in the statement of activities.	
Gain on trade in	(10,087)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Contributed capital assets	1,260,350
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Principal repayments	655,000
Amortization of bond premium	3,502
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	1,871
Long-term pension activity is not reported in governmental funds.	
Pension expense	93,172
Other post employment benefit expense	1,486
Pension other revenue	14,202
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Property taxes	(3,884)
Special assessments	43,570
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	11,570
Change in Net Position - Governmental Activities	<u><u>\$ 2,003,743</u></u>

The notes to the financial statements are an integral part of this statement.

City of Isanti, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 1,881,692	\$ 1,881,692	\$ 1,859,747	\$ (21,945)
Licenses and permits	374,100	374,100	445,053	70,953
Intergovernmental	897,293	897,293	1,288,115	390,822
Charges for services	245,515	245,515	133,060	(112,455)
Fines and forfeitures	50,000	50,000	33,500	(16,500)
Investment earnings	17,000	17,000	40,076	23,076
Miscellaneous	16,000	16,000	27,601	11,601
Total Revenues	<u>3,481,600</u>	<u>3,481,600</u>	<u>3,827,152</u>	<u>345,552</u>
Expenditures				
Current				
General government	858,859	858,859	833,621	25,238
Public safety	1,959,401	1,959,401	2,111,144	(151,743)
Public works	475,650	525,375	479,468	45,907
Culture and recreation	371,237	371,237	333,834	37,403
Economic development	24,066	24,066	24,528	(462)
Capital outlay	-	-	244,670	(244,670)
Debt service				
Interest and other	1,000	1,000	-	1,000
Total Expenditures	<u>3,690,213</u>	<u>3,739,938</u>	<u>4,027,265</u>	<u>(287,327)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(208,613)</u>	<u>(258,338)</u>	<u>(200,113)</u>	<u>58,225</u>
Other Financing Sources (Uses)				
Transfers in	369,150	451,176	455,976	4,800
Transfers out	<u>(160,537)</u>	<u>(242,563)</u>	<u>-</u>	<u>242,563</u>
Total Other Financing Sources (Uses)	<u>208,613</u>	<u>208,613</u>	<u>455,976</u>	<u>247,363</u>
Net Change in Fund Balances	-	(49,725)	255,863	305,588
Fund Balances, January 1	<u>1,263,274</u>	<u>1,263,274</u>	<u>1,263,274</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 1,263,274</u>	<u>\$ 1,213,549</u>	<u>\$ 1,519,137</u>	<u>\$ 305,588</u>

The notes to the financial statements are an integral part of this statement.

City of Isanti, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2020

Business-type Activities - Enterprise Funds				
	601	439, 602	609	Nonmajor 603
	Water	Sewer	Liquor Store	Storm Water
				Total
Assets				
Current Assets				
Cash and temporary investments	\$ 2,665,588	\$ 3,747,386	\$ 289,607	\$ 546,189
Receivables				
Accrued interest	1,936	2,721	209	401
Accounts	141,807	201,467	-	37,314
Special assessments	14,346	52,500	-	6,355
Due from other funds	29,919	58,259	25,765	-
Inventories	-	-	346,989	-
Prepaid items	676	1,215	1,188	65
Total Current Assets	<u>2,854,272</u>	<u>4,063,548</u>	<u>663,758</u>	<u>590,324</u>
Noncurrent Assets				
Advances to other funds	198,310	396,690	206,121	-
Capital assets				
Land	11,078	5,000	57,159	21,000
Construction in progress	8,497	260,017	433,016	-
Buildings	37,156	3,349,403	337,305	-
Improvements other than buildings	-	-	268,238	-
Machinery and equipment	650,263	458,469	41,357	301,953
Infrastructure	15,602,992	20,397,197	-	638,486
Less accumulated depreciation	<u>(5,030,967)</u>	<u>(7,750,418)</u>	<u>(482,830)</u>	<u>(248,592)</u>
Total Capital Assets	<u>11,279,019</u>	<u>16,719,668</u>	<u>654,245</u>	<u>712,847</u>
(Net of Accumulated Depreciation)				
Total Noncurrent Assets	<u>11,477,329</u>	<u>17,116,358</u>	<u>860,366</u>	<u>712,847</u>
Total Assets	<u>14,331,601</u>	<u>21,179,906</u>	<u>1,524,124</u>	<u>1,303,171</u>
Deferred Outflows of Resources				
Deferred pension resources	<u>14,227</u>	<u>17,870</u>	<u>28,387</u>	<u>4,697</u>

The notes to the financial statements are an integral part of this statement.

City of Isanti, Minnesota
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2020

	Business-type Activities - Enterprise Funds				
	601	439, 602	609	Nonmajor 603	Total
	Water	Sewer	Liquor Store	Storm Water	
Liabilities					
Current Liabilities					
Accounts payable	\$ 9,643	\$ 16,199	59,358	\$ 5,048	\$ 90,248
Due to other governments	7,331	-	36,360	-	43,691
Accrued salaries payable	6,505	7,837	9,879	985	25,206
Accrued interest payable	31,193	5,036	-	-	36,229
Current portion of compensated absences payable	9,665	12,281	15,189	1,638	38,773
Current portion of bonds payable	423,000	365,000	-	-	788,000
Total Current Liabilities	487,337	406,353	120,786	7,671	1,022,147
Noncurrent Liabilities					
Compensated absences payable	8,621	10,955	13,549	1,461	34,586
Other postemployment benefits payable	6,192	7,594	8,672	1,549	24,007
Net pension liability	112,562	141,358	224,052	37,171	515,143
Bonds payable	3,169,056	2,558,491	-	-	5,727,547
Total Noncurrent Liabilities	3,296,431	2,718,398	246,273	40,181	6,301,283
Total Liabilities	3,783,768	3,124,751	367,059	47,852	7,323,430
Deferred Inflows of Resources					
Deferred pension resources	10,261	12,854	19,620	3,401	46,136
Deferred other postemployment benefit resources	20,524	25,171	28,744	5,134	79,573
Total Deferred Inflows of Resources	30,785	38,025	48,364	8,535	125,709
Net Position					
Net investment in capital assets	7,686,963	13,796,177	654,245	712,847	22,850,232
Unrestricted	2,844,312	4,238,823	482,843	538,634	8,104,612
Total Net Position	\$ 10,531,275	\$ 18,035,000	\$ 1,137,088	\$ 1,251,481	\$ 30,954,844

The notes to the financial statements are an integral part of this statement.

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City of Isanti, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				Total
	601 Water	439, 602 Sewer	609 Liquor Store	Nonmajor 603 Storm Water	
Operating Revenues					
Sales	\$ -	\$ -	\$ 3,975,267	\$ -	\$ 3,975,267
Cost of sales	-	-	(2,886,887)	-	(2,886,887)
Gross Profit	-	-	1,088,380	-	1,088,380
Charges for services	1,218,232	1,485,563	-	368,039	3,071,834
Total Operating Revenues	1,218,232	1,485,563	1,088,380	368,039	4,160,214
Operating Expenses					
Personnel services	262,062	311,892	415,396	52,096	1,041,446
Supplies	103,564	57,499	5,775	2,991	169,829
Professional services	27,104	34,670	12,476	18,459	92,709
Communications	3,556	3,120	2,367	704	9,747
Insurance	10,608	21,933	6,357	273	39,171
Utilities	60,968	245,701	14,827	4,648	326,144
Repairs and maintenance	20,830	56,088	6,587	12,264	95,769
Depreciation	402,078	571,025	20,034	62,905	1,056,042
Other services and charges	-	-	87,951	-	87,951
Total Operating Expenses	890,770	1,301,928	571,770	154,340	2,918,808
Operating Income	327,462	183,635	516,610	213,699	1,241,406
Nonoperating Revenues (Expenses)					
Other revenues	1,619	1,897	1,053	118	4,687
Intergovernmental	7,838	10,035	2,764	1,311	21,948
Investment earnings	39,525	60,218	8,812	7,164	115,719
Interest expense and other	(107,992)	(60,409)	-	-	(168,401)
Total Nonoperating Revenues (Expenses)	(59,010)	11,741	12,629	8,593	(26,047)
Income Before Contributions and Transfers	268,452	195,376	529,239	222,292	1,215,359
Capital Contributions	330,623	410,240	-	-	740,863
Capital Contributions - Developer	637,500	510,000	-	-	1,147,500
Transfers Out	(4,534)	(36,273)	(350,000)	-	(390,807)
Change in Net Position	1,232,041	1,079,343	179,239	222,292	2,712,915
Net Position, January 1	9,299,234	16,955,657	957,849	1,029,189	28,241,929
Net Position, December 31	<u>\$ 10,531,275</u>	<u>\$ 18,035,000</u>	<u>\$ 1,137,088</u>	<u>\$ 1,251,481</u>	<u>\$ 30,954,844</u>

The notes to the financial statements are an integral part of this statement.

City of Isanti, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				
	601	439, 602	609	Nonmajor 603	Total
	Water	Sewer	Liquor Store	Storm Water	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 1,195,828	\$ 1,418,821	\$ 4,028,886	\$ 364,016	\$ 7,007,551
Other receipts	1,619	1,897	1,053	118	4,687
Payments to suppliers	(229,144)	(443,006)	(3,043,971)	(38,314)	(3,754,435)
Payments to employees	(252,991)	(302,342)	(408,925)	(59,067)	(1,023,325)
Net Cash Provided by Operating Activities	715,312	675,370	577,043	266,753	2,234,478
Cash Flows from Noncapital Financing Activities					
Receipt on advance to other funds	1,590	58,260	25,765	-	85,615
Intergovernmental	7,838	10,035	2,764	1,311	21,948
Transfers to other funds	(4,534)	(36,273)	(350,000)	-	(390,807)
Net Cash Provided (Used) by Noncapital Financing Activities	4,894	32,022	(321,471)	1,311	(283,244)
Cash Flows from Capital and Related Financing Activities					
Connection fees received	330,623	410,240	-	-	740,863
Acquisition of capital assets	(13,142)	(332,436)	(433,016)	(105,470)	(884,064)
Interest paid on bonds	(111,474)	(67,010)	-	-	(178,484)
Principal paid on bonds	(408,000)	(355,000)	-	-	(763,000)
Net Cash Used by Capital and Related Financing Activities	(201,993)	(344,206)	(433,016)	(105,470)	(1,084,685)
Cash Flows from Investing Activities					
Interest received	41,090	63,008	9,355	7,389	120,842
Net Increase (Decrease) in Cash and Cash Equivalents	559,303	426,194	(168,089)	169,983	987,391
Cash and Cash Equivalents, January 1	2,106,285	3,321,192	457,696	376,206	6,261,379
Cash and Cash Equivalents, December 31	<u>\$ 2,665,588</u>	<u>\$ 3,747,386</u>	<u>\$ 289,607</u>	<u>\$ 546,189</u>	<u>\$ 7,248,770</u>

The notes to the financial statements are an integral part of this statement.

City of Isanti, Minnesota
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				Total
	601 Water	439, 602 Sewer	609 Liquor Store	Nonmajor 603 Storm Water	
Reconciliation of Operating Income to					
Net Cash Provided by Operating Activities					
Operating income	\$ 327,462	\$ 183,635	\$ 516,610	\$ 213,699	\$ 1,241,406
Adjustments to reconcile operating income to					
net cash provided by operating activities					
Depreciation	402,078	571,025	20,034	62,905	1,056,042
Other receipts	1,619	1,897	1,053	118	4,687
(Increase) decrease in assets					
Accounts receivable	(37,916)	(54,694)	-	(1,240)	(93,850)
Special assessments	(12,818)	(12,048)	-	(2,783)	(27,649)
Due from other governments	28,330	-	53,619	-	81,949
Inventories	-	-	(19,740)	-	(19,740)
Prepaid items	(46)	204	(8)	170	320
(Increase) in deferred outflows of resources					
Deferred pension resources	(4,344)	(5,454)	(8,244)	(556)	(18,598)
Increase (decrease) in liabilities					
Accounts payable	(4,427)	(24,199)	(10,530)	855	(38,301)
Due to other governments	1,959	-	9,534	-	11,493
Accrued salaries payable	2,108	2,814	2,297	23	7,242
Compensated absences payable	1,982	1,066	186	145	3,379
Other postemployment benefits payable	(22,944)	(28,720)	(33,795)	(5,747)	(91,206)
Net pension liability	24,429	30,643	44,428	243	99,743
Increase (decrease) in deferred inflows of resources					
Deferred pension resources	(12,684)	(15,970)	(27,145)	(6,213)	(62,012)
Deferred other post employment benefit resources	20,524	25,171	28,744	5,134	79,573
Net Cash Provided					
by Operating Activities	<u>\$ 715,312</u>	<u>\$ 675,370</u>	<u>\$ 577,043</u>	<u>\$ 266,753</u>	<u>\$ 2,234,478</u>
Schedule of Noncash Capital and					
Related Financing Activities					
Capital asset contributions	<u>\$ 637,500</u>	<u>\$ 510,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,147,500</u>
Amortization of bond premium	<u>\$ -</u>	<u>\$ 6,018</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,018</u>

The notes to the financial statements are an integral part of this statement.

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City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Isanti, Minnesota (the City) operates under “Optional Plan A” form of government as defined in the State of Minnesota statutes. The City is governed by an elected Mayor and four-member City Council. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City.

The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization’s governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The blended component units, although legally separate entities are, in substance, part of the City’s operations and so data from these units are combined with data of the City. The City has the following component unit:

Blended Component Unit. The Economic Development Authority (EDA) of the City was created pursuant to Minnesota statutes 469.090 through 469.108 to carry out economic and industrial development and redevelopment consistent with policies established by the City Council. The City has the authority to approve and modify the EDA’s budget, and the City Council has the ability to veto, overrule, or modify the decisions of the EDA Board of Commissioners. The EDA is governed by a total of seven commissioners, two of which are residents and five are City Council members. The EDA activities are blended and reported as a special revenue fund due to substantively the same governing board and due to the City having operation responsibility. Separate financial statements are not issued for this component unit.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The City reports the following major governmental funds:

The *General fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service funds* account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

The *Street Construction fund* is the City's road maintenance fund. It accounts for costs associated with street maintenance and other projects within the City.

The *Highway 64 and Cajima fund* accounts for costs and related resources associated with titled road project.

The *Capital Replacement fund* is the City's capital fund. It accounts for costs associated with capital projects within the City.

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major proprietary funds:

The *Water fund* accounts for the costs associated with the City's water system and ensure that user charges are sufficient to pay for those costs.

The *Sewer fund* accounts for the costs associated with the City's sewer system and ensure that user charges are sufficient to pay for those costs.

The *Liquor Store fund* accounts for the costs associated with the City's liquor operations.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statement of cash flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. It is the City's policy to refrain from investing in banks, savings and loan associations or credit unions whose equity to asset ratio is less than 10 percent. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's recurring fair value measurements are listed in detail on page 61.

The City has the following recurring fair value measurements as of December 31, 2020:

- Negotiable certificates of deposit of \$3,679,580 are valued using a matrix pricing model (Level 1 inputs)

Note 1: Summary of Significant Accounting Policies (Continued)

The City may invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed investment contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Investment Policy

The City's investment policy incorporates Minnesota statutes as described above which reduces the City's exposure to credit, custodial credit and interest rate risks. Specific risk information for the City is as follows:

- *Credit Risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings provided by various credit rating agencies where applicable indicate associated credit risk. The City's investments in Government Agencies are fully backed by the U.S. Government and are rated AAA.
- *Custodial Credit Risk* for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City limits its exposure to custodial credit risk by purchasing insured or registered investments. It is the City's policy to refrain from investing in banks, savings and loan associations or credit unions whose equity to asset ratio is less than 10%.
- *Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy does not address investments in any one institution greater than 5%.
- *Interest Rate Risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. Using the segmented time distribution method, the interest rate risk of these investments ranges from less than 6 months to more than 3 years.

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes

The City Council annually adopts a tax levy in December and certifies it to the County for collection in the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Auditor and tax settlements are made to the City during January, July and December each year.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for taxes not received within 60 days after year end in the governmental fund financial statements.

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2020. The City annually certifies delinquent water and sewer accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All special assessments receivable are offset by a deferred inflow of resources in the governmental fund financial statements.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Inventories and Prepaid Items

Inventories are valued at lower of cost or market, using the first-in, first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Land Held for Resale

Land held for resale is valued at the lower of the cost or the market value of the property.

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year.

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the City values these capital assets at the acquisition value of the item at the date of its donation.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Lives in Years
Buildings and Structures	40
Infrastructure	10 to 50
Furniture and Equipment	3 to 20
Improvements other than Buildings	10 to 20

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the GERP and PEPFP was as follows:

	GERP	PEPFP	Total Pension Expense
Pension Expense	\$ 181,147	\$ 107,944	\$ 289,091

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation, which is paid to the employee upon separation. A portion of unused sick leave may also be paid upon separation from City service. In governmental fund types the cost of these benefits is recognized when payments are made to the employees. The General fund is typically used to liquidate governmental compensated absences payable.

Postemployment Benefits other than Pensions

Under Minnesota statute 471.61, subdivision 2b., public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB 75, at January 1, 2019. The General fund is typically used to liquidate governmental other postemployment benefits payable.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items, *resources received in advance*, *deferred pension resources*, and *deferred OPEB resources*.

- *Unavailable revenue* arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- *Resources received in advance* is reported in both the governmental fund financial statements and within the government-wide financial statements. This item is reported for amounts that have been received before time requirements are met, but after all other eligibility requirements have been met.
- *Deferred pension resources* is reported only in the statements of net position and results from actuarial calculations.
- *Deferred OPEB resources* is reported only in the statements of net position and results from actuarial calculations.

Note 1: Summary of Significant Accounting Policies (Continued)

The City has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net position and results from actuarial calculations.

Furthermore, the City has additional items which qualify for reporting in this category on the statement of net position. The items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statement of net position and results from actuarial calculations involving net differences between projected and actual earnings on plan investments and changes in proportions.

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the City Council itself or by an official to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Finance Committee.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unassigned fund balance of 50 percent of the following year's budgeted expenditures and transfers out.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund and Economic Development Authority. All annual appropriations lapse at year end. The City does not use encumbrance accounting.

In May of each year, all departments of the City submit requests for appropriations to the City Administrator so that a budget may be prepared. Before September 30, the proposed budget is presented to the City Council for review. The City Council holds public hearings and a final budget is prepared and adopted in early December.

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level. The original budget was amended in 2020 increasing expenditures \$49,725 for a total budgeted decrease in fund balance of \$49,725.

B. Excess of Spending Over Appropriations

The following fund reported excess spending over appropriations:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General	\$ 3,739,938	\$ 4,027,265	\$ 287,327

The excess was funded with revenues in excess of budget.

C. Deficit Fund Equity

The following funds had deficit fund equity at December 31, 2020:

Fund	Amount
Major	
Street Construction	\$ 527,490
Nonmajor	
Redbirds Maintenance	149
Isanti Indoor Arena	157,901
City Parking Improvements	74,687
2017 Palomino Road Southeast Improvements	66,193

These deficits will be eliminated with future state aid, franchise taxes and transfers from other funds.

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan Banks. Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the City.

At year end, the City's carrying amount of deposits was \$9,215,638 and the bank balance was \$9,510,050. Of the bank balance, \$500,000 was covered by Federal depository insurance and the remaining balance was collateral held in the City's name.

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

At year end, the City's investment balances were as follows:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled Investments at Amortized Cost						
Broker Money Markets	N/A	Less than 1 year	\$ 295,439	\$ -	\$ -	\$ -
Non-pooled Investments at Fair Value						
Negotiable CDs	N/A	Less than 1 year	1,425,038	1,425,038	-	-
Negotiable CDs	N/A	1 to 5 years	2,254,542	2,254,542	-	-
Total Investments			<u>\$ 3,975,019</u>	<u>\$ 3,679,580</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

A reconciliation of cash and investments as shown on the statement of net position for the City follows:

Carrying Amount of Deposits	\$ 9,215,638
Investments	3,975,019
Cash on Hand	<u>3,225</u>
Total	<u>\$ 13,193,882</u>
Cash and Temporary Investments	
Unrestricted	<u>\$ 13,193,882</u>

B. Loans Receivable

In 2011, the City's Revolving Loan fund loaned \$50,000 to H.M. Chris, LLC for 10 years at 3 percent interest. The monthly payment is \$529. As of December 31, 2020, the loan receivable was \$3,145.

In 2013, the City's Revolving Loan fund loaned \$25,000 to the Isanti Parkway Center for 7 years at 3 percent interest. The monthly payment is \$331. The loan was paid in full in 2020.

In 2015, the City's Revolving Loan fund loaned \$200,000 to Enterprise Avenue Properties LP for 21 years at 2 percent interest. The monthly payment is \$833. As of December 31, 2020, the loan receivable was \$159,167.

In 2016, the City's Revolving Loan fund loaned \$15,000 to RPF, LLC for 7 years at 3 percent interest. The monthly payment is \$199. As of December 31, 2020, the loan receivable was \$5,733.

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

C. Interfund Receivables, Payables and Transfers

Receivable Fund	Payable Fund	Purpose	Amount
Due from/to other Funds			
Business-type	Governmental		
Water	General fund	Finance project costs	\$ 29,919
Sewer	General fund	Finance project costs	58,259
Liquor store	General fund	Finance project costs	25,765
Total Due from/to other Funds			<u>113,943</u>
Advances to/from other Funds			
Governmental	Governmental		
General fund	Nonmajor governmental	Demolition costs	25,060
Business-type	Governmental		
Water	General fund	Finance project costs	198,310
Sewer	General fund	Finance project costs	396,690
Liquor store	General fund	Finance project costs	206,121
Total Advances to/from Other Funds			<u>826,181</u>
Interfund Activity Eliminated from Government-wide Statements			<u>(25,060)</u>
Total Internal Balances Government-wide Statements			<u><u>\$ 915,064</u></u>

In 2011, the Water and Sewer enterprise funds each loaned \$15,897 to the General fund to cover the City portion of the Deer Haven Improvements. General fund property tax levies will be utilized to repay these advances. Repayments are interest free. The outstanding balance at December 31, 2020 is \$3,179.

In 2016, the General fund loaned \$25,060 to the TIF 9 nonmajor governmental fund to cover demolition costs. Future tax increment or land sale proceeds will be utilized to repay these advances. Repayments are interest free. The outstanding balance at December 31, 2020 is \$25,060.

In 2017, the Liquor fund loaned \$107,237 to the General fund to cover land purchase costs. Future land sale proceeds will be utilized to repay these advances. Repayments are interest free. The loan was paid in full in 2020.

In 2018, the Liquor fund loaned \$257,652 to the General fund to cover the 2018 Street and Utility Improvement Project. The loan is expected to be paid back over a ten year period from future levy dollars. Repayments are interest free. The outstanding balance at December 31, 2020 is \$231,886.

In 2018, the Water and Sewer funds loaned \$283,300 and \$566,700, respectively to the General fund for the business subsidy agreement relating to City development. The loan is expected to be paid back over a ten year period from future levy dollars. Repayments are interest free. The outstanding balance at December 31, 2020 is \$680,000.

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

Interfund Transfers

The following interfund transfers were made during 2020:

Fund	Transfer in		
	General	Debt Service	Total
Transfer Out			
Capital Replacement	\$ 82,026	\$ -	\$ 82,026
Nonmajor Governmental	23,950	-	23,950
Water	-	4,534	4,534
Sewer	-	36,273	36,273
Liquor Store	350,000	-	350,000
Total Transfers In	<u>\$ 455,976</u>	<u>\$ 40,807</u>	<u>\$ 496,783</u>

During the year ended December 31, 2020, the City made the following transfers.

- The General fund transferred \$19,150 and \$4,800 from the nonmajor governmental funds to the General fund to for operations and to close special revenue funds, respectively.
- The Capital Replacement fund transferred \$82,026 to the General fund for operational expenses.
- The Water and Sewer funds transferred \$4,435 and \$36,273, respectively for portion of City bond payments.
- The Liquor Store transferred \$350,000 to the General fund in line with the City's adopted budget.

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 2,424,266	\$ -	\$ (10,087)	\$ 2,414,179
Construction in progress	115,870	1,537,941	(954,821)	698,990
Total Capital Assets not being Depreciated	<u>2,540,136</u>	<u>1,537,941</u>	<u>(964,908)</u>	<u>3,113,169</u>
Capital Assets being Depreciated				
Land improvements	440,300	-	-	440,300
Buildings	5,616,339	-	-	5,616,339
Infrastructure	23,939,226	2,215,177	-	26,154,403
Machinery and equipment	1,564,052	169,023	(16,000)	1,717,075
Vehicles	524,629	116,825	-	641,454
Total Capital Assets being Depreciated	<u>32,084,546</u>	<u>2,501,025</u>	<u>(16,000)</u>	<u>34,569,571</u>
Less Accumulated Depreciation for				
Land improvements	(440,300)	-	-	(440,300)
Buildings	(2,108,634)	(141,944)	-	(2,250,578)
Infrastructure	(13,619,251)	(1,137,651)	-	(14,756,902)
Machinery and equipment	(1,064,965)	(86,890)	16,000	(1,135,855)
Vehicles	(346,663)	(42,143)	-	(388,806)
Total Accumulated Depreciation	<u>(17,579,813)</u>	<u>(1,408,628)</u>	<u>16,000</u>	<u>(18,972,441)</u>
Total Capital Assets being Depreciated, Net	<u>14,504,733</u>	<u>1,092,397</u>	<u>-</u>	<u>15,597,130</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,044,869</u>	<u>\$ 2,630,338</u>	<u>\$ (964,908)</u>	<u>\$ 18,710,299</u>

Depreciation expense was charged to functions of the governmental activities as follows:

General Government	\$ 78,662
Public Safety	48,681
Public Works	1,107,740
Culture and Recreation	<u>173,545</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,408,628</u>

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not being Depreciated				
Land	\$ 94,237	\$ -	\$ -	\$ 94,237
Construction in progress	160,599	706,993	(166,054)	701,538
Total Capital Assets not being Depreciated	<u>254,836</u>	<u>706,993</u>	<u>(166,054)</u>	<u>795,775</u>
Capital Assets being Depreciated				
Land improvements	268,238	-	-	268,238
Buildings	3,723,864	-	-	3,723,864
Infrastructure	35,150,964	1,487,711	-	36,638,675
Machinery and equipment	1,341,877	2,914	-	1,344,791
Vehicles	107,243	-	-	107,243
Total Capital Assets being Depreciated	<u>40,592,186</u>	<u>1,490,625</u>	<u>-</u>	<u>42,082,811</u>
Less Accumulated Depreciation for				
Land improvements	(200,830)	10,109	-	(190,721)
Buildings	(322,741)	(99,277)	-	(422,018)
Infrastructure	(11,153,066)	(876,139)	-	(12,029,205)
Machinery and equipment	(736,243)	(82,192)	-	(818,435)
Vehicles	(43,885)	(8,543)	-	(52,428)
Total Accumulated Depreciation	<u>(12,456,765)</u>	<u>(1,056,042)</u>	<u>-</u>	<u>(13,512,807)</u>
Total Capital Assets being Depreciated, Net	<u>28,135,421</u>	<u>434,583</u>	<u>-</u>	<u>28,570,004</u>
Business-type Activities Capital Assets, Net	<u>\$ 28,390,257</u>	<u>\$ 1,141,576</u>	<u>\$ (166,054)</u>	<u>\$ 29,365,779</u>

Depreciation expense was charged to programs of the business-type activities as follows:

Water	\$ 402,078
Sewer	571,025
Stormwater	62,905
Liquor Store	<u>20,034</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 1,056,042</u>

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

E. Long-term Debt

General Obligation (G.O.) Bonds

The City issues G.O. bonds to provide funds for the acquisition and construction of major capital facilities. G.O. bonds have been issued for both general government and business-type activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, bonds have been issued to refund G.O. bonds.

G.O. bonds are direct obligations and pledge the full faith and credit of the government. G.O. bonds currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Tax Abatement Bonds, Series 2014A	\$ 2,560,000	0.50 - 2.50 %	10/01/14	02/01/30	\$ 1,805,000
G.O. Bonds, Series 2014B	1,420,000	0.50 - 2.50	10/01/14	02/01/24	180,000
Total G.O. Bonds					<u>\$ 1,985,000</u>

Annual debt service requirements to maturity for the G.O. bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 210,000	\$ 51,319	\$ 261,319
2022	210,000	47,220	257,220
2023	215,000	42,545	257,545
2024	220,000	37,243	257,243
2025	170,000	32,200	202,200
2026 - 2030	960,000	79,981	1,039,981
Total	<u>\$ 1,985,000</u>	<u>\$ 290,508</u>	<u>\$ 2,275,508</u>

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

G.O. Revenue Bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be repaid from future net revenues pledged from the Water and Sewer funds and are backed by the taxing power of the City. Annual principal and interest payments on the bonds and enterprise G.O. improvement bonds are expected to require over 87 and 51 percent of net revenues from the Water and Sewer funds, respectively. Principal and interest paid for 2020 and total customer net revenues for the Water fund were \$519,474 and \$1,218,232, respectively. Principal and interest paid for 2020 and total customer net revenues for the Sewer fund were \$422,010 and \$1,485,563 respectively.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
MPFA - Water Revenue Bonds, Series 2007A	\$ 965,000	2.63 %	07/10/08	08/20/26	\$ 360,000
MPFA - Water Revenue Bonds, Series 2008	5,064,256	3.04	10/07/08	08/20/28	2,428,056
G.O. Utility Revenue Bonds, Series 2010A	835,000	2.00 - 3.70	07/01/10	12/01/24	255,000
MPFA - Water Revenue Bonds, Series 2011	479,047	1.533	11/23/11	08/20/31	404,000
G.O. Utility Revenue Bonds, Series 2014B	1,030,000	0.50 - 2.50	10/01/14	02/01/25	545,000
MPFA - Sewer Revenue Bonds, Series 2016A	2,525,000	2.00	07/15/16	12/01/29	2,170,000
Total G.O. Revenue Bonds					<u>\$ 6,162,056</u>

Annual debt service requirements to maturity for the G.O. revenue bonds are as follows:

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2021	\$ 753,000	\$ 152,684	\$ 905,684
2022	774,000	133,922	907,922
2023	789,000	114,284	903,284
2024	805,000	93,949	898,949
2025	760,000	72,920	832,920
2026 - 2030	2,242,056	124,587	2,366,643
2031	39,000	598	39,598
Total	<u>\$ 6,162,056</u>	<u>\$ 692,944</u>	<u>\$ 6,855,000</u>

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

G.O. Improvement (Special Assessment) Bonds

The following bonds were issued to finance various improvements and will be repaid from special assessments levied on the properties benefiting from the improvements and/or ad valorem tax levies. All special assessment debt is backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax or assessment payments. The business-type bonds will be repaid from special assessments and future net revenues pledged from the Water and Sewer funds and are backed by the taxing power of the City.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Refunding					
Bonds, Series 2010B	\$ 1,825,000	2.00 - 3.20 %	12/01/10	12/01/21	\$ 375,000
G.O. Improvement					
Bonds, Series 2011A	790,000	0.60 - 2.70	09/29/11	02/01/22	175,000
G.O. Refunding					
Bonds, Series 2013A	2,160,000	0.35 - 2.50	02/01/13	12/01/28	300,000
Total G.O. Improvement Bonds					<u>\$ 850,000</u>

Annual debt service requirements to maturity for the G.O. improvement bonds are as follows:

Year Ending December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 460,000	\$ 15,578	\$ 475,578	\$ 35,000	\$ 6,430	\$ 41,430
2022	90,000	1,215	91,215	35,000	5,870	40,870
2023	-	-	-	40,000	5,310	45,310
2024	-	-	-	35,000	4,470	39,470
2025	-	-	-	35,000	3,735	38,735
2026 - 2028	-	-	-	120,000	6,000	126,000
Total	<u>\$ 550,000</u>	<u>\$ 16,793</u>	<u>\$ 566,793</u>	<u>\$ 300,000</u>	<u>\$ 31,815</u>	<u>\$ 331,815</u>

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable					
General obligation bonds	\$ 2,190,000	\$ -	\$ (205,000)	\$ 1,985,000	\$ 210,000
G.O. improvement bonds	1,000,000	-	(450,000)	550,000	460,000
Unamortized premium on bonds	35,657	-	(3,502)	32,155	-
Total Bonds Payable	<u>3,225,657</u>	<u>-</u>	<u>(658,502)</u>	<u>2,567,155</u>	<u>670,000</u>
Compensated Absences					
Payable	<u>173,241</u>	<u>88,912</u>	<u>(100,482)</u>	<u>161,671</u>	<u>85,449</u>
Governmental Activities					
Long-term Liabilities	<u>\$ 3,398,898</u>	<u>\$ 88,912</u>	<u>\$ (758,984)</u>	<u>\$ 2,728,826</u>	<u>\$ 755,449</u>
Business-type Activities					
Bonds Payable					
G.O. revenue bonds	\$ 6,890,056	\$ -	\$ (728,000)	\$ 6,162,056	\$ 753,000
G.O. improvement bonds	335,000	-	(35,000)	300,000	35,000
Unamortized premium on bonds	59,509	-	(6,018)	53,491	-
Total Bonds Payable	<u>7,284,565</u>	<u>-</u>	<u>(769,018)</u>	<u>6,515,547</u>	<u>788,000</u>
Compensated Absences					
Payable	<u>69,980</u>	<u>41,937</u>	<u>(38,558)</u>	<u>73,359</u>	<u>38,773</u>
Business-type Activities					
Long-term Liabilities	<u>\$ 7,354,545</u>	<u>\$ 41,937</u>	<u>\$ (807,576)</u>	<u>\$ 6,588,906</u>	<u>\$ 826,773</u>

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on All Funds (Continued)

F. Components of Fund Balance

At December 31, 2020, portions of the City's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), City Council action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

	General	Debt Service	Street Construction	Highway 64 and Cajima	Capital Replacement	Other Governmental Funds	Total Governmental Funds
Nonspendable							
Prepaid items	\$ 9,190	\$ -	\$ -	\$ -	\$ -	\$ 6,867	\$ 16,057
Restricted for							
Debt service	\$ -	\$ 937,703	\$ -	\$ -	\$ -	\$ -	\$ 937,703
Public safety	-	-	-	-	-	7,115	7,115
Community center improvements	-	-	-	-	10,000	-	10,000
Economic development	-	-	-	-	-	210,313	210,313
Total Restricted	\$ -	\$ 937,703	\$ -	\$ -	\$ 10,000	\$ 217,428	\$ 1,165,131
Committed to							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,870	\$ 245,870
Economic development	-	-	-	-	-	476,871	476,871
City technology improvements	-	-	-	-	-	5,824	5,824
Total Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 728,565	\$ 728,565
Assigned to							
Capital projects	\$ -	\$ -	\$ -	\$ 4,508	\$ 792,358	\$ 674,054	\$ 1,470,920
Unassigned	\$ 1,509,947	\$ -	\$ (527,490)	\$ -	\$ -	\$ (298,930)	\$ 683,527

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota statutes*, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

All full-time and certain part-time employees of the City are covered by the General Employees Retirement Plan. General Employee Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

B. Benefits Provided

PERA provides retirement, disability and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

General Employee Plan Benefits

General Employee Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90 percent funded for two consecutive years, benefit recipients are given a 2.5 percent increase. If the plan has not exceeded 90 percent funded, or have fallen below 80 percent, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase.

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Police and Fire Plan Benefits

Benefits for the Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014 vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

Minnesota statutes chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2019 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ending December 31, 2020, 2019 and 2018 were \$118,222, \$112,189 and \$108,556, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 11.30 percent of pay to 11.80 percent and employer rates increased from 16.95 percent to 17.70 percent on January 1, 2020. The City's contributions to the Police and Fire Fund for the years ending December 31, 2020, 2019 and 2018 were \$128,590, \$113,940 and \$113,975, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2020, the City reported a liability of \$1,307,010 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$40,174. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0218 percent which was an increase of 0.0014 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the City recognized pension expense of \$177,651 for its proportionate share of General Employees Fund's pension expense. In addition, the City recognized an additional \$3,496 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

At December 31, 2020, the City reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 17,138	\$ 5,630
Changes in Actuarial Assumptions	2,909	50,088
Net Difference Between Projected and Actual Earnings on Plan Investments	19,272	-
Changes in Proportion	68,363	43,560
Contributions Paid to PERA Subsequent to the Measurement Date	59,196	-
	<u>59,196</u>	<u>-</u>
Total	<u>\$ 166,878</u>	<u>\$ 99,278</u>

The \$59,196 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$ (66,338)
2022	(3,275)
2023	46,439
2024	31,578

Police and Fire Fund Pension Costs

At December 31, 2020, the City reported a liability of \$851,497 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0646 percent which was a decrease of 0.0010 percent from its proportionate share measured as of June 30, 2019.

The State of Minnesota also contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in fire state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in fire state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

As a result, the State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the City recognized pension expense of \$101,775 for its proportionate share of the Police and Fire Plan's pension expense.

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in fire state aid. The City also recognized \$6,169 for the year ended December 31, 2020 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2020, the City reported its proportionate share of Police and Fire Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 57,743	\$ 56,307
Changes in Actuarial Assumptions	406,414	670,928
Net Difference Between Projected and Actual Earnings on Plan Investments	-	-
Changes in Proportion	21,450	-
Contributions Paid to PERA Subsequent to the Measurement Date	76,246	91,828
	-	-
	<u>69,577</u>	<u>-</u>
Total	<u>\$ 631,430</u>	<u>\$ 819,063</u>

The \$69,577 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$ (57,151)
2022	(256,160)
2023	14,743
2024	45,087
2025	(3,729)

E. Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases for retirees are assumed to be 1.25 percent per year for General Employees Plan and 1.0 percent per year for Police and Fire Plan.

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020. The recommended assumptions for that plan were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature. The following changes in actuarial assumptions and plan provisions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Police and Fire Fund

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	35.5 %	5.10 %
Private Markets	25.0	5.30
Fixed Income	20.0	0.75
International Equity	17.5	5.90
Cash Equivalents	2.0	-
Total	<u>100.00 %</u>	

F. Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1 Percent Decrease (6.50%)	Current (7.50%)	1 Percent Increase (8.50%)
General Employees Fund	\$ 2,094,683	\$ 1,307,010	\$ 657,242
Police and Fire Fund	657,242	851,497	151,862

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

Note 5: Postemployment Benefits Other Than Pensions

A. Plan Description

The City operates a single-employer retiree benefit plan ("the Plan") that provides health, life and dental insurance to eligible employees and their families through the City's health insurance plan. The full cost of the benefits is covered by the plan. Benefit and eligibility provisions are established through negotiations between the City and various unions representing City employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available report. At December 31, 2020, the 31 active plan members/employees were covered by the benefit terms.

B. Funding Policy

OPEB benefits have historically been funded on a pay-as-you-go basis (PAYGO). Plan sponsors may set up a trust and pre-fund the benefits. There is no requirement to pre-fund benefit. However, continuing on a PAYGO basis will create a Total OPEB Liability (TOL) on the balance sheet. Results throughout the report assume continued funding under PAYGO. The overall single discount rate is 3.30%.

C. Actuarial Methods and Assumptions

The City's total OPEB liability of \$69,586 was measured as of December 31, 2020, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of January 1, 2020 Roll forward procedures were used to roll forward the total OPEB liability to the measurement date.

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.33%
20-Year Municipal Bond Yield	3.30%
Inflation Rate	2.50%
Salary Increases	3.00%
Medical Trend Rate	6.50% as of January 1, 2019 grading to 5.00% over 6 years

The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds. The overall single discount rate is 3.30%. Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale. The actuarial assumptions used in the December 31, 2018 valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 5: Postemployment Benefits Other Than Pensions - Continued

D. Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances at December 31, 2019	<u>\$ 313,352</u>
Changes for the Year:	
Service cost	11,217
Interset	10,677
Changes in benefit terms	(2,063)
Investment Gain or Loss	(260,904)
Changes in assumptions or other inputs	(2,693)
Net Changes	<u>(243,766)</u>
Balances at December 31, 2020	<u><u>\$ 69,586</u></u>

There are no assumption changes.

E. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.33 percent) or 1-percentage-point higher (4.33 percent) than the current discount rate:

1 Percent Decrease (2.33%)	Current (3.33%)	1 Percent Increase (4.33%)
\$ 341,858	\$ 69,586	\$ 286,752

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a Healthcare Cost Trend Rates that is 1-percentage point lower (5.50 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.50 percent increasing to 6.00 percent) than the current discount rate:

1 Percent Decrease (5.5% Decreasing to 4%)	Healthcare Cost Trend Rates (6.5% Decreasing to 5%)	1 Percent Increase (7.5% Decreasing to 6%)
\$ 271,483	\$ 313,352	\$ 362,887

City of Isanti, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 5: Postemployment Benefits other than Pensions (Continued)

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the City recognized OPEB expense of \$38,983. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 228,291
Changes in Actuarial Assumptions	-	2,356
Total	<u>\$ -</u>	<u>\$ 230,647</u>

Deferred inflows of resources totaling \$230,647 related differences in expected and actual and changes in assumptions. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2021	\$ (32,950)
2022	(32,950)
2023	(32,950)
2024	(32,950)
2025	(32,950)
Thereafter	(65,897)

Note 6: Other Information

A. Legal Debt Margin

In accordance with Minnesota statutes, the City may not incur or be subject to net debt in excess of three percent of the estimated market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and, therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues, or tax increments. As of December 31, 2020, the City is under the legal debt margin.

B. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

Note 6: Other Information (Continued)

C. Isanti Area Joint Operating Fire Board District

In October of 2002, the City and the towns of Athens, Bradford, Isanti, Oxford, Spencer Brook and Stanford, entered a joint powers agreement to acquire and pay for new fire department substations in the townships. The City shall deposit in advance quarterly contributions with the treasurer of the Isanti Area Joint Operating Fire fund. The amount of the quarterly contributions to the fund shall be according to the proportions established in the fire protection contract. Upon termination of the agreement, any real property or buildings owned by the Board shall become the sole property of the City or Township in which the property lies. The City contributed \$238,078 to the Board in 2020. The City's equity interest and its share of the net income (loss) of the District is not measurable and it is not explicit; therefore, no equity interest is reported in the government-wide financial statements.

Note 7: Commitments and Contingencies

Tax Increment Districts

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

Note 8: COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus ("COVID-19") and the risks to the international community as virus spreads globally. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. In response to the pandemic, the State of Minnesota has issued stay-at-home orders and other measures aimed at slowing the spread of the coronavirus.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Due to the rapid development and fluidity of this situation, the City cannot determine the ultimate impact that the COVID-19 pandemic will have on its financial condition, liquidity, and future revenue collection, and therefore any prediction as to the ultimate impact on the City's financial condition, liquidity, and future results of its revenue collections is uncertain.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ISANTI
ISANTI, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

City of Isanti, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2020

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/20	0.0218 %	\$ 1,307,010	\$ 40,174	\$ 1,347,184	\$1,609,429	83.7 %	79.0 %
06/30/19	0.0204	1,127,870	35,165	1,163,035	1,390,803	83.6	80.2
06/30/18	0.0218	1,209,375	39,643	1,249,018	1,465,877	85.2	79.5
06/30/17	0.0216	1,378,930	17,319	1,396,249	1,389,926	100.5	75.9
06/30/16	0.0211	1,713,216	22,401	1,735,617	1,310,966	132.4	68.9
06/30/15	0.0219	1,134,972	-	1,134,972	1,284,497	88.4	78.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/20	\$ 118,222	\$ 118,222	\$ -	\$ 1,576,289	7.5 %
12/31/19	112,189	112,189	-	1,495,849	7.5
12/31/18	108,556	108,556	-	1,447,416	7.5
12/31/17	104,864	104,864	-	1,398,189	7.5
12/31/16	105,054	105,054	-	1,400,725	7.5
12/31/15	97,034	97,034	-	1,293,790	7.5

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

City of Isanti, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

Notes to the Required Supplementary Information - General Employee Fund

Changes in Actuarial Assumptions

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

City of Isanti, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

Notes to the Required Supplementary Information - General Employee Fund (Continued)

Changes in Plan Provisions

2020 - Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 - No changes noted.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

City of Isanti, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/20	0.0646 %	\$ 851,497	\$ 20,053	\$ 871,550	\$ 712,030	119.6 %	87.2 %
06/30/19	0.0656	698,378	-	698,378	668,403	104.5	89.3
06/30/18	0.0617	657,658	-	657,658	649,935	101.2	88.8
06/30/17	0.0700	945,083	-	945,083	723,699	130.6	85.4
06/30/16	0.0660	2,648,695	-	2,648,695	637,473	415.5	63.9
06/30/15	0.0620	704,465	-	704,465	563,393	125.0	86.6

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - Police and Fire Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/20	\$ 128,590	\$ 128,590	\$ -	\$ 758,643	17.0 %
12/31/19	113,940	113,940	-	703,334	16.9
12/31/18	104,266	104,266	-	643,617	16.2
12/31/17	113,975	113,975	-	703,552	16.2
12/31/16	110,692	110,692	-	683,285	16.2
12/31/15	98,214	98,214	-	606,260	16.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

City of Isanti, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

Notes to the Required Supplementary Information - Police and Fire Fund

Changes in Actuarial Assumptions

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2016 to MP-2017.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2037 and 2.5 percent per year thereafter.

City of Isanti, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

Notes to the Required Supplementary Information - Police and Fire Fund (Continued)

Changes in Plan Provisions

2020 - No changes noted

2019 - No changes noted

2018 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016 - No changes noted

2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

City of Isanti, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2020

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 11,217	\$ 28,959	\$ 28,116
Interest	10,677	10,024	8,792
Differences between expected and actual experience	(260,904)	-	-
Changes in assumptions	(2,693)	-	-
Benefit payments	(2,063)	(850)	-
Net Change in Total OPEB Liability	<u>(243,766)</u>	<u>38,133</u>	<u>36,908</u>
 Total OPEB Liability - Beginning	 <u>313,352</u>	 <u>275,219</u>	 <u>238,311</u>
 Total OPEB Liability - Ending	 <u><u>\$ 69,586</u></u>	 <u><u>\$ 313,352</u></u>	 <u><u>\$ 275,219</u></u>
 Covered - Employee Payroll	 \$ 1,969,314	 \$ 2,059,503	 \$ 1,999,517
 City's total OPEB liability as a percentage of covered employee payroll	 4 %	 15 %	 14 %

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF ISANTI
ISANTI, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

City of Isanti, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2020

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Assets			
Cash and temporary investments	\$ 628,375	\$ 527,426	\$ 1,155,801
Receivables			
Accrued interest	571	463	1,034
Taxes	1,813	-	1,813
Accounts	9,112	79,384	88,496
Loans	168,045	-	168,045
Prepaid items	6,867	-	6,867
Land held for resale	18,900	-	18,900
	<u>833,683</u>	<u>607,273</u>	<u>1,440,956</u>
Total Assets	\$ 833,683	\$ 607,273	\$ 1,440,956
Liabilities			
Accounts payable	\$ 12,533	\$ 21,409	\$ 33,942
Accrued salaries payable	1,280	-	1,280
Advances from other funds	25,060	-	25,060
Total Liabilities	<u>38,873</u>	<u>21,409</u>	<u>60,282</u>
Deferred Inflows of Resources			
Unavailable revenue - intergovernmental	-	52,690	52,690
Fund Balances			
Nonspendable	6,867	-	6,867
Restricted	217,428	-	217,428
Committed	728,565	-	728,565
Assigned	-	674,054	674,054
Unassigned	(158,050)	(140,880)	(298,930)
Total Fund Balances	<u>794,810</u>	<u>533,174</u>	<u>1,327,984</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 833,683</u></u>	<u><u>\$ 607,273</u></u>	<u><u>\$ 1,440,956</u></u>

City of Isanti, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2020

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Taxes			
Property taxes	\$ 79,802	\$ -	\$ 79,802
Tax increments	17,674	-	17,674
Franchise taxes	32,676	312,252	344,928
Intergovernmental	28	221,533	221,561
Charges for services	172,655	-	172,655
Investment earnings	11,478	11,245	22,723
Miscellaneous	12,030	11,067	23,097
Total Revenues	<u>326,343</u>	<u>556,097</u>	<u>882,440</u>
Expenditures			
Current			
Public safety	2,890	-	2,890
Culture and recreation	24,457	-	24,457
Economic development	102,570	-	102,570
Capital outlay			
General government	23,122	-	23,122
Public works	-	292,477	292,477
Economic development	500	-	500
Total Expenditures	<u>153,539</u>	<u>292,477</u>	<u>446,016</u>
Excess of Revenues Over Expenditures	<u>172,804</u>	<u>263,620</u>	<u>436,424</u>
Other Financing Sources (Uses)			
Transfers out	<u>(23,950)</u>	<u>-</u>	<u>(23,950)</u>
Net Change in Fund Balances	148,854	263,620	412,474
Fund Balances, January 1	<u>645,956</u>	<u>269,554</u>	<u>915,510</u>
Fund Balances, December 31	<u><u>\$ 794,810</u></u>	<u><u>\$ 533,174</u></u>	<u><u>\$ 1,327,984</u></u>

City of Isanti, Minnesota
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2020

	104	108	214	219	220
	Redbirds Maintenance	Economic Development Authority	Park	Revolving Loan	Forfeiture
Assets					
Cash and temporary investments	\$ 359	\$ 156,850	\$ 245,691	\$ 155,560	\$ 7,110
Receivables					
Accrued interest	-	114	179	113	5
Taxes	-	-	-	-	-
Accounts	-	6,890	-	-	-
Loans	-	-	-	168,045	-
Prepaid items	-	803	-	-	-
Land held for resale	-	-	-	-	-
Total Assets	<u><u>\$ 359</u></u>	<u><u>\$ 164,657</u></u>	<u><u>\$ 245,870</u></u>	<u><u>\$ 323,718</u></u>	<u><u>\$ 7,115</u></u>
Liabilities					
Accounts payable	\$ 508	\$ 9,421	\$ -	\$ -	\$ -
Accrued salaries payable	-	1,280	-	-	-
Advance from other funds	-	-	-	-	-
Total Liabilities	<u>508</u>	<u>10,701</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Nonspendable	-	803	-	-	-
Restricted	-	-	-	-	7,115
Committed	-	153,153	245,870	323,718	-
Unassigned	(149)	-	-	-	-
Total Fund Balances	<u>(149)</u>	<u>153,956</u>	<u>245,870</u>	<u>323,718</u>	<u>7,115</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 359</u></u>	<u><u>\$ 164,657</u></u>	<u><u>\$ 245,870</u></u>	<u><u>\$ 323,718</u></u>	<u><u>\$ 7,115</u></u>

223 Youth Rec Education Safety	224 Cambridge Isanti Joint Event	226 Isanti Indoor Arena	409 TIF 9	410 TIF 10	614 City Technology Improvement	Total
\$ -	\$ -	\$ (157,595)	\$ 158,116	\$ 58,299	\$ 3,985	\$ 628,375
-	-	-	115	42	3	571
-	-	-	1,813	-	-	1,813
-	-	-	-	-	2,222	9,112
-	-	-	-	-	-	168,045
-	-	-	-	-	6,064	6,867
-	-	-	18,900	-	-	18,900
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (157,595)</u>	<u>\$ 178,944</u>	<u>\$ 58,341</u>	<u>\$ 12,274</u>	<u>\$ 833,683</u>
\$ -	\$ -	\$ 306	\$ 1,912	\$ -	\$ 386	\$ 12,533
-	-	-	-	-	-	1,280
-	-	-	25,060	-	-	25,060
-	-	306	26,972	-	386	38,873
-	-	-	-	-	6,064	6,867
-	-	-	151,972	58,341	-	217,428
-	-	-	-	-	5,824	728,565
-	-	(157,901)	-	-	-	(158,050)
-	-	(157,901)	151,972	58,341	11,888	794,810
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (157,595)</u>	<u>\$ 178,944</u>	<u>\$ 58,341</u>	<u>\$ 12,274</u>	<u>\$ 833,683</u>

City of Isanti, Minnesota
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2020

	104	108	214	219	220
	Redbirds Maintenance	Economic Development Authority	Park	Revolving Loan	Forfeiture
Revenues					
Taxes					
Property taxes	\$ -	\$ 79,802	\$ -	\$ -	\$ -
Tax increments	-	-	-	-	-
Franchise taxes	-	6,535	-	-	-
Intergovernmental	-	9	-	-	-
Charges for services	-	5,965	139,500	426	-
Investment earnings	26	2,407	2,766	2,518	121
Miscellaneous	4,000	6,615	100	-	-
Total Revenues	<u>4,026</u>	<u>101,333</u>	<u>142,366</u>	<u>2,944</u>	<u>121</u>
Expenditures					
Current					
Public safety	-	-	-	-	2,890
Culture and recreation	6,046	-	-	-	-
Economic development	-	89,078	-	9,167	-
Capital outlay					
General government	-	-	-	-	-
Economic development	-	-	-	-	-
Total Expenditures	<u>6,046</u>	<u>89,078</u>	<u>-</u>	<u>9,167</u>	<u>2,890</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,020)	12,255	142,366	(6,223)	(2,769)
Other Financing Sources (Uses)					
Transfers out	<u>-</u>	<u>(19,150)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(2,020)	(6,895)	142,366	(6,223)	(2,769)
Fund Balances, January 1	<u>1,871</u>	<u>160,851</u>	<u>103,504</u>	<u>329,941</u>	<u>9,884</u>
Fund Balances, December 31	<u>\$ (149)</u>	<u>\$ 153,956</u>	<u>\$ 245,870</u>	<u>\$ 323,718</u>	<u>\$ 7,115</u>

223 Youth Rec Education Safety	224 Cambridge Isanti Joint Event	226 Isanti Indoor Arena	409 TIF 9	410 TIF 10	614 City Technology Improvement	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,802
-	-	-	17,674	-	-	17,674
-	-	-	-	-	26,141	32,676
-	-	19	-	-	-	28
-	-	26,764	-	-	-	172,655
56	-	-	2,474	987	123	11,478
-	-	1,315	-	-	-	12,030
<u>56</u>	<u>-</u>	<u>28,098</u>	<u>20,148</u>	<u>987</u>	<u>26,264</u>	<u>326,343</u>
-	-	-	-	-	-	2,890
-	-	18,411	-	-	-	24,457
-	-	-	3,825	500	-	102,570
-	-	-	-	-	23,122	23,122
-	-	-	500	-	-	500
<u>-</u>	<u>-</u>	<u>18,411</u>	<u>4,325</u>	<u>500</u>	<u>23,122</u>	<u>153,539</u>
56	-	9,687	15,823	487	3,142	172,804
<u>(3,328)</u>	<u>(1,472)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,950)</u>
(3,272)	(1,472)	9,687	15,823	487	3,142	148,854
<u>3,272</u>	<u>1,472</u>	<u>(167,588)</u>	<u>136,149</u>	<u>57,854</u>	<u>8,746</u>	<u>645,956</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (157,901)</u>	<u>\$ 151,972</u>	<u>\$ 58,341</u>	<u>\$ 11,888</u>	<u>\$ 794,810</u>

City of Isanti, Minnesota
Nonmajor Capital Projects Funds
Combining Balance Sheet
December 31, 2020

	427 Fairway Blvd/ County 5 Signal	438 City Parking Improvements	440 Pavement Management Improvements	441 2017 Palomino Road Southeast Improvements	Total
Assets					
Cash and temporary investments	\$ 215,272	\$ (74,687)	\$ 400,359	\$ (13,518)	\$ 527,426
Receivables					
Accrued interest	157	-	291	15	463
Accounts	-	-	79,384	-	79,384
Total Assets	\$ 215,429	\$ (74,687)	\$ 480,034	\$ (13,503)	\$ 607,273
Liabilities					
Accounts payable	\$ -	\$ -	\$ 21,409	\$ -	\$ 21,409
Deferred Inflows of Resources					
Unavailable revenue - intergovernmental	-	-	-	52,690	52,690
Fund Balances					
Assigned	215,429	-	458,625	-	674,054
Unassigned	-	(74,687)	-	(66,193)	(140,880)
Total Fund Balances	215,429	(74,687)	458,625	(66,193)	533,174
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 215,429	\$ (74,687)	\$ 480,034	\$ (13,503)	\$ 607,273

City of Isanti, Minnesota
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2020

	427 Fairway Blvd/ County 5 Signal	438 City Parking Improvements	440 Pavement Management Improvements	441 2017 Palomino Road Southeast Improvements	Total
Revenues					
Franchise taxes	\$ -	\$ -	\$ 312,252	\$ -	\$ 312,252
Intergovernmental	-	-	-	221,533	221,533
Investment earnings	3,514	-	7,483	248	11,245
Miscellaneous	11,067	-	-	-	11,067
Total Revenues	14,581	-	319,735	221,781	556,097
Expenditures					
Current					
Public works	-	-	292,477	-	292,477
Net Change in Fund Balances	14,581	-	27,258	221,781	263,620
Fund Balances, January 1	200,848	(74,687)	431,367	(287,974)	269,554
Fund Balances, December 31	<u>\$ 215,429</u>	<u>\$ (74,687)</u>	<u>\$ 458,625</u>	<u>\$ (66,193)</u>	<u>\$ 533,174</u>

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City of Isanti, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued on the Following Pages)
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020			2019	
	Budget Amounts		Actual	Actual	
	Original	Final	Amounts	Amounts	
Revenues					
Property taxes	\$ 1,881,692	\$ 1,881,692	\$ 1,859,747	\$ (21,945)	\$ 1,844,385
Licenses and permits					
Business	12,900	12,900	14,885	1,985	14,385
Nonbusiness	361,200	361,200	430,168	68,968	330,659
Total licenses and permits	374,100	374,100	445,053	70,953	345,044
Intergovernmental					
Federal					
Other	8,600	8,600	417,121	408,521	8,102
State					
Local government aid	737,393	737,393	740,876	3,483	635,435
Property tax credits	-	-	70	70	164
Police aid	81,400	81,400	56,204	(25,196)	77,715
Municipal state aid					
street maintenance	68,500	68,500	73,844	5,344	67,155
Other	1,400	1,400	-	(1,400)	1,205
Total intergovernmental	897,293	897,293	1,288,115	390,822	789,776
Charges for services					
General government	128,894	128,894	38,754	(90,140)	34,444
Public safety	91,171	91,171	25,670	(65,501)	116,387
Public works	8,800	8,800	10,497	1,697	12,444
Culture and recreation	16,650	16,650	58,139	41,489	70,267
Total charges for services	245,515	245,515	133,060	(112,455)	233,542
Fines and forfeitures	50,000	50,000	33,500	(16,500)	52,524
Investment earnings	17,000	17,000	40,076	23,076	63,798
Miscellaneous					
Refunds and reimbursements	13,600	13,600	26,451	12,851	9,099
Other	2,400	2,400	1,150	(1,250)	976
Total miscellaneous	16,000	16,000	27,601	11,601	10,075
Total Revenues	3,481,600	3,481,600	3,827,152	345,552	3,339,144

City of Isanti, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and city council					
Personnel services	\$ 23,443	\$ 23,443	\$ 25,273	\$ (1,830)	\$ 27,265
Supplies	5,450	5,450	1,525	3,925	849
Other services and charges	12,975	12,975	13,239	(264)	7,910
Total mayor and city council	41,868	41,868	40,037	1,831	36,024
Elections					
Personnel services	5,560	5,560	7,222	(1,662)	-
Supplies	1,400	1,400	111	1,289	-
Other services and charges	1,900	1,900	2,698	(798)	154
Total elections	8,860	8,860	10,031	(1,171)	154
Financial administration					
Personnel services	475,460	475,460	465,592	9,868	472,791
Supplies	40,517	36,517	32,653	3,864	38,288
Other services and charges	128,353	132,353	133,227	(874)	123,336
Total finance administration	644,330	644,330	631,472	12,858	634,415
Planning and zoning					
Personnel services	100,344	100,344	95,308	5,036	38,358
Supplies	4,195	4,195	1,667	2,528	2,229
Other services and charges	13,120	13,120	15,572	(2,452)	24,832
Total planning and zoning	117,659	117,659	112,547	5,112	65,419
Municipal building					
Personnel services	5,000	5,000	1,382	3,618	3,984
Supplies	2,100	2,100	1,309	791	2,214
Other services and charges	39,042	39,042	36,843	2,199	34,529
Total municipal building	46,142	46,142	39,534	6,608	40,727
Total general government	858,859	858,859	833,621	25,238	776,739

City of Isanti, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020			2019
	Budget Amounts		Actual Amounts	Actual Amounts
	Original	Final		
Expenditures (Continued)				
Current (continued)				
Public safety				
Police				
Personnel services	\$ 1,175,767	\$ 1,175,767	\$ 1,253,944	\$ 1,237,916
Supplies	23,756	23,756	24,680	22,274
Other services and charges	167,519	167,519	166,255	163,254
Total police	<u>1,367,042</u>	<u>1,367,042</u>	<u>1,444,879</u>	<u>1,423,444</u>
Fire protection				
Other services and charges	<u>249,505</u>	<u>249,505</u>	<u>251,620</u>	<u>234,662</u>
Building inspection				
Personnel services	45,673	45,673	49,267	63,921
Supplies	550	550	636	1,428
Other services and charges	276,379	276,379	350,276	289,391
Total building inspection	<u>322,602</u>	<u>322,602</u>	<u>400,179</u>	<u>354,740</u>
Code enforcement				
Personnel services	9,033	9,033	8,972	41,043
Supplies	450	450	121	91
Other services and charges	5,895	5,895	2,302	3,617
Total code enforcement	<u>15,378</u>	<u>15,378</u>	<u>11,395</u>	<u>44,751</u>
Animal control				
Supplies	270	270	70	124
Other services and charges	4,604	4,604	3,001	1,443
Total animal control	<u>4,874</u>	<u>4,874</u>	<u>3,071</u>	<u>1,567</u>
Total public safety	<u>1,959,401</u>	<u>1,959,401</u>	<u>2,111,144</u>	<u>2,059,164</u>
Public works				
Streets and highways				
Personnel services	204,343	204,343	224,744	214,237
Supplies	112,250	112,250	77,140	102,604
Other services and charges	74,386	74,386	53,532	53,590
Total streets and highways	<u>390,979</u>	<u>390,979</u>	<u>355,416</u>	<u>370,431</u>

City of Isanti, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Budget Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Expenditures (Continued)					
Current (continued)					
Public works (continued)					
Street lighting					
Other services and charges	\$ -	\$ 49,725	\$ 53,811	\$ (4,086)	\$ 48,239
Sanitation and waste control					
Personnel services	18,338	18,338	15,912	2,426	15,092
Supplies	1,200	1,200	805	395	1,280
Other services and charges	4,040	4,040	6,307	(2,267)	687
Total sanitation and waste control	23,578	23,578	23,024	554	17,059
General city maintenance					
Personnel services	35,419	35,419	29,124	6,295	27,057
Supplies	7,525	7,525	2,203	5,322	1,228
Other services and charges	18,149	18,149	15,890	2,259	15,703
Total general city maintenance	61,093	61,093	47,217	13,876	43,988
Total public works	475,650	525,375	479,468	45,907	479,717
Culture and recreation					
Parks and recreation					
Personnel services	221,687	221,687	216,014	5,673	201,320
Supplies	15,590	15,590	11,720	3,870	9,156
Other services and charges	133,960	133,960	106,100	27,860	102,597
Total parks and recreation	371,237	371,237	333,834	37,403	313,073
Total culture and recreation	371,237	371,237	333,834	37,403	313,073
Economic development					
Other services and charges	24,066	24,066	24,528	(462)	264
Total current	3,689,213	3,738,938	3,782,595	(43,657)	3,628,957

City of Isanti, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020			2019
	Budget Amounts		Actual Amounts	Actual Amounts
	Original	Final		
Expenditures (Continued)				
Capital outlay				
General government	\$ -	\$ -	\$ 69,575	\$ (69,575)
Public safety	-	-	160,435	(160,435)
Public works	-	-	10,160	(10,160)
Culture and recreation	-	-	4,500	(4,500)
Total capital outlay	-	-	244,670	(244,670)
Debt service				
Interest and other	1,000	1,000	-	1,000
Total Expenditures	3,690,213	3,739,938	4,027,265	(287,327)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(208,613)	(258,338)	(200,113)	58,225
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	-
Transfers in	369,150	451,176	455,976	4,800
Transfers out	(160,537)	(242,563)	-	242,563
Total Other Financing Sources (Uses)	208,613	208,613	455,976	247,363
Net Change in Fund Balances	-	(49,725)	255,863	305,588
Fund Balances, January 1	1,263,274	1,263,274	1,263,274	-
Fund Balances, December 31	<u>\$ 1,263,274</u>	<u>\$ 1,213,549</u>	<u>\$ 1,519,137</u>	<u>\$ 305,588</u>
				<u>\$ 1,263,274</u>

City of Isanti, Minnesota
Debt Service Funds
Combining Balance Sheet
December 31, 2020

	929 2010B G.O. Improvement Bonds	930 2011A G.O. Improvement Bonds	931 2014A G.O. Tax Abatement Bonds
Assets			
Cash and temporary investments	\$ 436,374	\$ 152,725	\$ 258,757
Receivables			
Accrued interest	318	111	188
Special assessments	<u>282,692</u>	<u>34,607</u>	<u>-</u>
Total Assets	<u><u>\$ 719,384</u></u>	<u><u>\$ 187,443</u></u>	<u><u>\$ 258,945</u></u>
Liabilities			
Accounts payable	<u>\$ 382</u>	<u>\$ 382</u>	<u>\$ 382</u>
Deferred Inflows of Resources			
Unavailable revenue - special assessments	<u>282,692</u>	<u>34,193</u>	<u>-</u>
Fund Balances			
Restricted for debt service	<u>436,310</u>	<u>152,868</u>	<u>258,563</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 719,384</u></u>	<u><u>\$ 187,443</u></u>	<u><u>\$ 258,945</u></u>

932 2014B G.O. Improvement Bonds	933 2017 Palamino Road	Total
\$ 55,626	\$ 34,678	\$ 938,160
40	-	657
-	34,069	351,368
<u>\$ 55,666</u>	<u>\$ 68,747</u>	<u>\$ 1,290,185</u>
\$ 382	\$ -	\$ 1,528
-	34,069	350,954
55,284	34,678	937,703
<u>\$ 55,666</u>	<u>\$ 68,747</u>	<u>\$ 1,290,185</u>

City of Isanti, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2020

	929 2010B G.O. Improvement Bonds	930 2011A G.O. Improvement Bonds	931 2014A G.O. Tax Abatement Bonds
Revenues			
Property taxes	\$ 85,000	\$ 7,805	\$ 225,501
Special assessments	-	17,348	-
Investment earnings	11,715	1,688	1,230
Total Revenues	<u>96,715</u>	<u>26,841</u>	<u>226,731</u>
Expenditures			
Debt service			
Principal	365,000	85,000	160,000
Interest and other	23,827	6,594	51,745
Total Expenditures	<u>388,827</u>	<u>91,594</u>	<u>211,745</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(292,112)	(64,753)	14,986
Other Financing Sources (Uses)			
Transfers in	<u>-</u>	<u>40,807</u>	<u>-</u>
Net Change in Fund Balances	(292,112)	(23,946)	14,986
Fund Balances, January 1	<u>728,422</u>	<u>176,814</u>	<u>243,577</u>
Fund Balances, December 31	<u><u>\$ 436,310</u></u>	<u><u>\$ 152,868</u></u>	<u><u>\$ 258,563</u></u>

932 2014B G.O. Improvement Bonds	933 2017 Palamino Road	Total
\$ 51,006	\$ -	\$ 369,312
-	10,533	27,881
178	-	14,811
<u>51,184</u>	<u>10,533</u>	<u>412,004</u>
45,000	-	655,000
4,286	17	86,469
<u>49,286</u>	<u>17</u>	<u>741,469</u>
1,898	10,516	(329,465)
-	-	40,807
1,898	10,516	(288,658)
<u>53,386</u>	<u>24,162</u>	<u>1,226,361</u>
<u>\$ 55,284</u>	<u>\$ 34,678</u>	<u>\$ 937,703</u>

City of Isanti, Minnesota
Summary Financial Report
Revenues and Expenditures for General Operations
Governmental Funds
For the Years Ended December 31, 2020 and 2019

	Total		Percent Increase (Decrease)
	2020	2019	
Revenues			
Taxes	\$ 3,090,463	\$ 2,802,855	10.26 %
Licenses and permits	445,053	345,044	28.98
Intergovernmental	1,995,676	991,240	101.33
Charges for services	305,715	360,898	(15.29)
Fines and forfeits	33,500	52,524	(36.22)
Special assessments	40,460	386,812	(89.54)
Investment earnings	88,317	178,668	(50.57)
Miscellaneous	55,220	94,401	(41.50)
Total Revenues	<u>\$ 6,054,404</u>	<u>\$ 5,212,442</u>	16.15 %
Per Capita	<u>\$ 971</u>	<u>\$ 864</u>	12.39 %
Expenditures			
Current			
General government	\$ 833,621	\$ 776,907	7.30 %
Public safety	2,114,034	2,061,863	2.53
Public works	479,468	479,717	(0.05)
Culture and recreation	358,291	402,219	(10.92)
Economic development	127,098	78,823	61.24
Capital outlay			
General government	124,022	96,612	28.37
Public safety	245,028	159,538	53.59
Public works	1,873,743	364,867	413.54
Culture and recreation	31,438	49,852	(36.94)
Economic development	500	500	-
Debt service			
Principal	655,000	570,000	14.91
Interest and other	86,469	100,697	(14.13)
Total Expenditures	<u>\$ 6,928,712</u>	<u>\$ 5,141,595</u>	34.76 %
Per Capita	<u>\$ 1,112</u>	<u>\$ 853</u>	30.39 %
Total Long-term Indebtedness	\$ 2,535,000	\$ 3,190,000	(20.53) %
Per Capita	407	529	(23.11)
General Fund Balance - December 31	\$ 1,519,137	\$ 1,263,274	20.25 %
Per Capita	244	209	16.36

The purpose of this report is to provide a summary of financial information concerning the City of Isanti to interested citizens. The complete financial statements may be examined at City Hall, 110 1st Avenue Northwest, PO Box 428, Isanti, MN 55040. Questions about this report should be directed to the Finance Director at (763) 444-5512.

OTHER REQUIRED REPORTS

CITY OF ISANTI
ISANTI, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council
City of Isanti, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Isanti, Minnesota (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated April 14, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Isanti failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of the City and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
April 14, 2021

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

Honorable Mayor and City Council
City of Isanti, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Isanti, Minnesota (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 14, 2021.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Finding and Response, we identified certain deficiencies in internal control that we consider to be a significant deficiency.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Finding and Response as item 2020-001 to be a significant deficiency.

Compliance and Other Matters

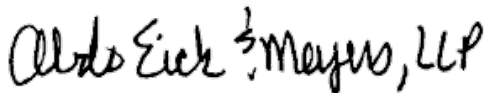
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

The City's Response to the Finding

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

Purpose of this Report

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



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
April 14, 2021

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City of Isanti, Minnesota
Schedule of Finding and Response
For the Year Ended December 31, 2020

<u>Finding</u>	<u>Description</u>
2020-001	Preparation of Financial Statements
<i>Condition:</i>	As in prior years, we were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. Recent auditing standards require auditors to communicate this situation to the City Council as an internal control deficiency. Ultimately, it is management's responsibility to provide for the preparation of your statements and footnotes, and the responsibility of the auditor to determine the fairness of presentation of those statements. It is our responsibility to inform you that this deficiency could result in a material misstatement to the financial statements that could have been prevented or detected by your management. Essentially, the auditors cannot be part of your internal control process.
<i>Criteria:</i>	Internal controls should be in place to provide reasonable assurance over the reliability of financial records and reporting.
<i>Cause:</i>	From a practical standpoint, we both prepare your statements and determine the fairness of that presentation at the same time in connection with our audit. This is not unusual for us to do with organizations of your size.
<i>Effect:</i>	The effectiveness of the internal control system relies on enforcement by management. The effect of deficiencies in internal controls can result in undetected errors in financial reporting. We have instructed management to review a draft of the auditor prepared financials in detail for accuracy; we have answered any questions that management might have, and have encouraged research of any accounting guidance in connection with the adequacy and appropriateness of classification of disclosures in your statements. We are satisfied that the appropriate steps have been taken to provide you with the completed financial statements.
<i>Recommendation:</i>	Under these circumstances, the most effective controls lie in management's knowledge of the City's financial operations. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost and other considerations. Regarding the specific situations listed above, we would offer the following specific recommendations: 1) Utilize a disclosure checklist to ensure all required disclosures are present and agree to work papers, and 2) Agree your accounting information from your accounting software to the amounts reported in the financial statements.
<i>Management Response:</i>	
For now, the City accepts the degree of risk associated with this condition and thoroughly reviews a draft of the financial statements.	



Memo for Council Action

To: Mayor Johnson and Members of the City Council
From: Alyssa Olson - Parks, Recreation, and Events Coordinator
Date: April 20, 2021
Subject: Resolution 2021-XXX Approving a Special Event Permit Request for the Walk for Life

Background

The Pregnancy Resource Center of Cambridge has submitted a special event permit application to host a one-day walk to raise money for non-profit community services. The event, including setup and tear down, will take place Saturday, May 15, 2021 from 8am-1pm at Bluebird Park.

No road closures or parking restrictions are being requested and the path will follow the walking paths within the park. Event staff and volunteers will be responsible for cleaning up waste on the property after the event.

The approximate attendance is 25-40. The spectators will have to follow the social distancing guidelines that are in place.

No outdoor audio system or live entertainment will be used and no additional restrooms will be brought in. The event is free to attend and any donations collected will support the non-profit Pregnancy Resource Center of Cambridge/Lex Specialty Clinics.

The complete application along with departmental review are attached.

Staff Request

City staff is requesting approval of the Walk for Life Special Event Permit application and attachments.

Attachments

- Resolution No. 2021-XXX
- Special Event Application – Walk for Life

RESOLUTION 2021-XXX

APPROVING A SPECIAL EVENT PERMIT APPLICATION FOR WALK FOR LIFE

WHEREAS, Pregnancy Resource Center of Cambridge has submitted a Special Event application requesting a permit to host the Walk for Life; and,

WHEREAS, a one-day walk event is scheduled to take place in Bluebird Park on Saturday, May 15; and,

WHEREAS, event set-up is scheduled for Friday, May 15 from 8:00 am to 1:00 pm; and,

WHEREAS, the estimated number of people to be in attendance each day is 25-40; and,

WHEREAS, the applicant will not be required to provide additional restrooms for the event; and,

WHEREAS, parking during the event will be restricted to Bluebird Park parking lots; and,

WHEREAS, the applicant has submitted a complete request with the application materials; and,

WHEREAS, public addressing systems and live entertainment will not be utilized during the event; and,

WHEREAS, a Park Shelter Reservation application has been completed; and,

WHEREAS, the sign permit fee has been waived;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Isanti, Minnesota to hereby approve the special event permit request for Walk for Life;

AND FURTHERMORE, IT IS HEREBY RESOLVED by the City Council of the City of Isanti, Minnesota that this Resolution is hereby the “Permit” for the above stated Special Event.

This Resolution is hereby approved by the Isanti City Council this 20th day of April 2021.

Attest:

Mayor Jeff Johnson

Jaden Strand
City Clerk



SPECIAL EVENT PERMIT APPLICATION

City of Isanti

110 First Avenue NW • PO Box 428

Isanti, MN 55040

Phone: 763.444.5512 • Fax: 763.444.5560

www.cityofisanti.us

If you are planning an event that requires a Special Event Permit, please complete the application and any required supplemental forms. To ensure your application is processed quickly, be specific and complete in all responses.

Special Event Permit Guideline: Please see city code section 278 "Special Events" for more detailed information.

Applications must be submitted at least 30 days prior to the event to be considered.

ITEMS TO ACCOMPANY THE APPLICATION

Required with all applications

- ☒ Complete Application Form
- ☒ Cleanup Deposit Fee - \$100
- ☐ Proof of Insurance or Certificate of Insurance
- ☐ Site Map
- ☐ Approval Letter from the Property Owner
- ☐ Proof of written notification to property owners within 350 feet of the special event.

Check all that apply:

- ☒ Signs will be posted for event:
 - ☒ Temporary Sign Permit Application required
 - ☒ \$50 fee **WAIVED**
- ☐ Alcohol will be served and/or sold at event:
 - ☐ Licenses (may take up to 60 days to process)
 - ☐ Fees apply, amounts vary by license type.
- ☐ Vendors will be present:
 - ☐ Peddler's Permit (background check required) submitted by event organizer only
 - ☐ \$25 fee for one-day applications
 - ☐ Vendor List
- ☒ Event will occur on City Property:
 - ☐ Release and Indemnification Agreement

Supplemental information may be required by City staff.

Additional forms can be found on the City of Isanti website or requested at Isanti City Hall. Please note that additional required permits or licenses may take additional time to process.

SPECIAL EVENT PERMIT APPLICATION

Submittal Date: 4/6/2021**APPLICANT INFORMATION**Sponsoring Entity (if applicable): Pregnancy Resource Center of CambridgeContact Person: Heather TaylorAddress: 140 Buchanan St. N. STE 138City: Cambridge State: MN Zip: 55008Phone: 763 689 4319 Fax: 763 552 0049 Cell: E-mail: prcadmin@cambridgepro.comSecondary Contact Person: Kimberly RedfieldAddress: 140 Buchanan St. N. STE 138City: Cambridge State: MN Zip: 55008Phone: 763 689 4319 Cell: E-mail: prcoperations@cambridgepro.com**EVENT INFORMATION**Event Name: Walk for LifeDate(s) of Event: 5/15/2021Hours of Event: 8am-1pmType of Event: ☒ Open to the Public ☐ Private ☐ Other:

Describe Event (List all activities. Provide flyer or other marketing materials as available.):

Walk to raise money for non-profit free community services provided by Pregnancy Resource Center of

Proposed Location of the Event (be specific, site map also required):

Bluebird Park with use of pavilion and use of walking path - extending walk to city sidewalk and back to park - 1 mile.

Estimated Number of People in Attendance (includes staff, participants, and spectators):

25-40

Parking Impact – Describe in detail:

Use of public parking lots around the park area.

Tents, equipment, amusement rides, etc.

Type: Pavilion

Size:

Location:

Are Fire Prevention or EMS needed? Please specify and if being provided, please identify the name or entity providing these services:

No. First aid nurses on site provided by organization.

Are you requesting any street closures? If yes, list streets:

No.

Restrooms (Portable) – Name or entity providing these services; and number of facilities to be provided. When other restroom facilities are not provided on-site or are limited; the applicant will need to pay for additional restroom facilities. For those events exceeding 75 persons, one (1) additional restroom shall be provided; for events exceeding 150 persons, two (2) additional restrooms shall be provided. For events exceeding 250; the Planning for Special Events-Usage Chart shall be used.

Use of porta-potties on site at park.

Security Plans – Name or entity providing these services. (A Police Officer is required if alcohol is being served or at the discretion of the Police Chief).

No security needed.

Clean-up Plans – Describe in detail:

All items in used areas will be cleaned up by staff prior to leaving the park. No items will be left behind. We will use the garbage cans on site at the park.

Live entertainment – Describe in detail:

None.

Will any other public addressing system or sound amplification be used? If so, describe:

Possibly a bull horn for announcements.

If the event will be held on public property, please provide the following information: (1) Will tickets be sold for the event? (2) Is a donation of any kind required? (3) What is the purpose of the money that is collected?

1. No tickets - free event. 2. No donation required. Walkers have raised fund prior to the event through walk sponsorships.

3. All funds will support the non-profit free services provided by the Pregnancy Resource Center of Cambridge/Lex Specialty Clinics to the community.

Depending upon the type of special event, some items may not be required or may be waived as part of the review process. Larger events may require additional information, in order to properly process the request.

APPLICANT SIGNATURE

I declare that the information I have provided on this application is truthful and I understand that falsification of answers on this application will result in denial of the application. I authorize the City of Isanti to investigate and make whatever inquiries necessary to verify the information provided.

Applicant Signature: Caina M. Kennedy

OFFICE USE ONLY**Reviewed By: (Any concerns / comments will be attached to the application)****Fire Chief**☒ Approved ☐ Denied ☐ N/A Signature: VIA EMAIL 4/9 - SEE ATTACHED**Police Chief**☒ Approved ☐ Denied ☐ N/A Signature: VIA EMAIL 4/14 - SEE ATTACHED**Public Services Director**☒ Approved ☐ Denied ☐ N/A Signature: Matt Glaz**Parks, Recreation and Culture Manager**☒ Approved ☐ Denied ☐ N/A Signature: Sydney Olsen**Community Development Director**☒ Approved ☐ Denied ☐ N/A Signature: Shane**City Administrator**☒ Approved ☐ Denied ☐ N/A Signature: Jim Wood**City Council**☐ Approved ☐ Denied**Date of Review:**



PARK SHELTER RESERVATION APPLICATION

CONTACT NAME <u>Heather Taylor</u>		
ORGANIZATION <u>Pregnancy Resource Center of Cambridge</u>		
ADDRESS <u>140 Buchanan St. N. STE 138</u>		
CITY <u>Cambridge</u>	STATE <u>MN</u>	ZIP <u>55008</u>
BUSINESS PHONE <u>763-689-4319</u>		CELL <u>[REDACTED]</u>
EMAIL <u>prc.admin@Cambridgeprc.com</u>		

Date(s) of Reservation: <u>5/15/2021</u>	Number of Individuals in Attendance: <u>25-50</u>
START TIME: <u>8am</u>	END TIME: <u>1pm</u>
Will any additional special use activities be provided on site**? <u>No</u>	

*If staking any items such as outdoor activity equipment or inflatables, it is the responsibility of the person making the reservation request to contact Gopher One Call for a utility locate. They can be reached at 1-800-252-1166.

Shelter Reservation Fee		
Resident or City Non-Profit	No Charge	
Non-Resident or Business	\$10.00, plus tax	
Non-Resident Non-Profit	\$5.00, plus tax	<u>5.00</u>
Refundable electric box key deposit (Bluebird Only)	\$50	
Will electricity be required? <u>No</u>	Total Amount Due:	

Park Locations: Please check which park you are requesting.

Bluebird Park	<input checked="" type="checkbox"/>	Isanti Hills Neighborhood Park	<input type="checkbox"/>
Mattson Park	<input type="checkbox"/>	Unity Park	<input type="checkbox"/>

Applicant Signature: Celine M. Kennedy Date: 4/7/21

If you have questions as to whether your event would require a special event permit or general information, please contact Jenny Garvey - Parks, Recreation and Culture Manager at (763) 762-5754 or via e-mail at isanti@cityofisanti.us

For Office Use Only		
Date Received: _____	Staff Approval: _____	Refundable Deposit: _____


City of Isanti: Park Shelter Reservation Policy

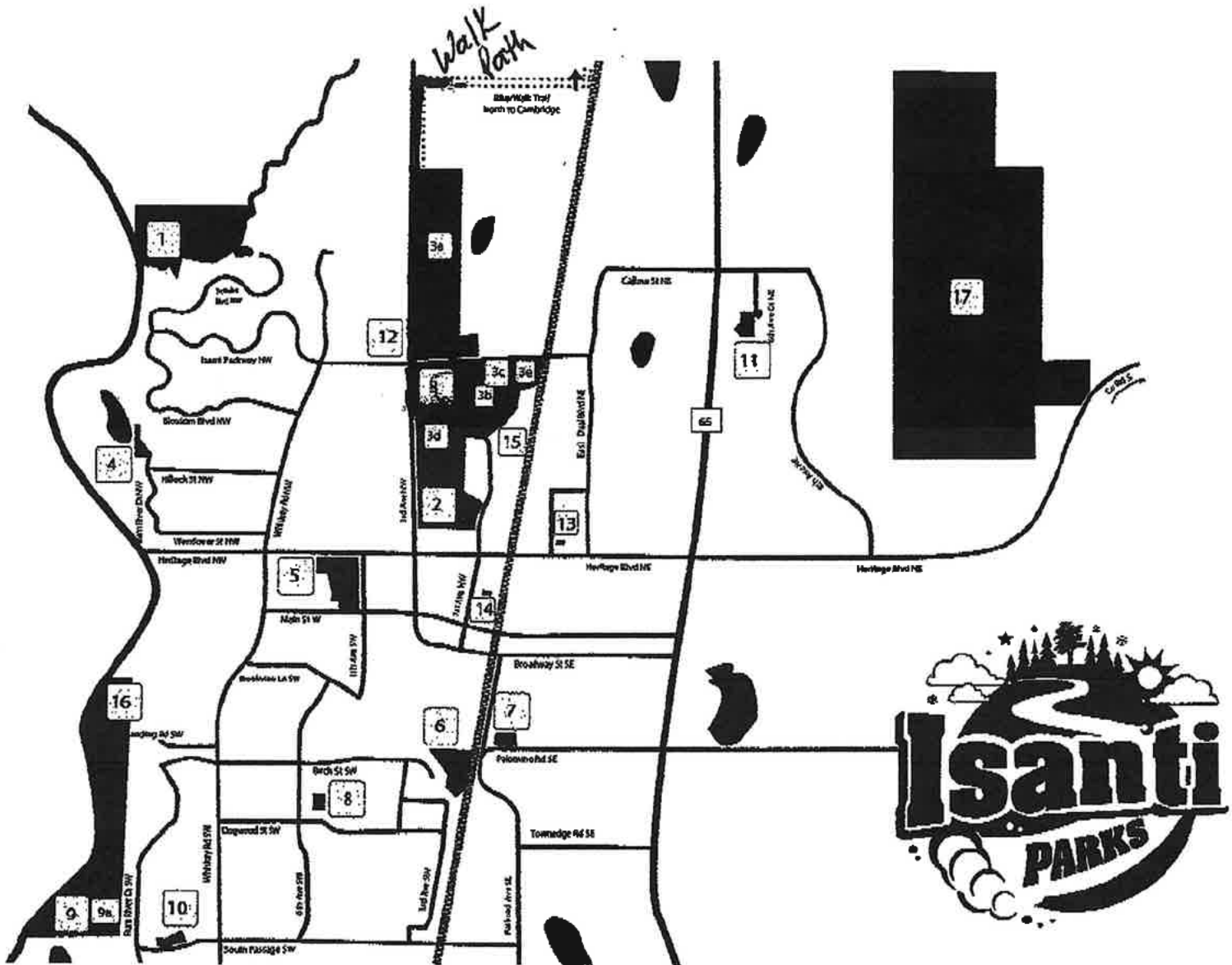
1. Park Shelters are available for rent April 1st through September 30th weather permitting. City parks are open daily from 7 a.m. to 10 p.m.
2. Requests for reservations will be accepted for the ensuing year beginning the first business day in January. Reservations will be accepted on a first-come, first-serve basis. No phone requests to hold a park shelter will be accepted or honored. If available, the request will be booked. A permit will be issued via mail or e-mail. If the request cannot be processed, the applicant will be notified.
3. A certificate of insurance will be required for all events that are open to the public. A copy shall accompany the application form.
4. Keys shall be returned within forty-eight (48) hours of your reservation or your deposit will not be refunded.
5. All individuals, groups, or organizations using the park shelters shall observe all City Park Rules and Regulations as posted and provided within Ordinance No.277.

****Your event may require a special event permit. A special event is defined as a temporary outdoor use on private or public property that extends beyond the normal uses and standards allowed by the zoning ordinance of the City; in which attendance in excess of seventy-five (75) people is anticipated, and impacts are anticipated on surrounding neighborhoods, businesses, or the community as a whole. Special events include but are not limited to, art shows, car shows, sidewalk sales, haunted houses, carnivals, grand openings, festivals, home exhibitions, parades, circus, block parties, fairs, concerts, street dances, tournaments, or other attended outdoor entertainment or celebration that is to be held on public or private property. A special event shall not apply to the following: a permanent place of worship, stadium, athletic field, arena, theatre, or auditorium; family gatherings including family reunions, graduation parties, baptisms, confirmations, weddings, and other similar types of events held on private property; garage sales/ estate sales; and events established through the City of Isanti such as National Night Out.**

City of Isanti

110 1st Avenue NW • PO Box 428 • Isanti, MN 55040 • Phone (763) 444-5512 • Fax (763) 444-5560

STAFF ONLY		SIGN PERMIT APPLICATION		<input type="checkbox"/> Site copy <input type="checkbox"/> City copy Permit # _____																		
				Rcvd Date: _____ Fee Rcvd Date: _____	Apvd Date: _____ Prmt Close Date: _____																	
TO BE FILLED OUT BY APPLICANT - INCOMPLETE APPS MAY NOT BE PROCESSED	PROJECT ADDRESS: 201 Isanti Parkway Isanti MN 55040																					
	GENERAL LOCATION OF SIGN ON THE PROPERTY: Near parking lot and along 3rd Ave NW on walking route to bike trail and back to park.																					
	APPLICANT NAME: Pregnancy Resource Center of Cambridge/Lex Specialty Clinics			Address: 140 Buchanan St. N. STE 138																		
	City: Cambridge State: MN Zip: 55006			Email: prcadmin@cambridgeprc.com																		
	Contact Name: Heather Taylor			Phone: 763-689-4319																		
	FEE OWNER AND APPLICATION CONSENT:			Address:																		
	City: State: Zip:			Email:																		
	Contact Name:			Phone:																		
	OTHER CONTACTORS:			Address:																		
	City: State: Zip:			Email:																		
APPLICANTS PLEASE REVIEW	Contact Name:			Phone:																		
	SIGNATURE OF APPLICANT: <i>Gina M. Kennedy</i>			DATE: 4/7/21																		
	PRINTED NAME: Gina M Kennedy CEO																					
	SIGNATURE OF PROPERTY OWNER:			DATE:																		
	PRINTED NAME:																					
	APPLICATION FEES: Non-refundable fees- 1) Permanent Sign: \$75 2) Temporary Sign: \$50																					
	Submittals shall be provided in the following format with the following required information, unless specifically indicated otherwise by City Staff. Failure to submit a complete application may delay the review and approval process.																					
	Generally, when a sign permit is needed, the permit app shall include, but is not limited to, construction documents which shall show the required details of construction including dimensions, wind load, ground load, stresses, fastening and anchoring application, footing sizes if needed, height to be erected at bottom edge clearances, materials to be used, electrical details as applicable, location on property, and the message to be displayed. Further info and inspections may be required by Com. Dev. Dept., please contact them upon application for a sign permit.																					
	Acceptance of Application: The application is subject to acceptance by the City upon review of the application and necessary materials being submitted. The application may also be subject to the acceptance by applicable councils. Building official and/or engineering approval may be required. Application materials shall meet building/engineering requirements set forth by the city engineer or as stated within the city code.																					
	<table border="1"> <thead> <tr> <th>ITEM</th> <th>DESCRIPTION</th> <th>DATE RCVD</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> Site Plan</td> <td>Site Plan showing the location of the sign on the parcel as well as dimensions from property lines, driveways, buildings, etc.</td> <td>(staff use)</td> </tr> <tr> <td><input type="checkbox"/> Visuals/Detailed descriptions</td> <td>Clear and legible drawings with description of the colors, construction materials, and sign dimensions</td> <td>(staff use)</td> </tr> <tr> <td><input type="checkbox"/> Owner's Signature</td> <td>Written authorization from the property owner for the sign to be located on the property</td> <td>(staff use)</td> </tr> <tr> <td><input type="checkbox"/> Supplemental permit application(s)</td> <td>When appropriate, a completed building permit application with drawings showing dimensions, construction supports, electrical wiring and components, sign materials, and any additional items as required by the Building Official.</td> <td>(staff use)</td> </tr> <tr> <td><input type="checkbox"/> Other</td> <td>Other Supplemental Information as requested by Staff</td> <td>(staff use)</td> </tr> </tbody> </table>					ITEM	DESCRIPTION	DATE RCVD	<input type="checkbox"/> Site Plan	Site Plan showing the location of the sign on the parcel as well as dimensions from property lines, driveways, buildings, etc.	(staff use)	<input type="checkbox"/> Visuals/Detailed descriptions	Clear and legible drawings with description of the colors, construction materials, and sign dimensions	(staff use)	<input type="checkbox"/> Owner's Signature	Written authorization from the property owner for the sign to be located on the property	(staff use)	<input type="checkbox"/> Supplemental permit application(s)	When appropriate, a completed building permit application with drawings showing dimensions, construction supports, electrical wiring and components, sign materials, and any additional items as required by the Building Official.	(staff use)	<input type="checkbox"/> Other	Other Supplemental Information as requested by Staff
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OFFICE USE ONLY	Application certified as complete by:			DATE:																		
	Conditions:			(may be conf'd on back)																		
	Permit Approved By:			DATE:																		
	Printed Name:			Dept:																		
Paid:		Date:	Receipt No.:	By:																		



City Parks

1. **Legacy Park** - 1043 Belfaire Blvd NW
2. **Unity Park** - 420 3rd Ave NW
3. **Bluebird Park** - 201 Isanti Parkway NW
 - a. Soccer Complex
 - b. Skate Park & Pleasure Rink
 - c. Isanti Indoor Arena (Home of Rum River BMX)
 - d. Redbirds Baseball Field
 - e. Dog Park
4. **Riverside Park** - 503 Rum River Dr NW
5. **Mattson Park** - 311 5th Ave NW

6. **Whisper Ridge Park** - 795 3rd Ave SW
7. **VFW Park** - Palomino Rd SE & Railroad Ave SE
8. **Isanti Hills Neighborhood Park** - 518 Dogwood St SW
9. **River Bluff Preserve** - 1111 Rum River Dr SW
 - a. Isanti Community Garden
10. **Rum River Meadows Park** - 1108 South Passage SW
11. **Academy Park** - 901 6th Ave Ct NE

City Facilities

12. **Cambridge-Isanti Bike/Walk Trail** - Isanti Parkway NW & 3rd Ave NW
13. **Farmer's Market**
14. **Isanti Community Center** - 208.5 1st Ave NW
- Community Recreation**
15. **Isanti Civic Arena** - 600 1st Ave NW
16. **Martin's Landing (DNR Landing)** - Martin's Landing Road NW
17. **Sanbrook Golf Course** - 1261 Heritage Blvd NE



THE

IN THE

Pregnancy Resource Center/Lex Specialty Clinic

Saturday, May 15, 2021

LOCATION: Blue Bird Park, Isanti, MN 55040

Registration @ 9:00 am • Walk Begins @ 9:30 am

For More Information

763-689-4319 • CAMBRIDGEPRC.COM

Isanti Parks

From: Al Jankovich <aljankovich@isantifiredistrict.org>
Sent: Friday, April 9, 2021 10:42 AM
To: Isanti Parks
Subject: RE: SEP - Walk For Life

Isanti Fire approves the 5/15 special event permit application from the Pregnancy Resource Center.

Thank you.

ALAN JANKOVICH | FIRE CHIEF

ISANTI FIRE DISTRICT

401 1ST AVE NW, PO BOX 490 | ISANTI MN 55040

763.444.8019 | aljankovich@isantifiredistrict.org | www.isantifiredistrict.org



From: Isanti Parks <IsantiParks@cityofisanti.us>
Sent: Friday, April 9, 2021 10:30 AM
To: Travis Muyres <tmuyres@cityofisanti.us>; Fire Department - Al Jankovich <aljankovich@isantifiredistrict.org>
Subject: SEP - Walk For Life

Hi Guys,

Special Event Permit application is attached for the Pregnancy Resource Center of Cambridge's Walk for Life at Bluebird Park. Event will be held 5/15 from 8am-1pm with 25-40 people.

Please let me know if you approve/deny the app by next Wednesday 4/14.

Thanks!

Alysa Olson

Parks, Recreation & Events Coordinator

Direct: 763-762-5754

Isanti Parks

From: Travis Muyres
Sent: Wednesday, April 14, 2021 3:03 PM
To: Isanti Parks
Subject: RE: SEP - Walk For Life

approved



TRAVIS MUYRES
Police Chief / Emergency Management Director
Isanti Police Department
4011 1st Ave NW
PO BOX 428
Isanti, MN 55040
763-444-4761 x101

From: Isanti Parks
Sent: Friday, April 9, 2021 10:29 AM
To: Travis Muyres; Fire Department - Al Jankovich
Subject: SEP - Walk For Life

Hi Guys,

Special Event Permit application is attached for the Pregnancy Resource Center of Cambridge's Walk for Life at Bluebird Park. Event will be held 5/15 from 8am-1pm with 25-40 people.

Please let me know if you approve/deny the app by next Wednesday 4/14.

Thanks!

Alyssa Olson

Parks, Recreation & Events Coordinator
Direct: 763-762-5754



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: April 14, 2021
To: Honorable Mayor Johnson and Members of the City Council
From: Jason W. Cook, P.E.
City Engineer
Subject: Approval of Plans and Authorization to Advertise for Bids
2021 Pavement Management Project
City of Isanti, MN
BMI Project No.: 0R1.123133

We request that the City Council approve the plans and specifications, entitled “2021 Pavement Management Project” and authorize advertisement for bids.

Following is the schedule for the 2021 Pavement Management Project:

Approve Plans & Specs, Authorize Advertisement for Bids	April 20, 2021
Open Bids	June 1, 2021
Commence Construction	June, 2021
Substantial Completion of Construction	August 31, 2021

We are requesting that the City Council approve plans and specifications and authorize advertisement for bids.

I will be at the April 20, 2021 City Council meeting to respond to any questions you have concerning the approval of plans and specifications or the authorization to advertise for bids.

Please contact us with any questions or if you would like any additional information prior to the meeting as well.

RESOLUTION 2021-XXX

**ACCEPTING PLANS AND SPECIFICATIONS AND AUTHORIZING ADVERTISEMENT
FOR BID FOR THE 2021 PAVEMENT MANAGEMENT PROJECT**

WHEREAS, the City has planned for the 2021 Pavement Management Project; and,

WHEREAS, the plans and specifications have been completed for these improvements;
and,

WHEREAS, the Engineer's Estimate is within the planned budget; and,

WHEREAS, a public bid opening is recommended to be held on June 1, 2021 to receive competitive bids to complete the construction project in the 2021 construction season;

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

- 1) That the City shall accept the plans and specifications as completed by Bolton & Menk, Inc.
- 2) That the City shall authorize the advertisement for bids for this project with a bid opening date scheduled for June 1, 2021.

This resolution was duly approved by the Isanti City Council this 20th day of April 2021.

Attest:

Mayor Jeff Johnson

Jaden Strand
City Clerk

City of Isanti

Gross Payroll	98,141.42
Social Security & Medicare	5,446.62
Public Employees Retirement	10,559.01
Total City Expense	<u>114,147.05</u>

Pay Date 4/16/2021

Pay Period 8 (3/28-4/10/21)

Report Criteria:

Report type: Summary

Check.Type = {<>} "Adjustment"

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
04/21	04/07/2021	55674	3035	ANDERSON, ASHLEY JENSEN & LINDSAY	601-20200	22.68
04/21	04/07/2021	55675	3029	ATTORNEYS TITLE GROUP	601-20200	3.43
04/21	04/07/2021	55676	2521	AXON ENTERPRISE INC.	920-20200	4,652.36
04/21	04/07/2021	55677	9	BERNICKS PEPSI-COLA	609-20200	1,645.55
04/21	04/07/2021	55678	1387	BJORKLUND COMPANIES	101-20200	102.00
04/21	04/07/2021	55679	2020	BOYLE, EUGENE	101-20200	1,897.60
04/21	04/07/2021	55680	1474	CDW GOVERNMENT INC	614-20200	6,222.60
04/21	04/07/2021	55681	1198	CENTER POINT ENERGY	601-20200	2,936.22
04/21	04/07/2021	55682	1629	CITY OF ISANTI	101-20200	9,693.02
04/21	04/07/2021	55683	1736	COMM OF MMB, TREAS DIV	101-20200	560.00
04/21	04/07/2021	55684	8	DAHLHEIMER DISTRIBUTING CO	609-20200	14,730.30
04/21	04/07/2021	55685	3031	EBERHARDY, ELISE	603-20200	5.54
04/21	04/07/2021	55686	2937	EXECUTIVE TITLE SERVICES	601-20200	4.63
04/21	04/07/2021	55687	1682	FERGUSON WATERWORKS	601-20200	59.60
04/21	04/07/2021	55688	2852	FIDELITY SECURITY LIFE INSURANCE CO	861-20200	120.85
04/21	04/07/2021	55689	1400	GENERAL CODE LLC	603-20200	2,209.95
04/21	04/07/2021	55690	134	GOPHER STATE ONE-CALL INC	601-20200	135.00
04/21	04/07/2021	55691	2761	GRATITUDE FARMS	101-20200	250.00
04/21	04/07/2021	55692	188	ISANTI COUNTY SHERIFF	101-20200	184.26
04/21	04/07/2021	55693	1563	ISANTI ELECTRIC INC	601-20200	752.75
04/21	04/07/2021	55694	3032	JACOBOSON, NATHANIEL & NORMA	601-20200	118.59
04/21	04/07/2021	55695	7	JOHNSON BROTHERS LIQUOR CO	609-20200	3,674.30
04/21	04/07/2021	55696	5	KAWALEK TRUCKING	609-20200	200.00
04/21	04/07/2021	55697	2727	LEGACY TITLE	601-20200	33.71
04/21	04/07/2021	55698	17	MCDONALD DISTRIBUTING CO	609-20200	12,569.70
04/21	04/07/2021	55699	3033	MELLIN, ELAINE	601-20200	5.00
04/21	04/07/2021	55700	1945	MINNESOTA DEPARTMENT OF LABOR & INDUSTR	101-20200	1,490.28
04/21	04/07/2021	55701	194	MN DEPT OF HEALTH	601-20200	5,469.00
04/21	04/07/2021	55702	2068	OLSON, ELEANOR	601-20200	53.54
04/21	04/07/2021	55703	2553	O'REILLY	101-20200	10.44
04/21	04/07/2021	55704	2288	PARTNERS TITLE	601-20200	28.82
04/21	04/07/2021	55705	44	PHILLIPS WINE & SPIRITS INC	609-20200	11,747.40
04/21	04/07/2021	55706	12	POSTMASTER	603-20200	6,000.00
04/21	04/07/2021	55707	2625	RESULTS TITLE	601-20200	62.69
04/21	04/07/2021	55708	3034	RG TITLE LLC	603-20200	65.07
04/21	04/07/2021	55709	1868	RIC PROPERTY MANAGEMENT	601-20200	54.42
04/21	04/07/2021	55710	2614	S. W. WOLD CONSTRUCTION INC	601-20200	31.80
04/21	04/07/2021	55711	2518	SEMLER CONSTRUCTION	601-20200	422.95
04/21	04/07/2021	55712	2001	SHRED-N-GO INC	101-20200	702.29
04/21	04/07/2021	55713	1361	STAPLES ADVANTAGE	609-20200	207.15
04/21	04/07/2021	55714	73	STAR	425-20200	13.33
04/21	04/07/2021	55715	3036	SWANSON, JOSHUA & KATHERINE	601-20200	43.81
04/21	04/07/2021	55716	2598	T.A.SCHIFSKY & SONS INC.	101-20200	610.99
04/21	04/07/2021	55717	2793	TEAM LABORATORY CHEMICAL, LLC	602-20200	619.00
04/21	04/07/2021	55718	686	VERIZON WIRELESS	101-20200	1,486.92
04/21	04/07/2021	55719	42	VIKING COCA-COLA BOTTLING CO	609-20200	173.55
04/21	04/07/2021	55720	4	WATSON CO INC	609-20200	2,025.64
04/21	04/07/2021	55721	1922	WEX BANK	101-20200	4,398.34
04/21	04/07/2021	55722	2475	WHITE BEAR IT SOLUTIONS, LLC	101-20200	2,938.00
Grand Totals:						101,445.07

Report Criteria:

Report type: Summary

Check.Check number = 55723

Check.Type = {<>} "Adjustment"

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
04/21	04/07/2021	55723	3030	CARNEY FORENSICS	101-20200	2,700.00
Grand Totals:						2,700.00

Dated: _____

Mayor: _____

City Council: _____

City Recorder: _____

Report Criteria:

Report type: Summary

Check.Type = {<>} "Adjustment"

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
04/21	04/14/2021	55725	3035	ANDERSON, LINDSAY	601-20200	22.68
04/21	04/14/2021	55726	53	BELLBOY CORPORATION	609-20200	2,521.69
04/21	04/14/2021	55727	9	BERNICKS PEPSI-COLA	609-20200	1,162.10
04/21	04/14/2021	55728	368	BILLS QUALITY CLEANING	101-20200	446.00
04/21	04/14/2021	55729	2319	BREAKTHRU BEVERAGE OF MN	609-20200	8,608.94
04/21	04/14/2021	55730	2621	BUREAU OF CRIM. APPREHENSION	101-20200	150.00
04/21	04/14/2021	55731	1822	CENTURYLINK BUSINESS SERVICES	101-20200	17.42
04/21	04/14/2021	55732	1522	CERTIFIED LABORATORIES	101-20200	191.56
04/21	04/14/2021	55733	918	CRYSTAL SPRINGS ICE	609-20200	325.62
04/21	04/14/2021	55734	8	DAHLHEIMER DISTRIBUTING CO	609-20200	11,717.95
04/21	04/14/2021	55735	3037	FREDLUND, KIELY	101-20200	348.97
04/21	04/14/2021	55736	696	GENESIS LLC	609-20200	1,180.53
04/21	04/14/2021	55737	113	ISANTI TIRE & AUTO CARE INC	101-20200	20.00
04/21	04/14/2021	55738	7	JOHNSON BROTHERS LIQUOR CO	609-20200	7,180.84
04/21	04/14/2021	55739	5	KAWALEK TRUCKING	609-20200	269.20
04/21	04/14/2021	55740	1282	LEAF TOWING AND	220-20200	100.00
04/21	04/14/2021	55741	1479	LOFFLER COMPANIES INC	108-20200	238.45
04/21	04/14/2021	55742	17	MCDONALD DISTRIBUTING CO	609-20200	15,873.75
04/21	04/14/2021	55743	2953	MIDCONTINENT COMMUNICATIONS	108-20200	118.59
04/21	04/14/2021	55744	2208	MINNESOTA EQUIPMENT INC	101-20200	109.97
04/21	04/14/2021	55745	1180	MLB PRINTING INC	609-20200	455.00
04/21	04/14/2021	55746	176	MN DEPT OF REVENUE	101-20200	28,983.00
04/21	04/14/2021	55747	2842	MN PEIP	861-20200	29,790.06
04/21	04/14/2021	55748	2992	NEXTERA COMMUNICATIONS	108-20200	271.00
04/21	04/14/2021	55749	1315	NOREEN, DUSTEN	101-20200	265.48
04/21	04/14/2021	55750	2553	O'REILLY	101-20200	17.98
04/21	04/14/2021	55751	617	PAUSTIS & SONS	609-20200	893.25
04/21	04/14/2021	55752	44	PHILLIPS WINE & SPIRITS INC	609-20200	2,289.77
04/21	04/14/2021	55753	2341	RED BULL DISTRIBUTION CO INC	609-20200	324.00
04/21	04/14/2021	55754	2396	SOUTHERN GLAZERS OF MN	609-20200	5,134.09
04/21	04/14/2021	55755	73	STAR	101-20200	126.60
04/21	04/14/2021	55756	2598	T.A.SCHIFSKY & SONS INC.	101-20200	845.61
04/21	04/14/2021	55757	2793	TEAM LABORATORY CHEMICAL, LLC	602-20200	619.00
04/21	04/14/2021	55758	1503	THE AMERICAN BOTTLING COMPANY	609-20200	261.00
04/21	04/14/2021	55759	2524	US BANK EQUIPMENT FINANCE	101-20200	63.00
04/21	04/14/2021	55760	2027	US INTERNET	603-20200	57.80
04/21	04/14/2021	55761	42	VIKING COCA-COLA BOTTLING CO	609-20200	345.95
04/21	04/14/2021	55762	4	WATSON CO INC	609-20200	2,560.71
Grand Totals:						123,907.56

RESOLUTION 2021-XXX**APPROVING THE RE-HIRE OF PART-TIME PUBLIC WORKS
SEASONAL ERIC JONES**

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

WHEREAS, the City Council approved to advertise and accept applications to fill two Seasonal positions for part time employment; and,

WHEREAS, Eric Jones is selected as the most qualified candidate for the open Seasonal position. The offer is contingent on successfully passing a background check;

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 Public Works Seasonal position to Eric Jones for the City of Isanti and shall be eligible to start on or after April 7th, 2021.
2. Eric Jones shall start at the wage scale of \$15.70 per hour.
3. Seasonal hires shall not work more than 100 days per the Union Contract in the position of the Public Works Seasonal position effective Spring through Fall 2021.
4. That Human Resources is directed to complete all required documentation for the completion of the employment offers.
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 20th day of April 2021.

Attest:

Mayor Jeff Johnson

Jaden Strand
City Clerk

RESOLUTION 2021- XXX

**ACCEPTING PART-TIME POLICE OFFICER LETTER OF
RESIGNATION FOR ERIC BAUMGART**

WHEREAS, Police Officer Eric Baumgart has submitted a letter of resignation to the City of Isanti on April 6, 2021; and,

WHEREAS, the effective date of this resignation is April 20, 2021; and,

WHEREAS, Officer Eric Baumgart is leaving employment in good standing;

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

1. The resignation of Eric Baumgart is hereby accepted effective April 20, 2021.
2. That Human Resources and Police Chief are hereby directed to fill the position as needed.

This Resolution is hereby approved by the Isanti City Council this 20th day of April 2021.

Attest:

Mayor Jeff Johnson

Jaden Strand
City Clerk



Request for City Council Action- MEMO

To: Mayor Johnson and Members of City Council
From: Jaden Strand, City Clerk
Date: April 20, 2021
Subject: Resolution 2021-XXX Accepting Quote and Authorizing to Enter into a Contract for Cleaning Services

Background:

Council authorized staff to advertise for proposals for cleaning services on March 2nd, 2021. Staff received three proposals; Walz Enterprises LLC, Bill's Quality Cleaning and Clean Queen.

Recommendation:

Staff is recommending to enter into a two-year contract with Walz Enterprises for cleaning services as they are lower overall for services per the specifications outlined in the request for proposal.

Request:

- Staff is requesting City Council action on this item.

Attachment:

- Resolution 2021-XXX Accepting Quote and Authorizing to Enter into a Contract for Cleaning Services

RESOLUTION 2021-XXX

ACCEPTING QUOTE AND AUTHORIZING TO ENTER INTO A CONTRACT FOR CLEANING SERVICES

WHEREAS, the Council authorized staff to request proposals for cleaning services on March 2nd, 2021; and,

WHEREAS, the request for proposals for cleaning services was published in the City's official newspaper; and,

WHEREAS, the following quotes were received:

CLEANING SERVICES			
LOCATION	WALZ ENTERPRISES LLC	BILL'S QUALITY CLEANING	CLEAN QUEEN
CITY HALL	\$362.48	\$420.00	-
POLICE DEPARTMENT	\$155.35	\$252.00	-
LIQUOR STORE	\$51.78	\$40.00	-
TOTAL FOR SERVICES PER MONTH	\$569.61	\$712.00	\$1,000.00 Flat Fee

WINDOW CEANING SERVICES			
LOCATION	WALZ ENTERPRISES LLC	BILL'S QUALITY CLEANING	CLEAN QUEEN
CITY HALL	-	\$112.00	-
POLICE DEPARTMENT	-	\$40.00	-
LIQUOR STORE	-	\$45.00	-
TOTAL SEMI- ANNUALLY	Included in Cleaning Services Fee	\$197.00	Included in Cleaning Services Fee

STRIP AND WAX FLOOR			
LOCATION	WALZ ENTERPRISES LLC	BILL'S QUALITY CLEANING	CLEAN QUEEN
COMMUNITY CENTER	\$0.90 per square foot (not to exceed \$855.90)	\$300.00 per time	Included in Cleaning Services Fee
LIQUOR STORE	\$0.90 per square foot (not to exceed \$450.00)	\$300.00 per time	Included in Cleaning Services Fee

WHEREAS, the lower overall quote was provided by Walz Enterprises LLC;

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

1. The City Council hereby accepts the quote from Walz Enterprises LLC (includes window washing).
2. That the City Administrator is hereby authorized to enter into a contract with Walz Enterprises LLC for the provision of specified cleaning services for the Municipal Building, Police Department, Community Center, Liquor Store and New Liquor Store for the period from May 1st, 2021 to April 31st, 2023.
3. That a copy of said contract shall be attached to this resolution including the responsibilities of both parties for the service.

This resolution was duly adopted by the Isanti City Council this 20th day of April 2021.

Attest:

Mayor Jeff Johnson

Jaden Strand
City Clerk

CONTRACT FOR CLEANING SERVICES

This agreement is hereby entered into between the City of Isanti and Walz Enterprises LLC for provision of specified cleaning services for City of Isanti municipal facilities that are named as follows:

City Hall
Police Department
Community Center
Liquor Store
New Liquor Store

It is understood that Walz Enterprises LLC is acting as an independent contractor and the relationship between the parties is merely contractual. Walz Enterprises will not be an employee of the City of Isanti.

For the Contractors part of this contract, Walz Enterprises LLC hereby agrees to accept the following responsibilities:

1. Provide cleaning services in full accordance with items on the attached Specifications form Part III.
2. Contact the City Clerk immediately to report any damage or other problems occurring as a result of contract cleaning work.
3. Provide all necessary cleaning supplies and equipment required for contractor's work.
4. Provide a certificate of liability insurance naming the City as an additional insured. General Liability limit \$1,000,000 per occurrence, \$2,000,000 Aggregate, \$300,000 automobile liability.
5. Provide Evidence of Worker's Comp Coverage if applicable or provide Exclusion.
6. Cleaning will be done on Friday, Saturday or Sunday at all facilities.
7. Individual(s) providing cleaning services have successfully completed and passed background check.

For its part of this contract, the City of Isanti hereby agrees to accept the following responsibilities:

1. Provide supplies required for daily use of the building, i.e. garbage bags, toilet paper, paper towels, hand towels and light bulbs.
2. Provide **\$569.00 to be paid each month** compensation for general cleaning and window washing service detailed in items 1-4 within the attached specification form Part III, payable within 30 days of receiving the contractor's invoice.
3. Provide **\$0.90 per square foot** compensation for stripping and waxing the floor not to exceed \$855.90 at the Community Center and not to exceed \$450.00 at the Liquor Store detailed in part III, payable within 30 days of receiving the contractor's invoice.

TERMINATION

It is further agreed that in case of violation, breach or non-performance by Contractor of any of the agreements contained in this Contract, City shall have the right to declare this Contract immediately null and void upon written notice to Contractor. This Contract shall be in effect from the date entered into through April 31, 2023 unless either party gives to the other written notice of not less than ninety (90) days, said notice stating that this Agreement shall be terminated and the effective date of termination. No amendment or modification of this Contract shall be effective unless made in writing and signed by both the City and Contractor.

This contract for cleaning service is hereby entered into on _____, between Walz Enterprises LLC and the City of Isanti for the period from May 1, 2021 through April 31, 2023.

Walz Enterprises LLC

Josi Wood, City Administrator

Date

Date

PART III

CITY OF ISANTI SPECIFICATIONS FOR CLEANING SERVICES- CITY HALL, POLICE DEPARTMENT, LIQUOR STORE, NEW LIQUOR STORE AND COMMUNITY CENTER

The City is interested in receiving a quote for cleaning services for a period from May 1, 2021 through April 31, 2023 and as further described. The cleaning service shall be done after hours on weekends (Friday evening, Saturday, and Sunday).

Section 1. Provision of Services

SCOPE OF WORK:

Specifications for Cleaning Services for Isanti Municipal Facilities is as follows:

1) City Hall – 110 1st Avenue NW

Weekly:

- Clean, sweep and wet mop all floors, corners, baseboards in all areas. (Offices, council chambers, entrances, lunch room and bathrooms.)
- Empty all trash and garbage containers into the trash container/ dumpster and replace with new trash bag.
- Empty all recycling containers into the recycling container.
- Clean and wipe down all surfaces and areas. (Lobby, offices, meeting rooms, council chambers and chairs.)
- Vacuum all carpet areas.
- Dust all counter tops and open desk tops including council chambers, windowsills, file cabinets and baseboards.
- Clean Restrooms. (Wipe down stools, urinals, sinks, mirrors, replace deodorant blocks in urinals as needed, refill soap dispenser, refill towel dispenser, refill toilet paper dispensers and supply one additional roll in each stall and wipe down all restroom stalls).
- Clean Lunch Room. (Wipe down sink, counters and other areas.)

Monthly:

- Clean and wipe down glass of interior and exterior North and South entrance glass doors.
- Clean and wipe down glass of display windows and doors in Lobby.
- Clean and wipe down glass at front desk.
- Remove spider webs as needed.
- Dust window blinds in offices, meeting rooms and council chambers.

Semi-Annually: Spring and Fall or more as needed:

- Clean and wipe down interior and exterior lower level windows and all doors.
- Clean and wipe down interior 2nd story windows.

2) Police Station – 401 1st Avenue North

Weekly:

- Clean, sweep and wet mop all floors, corners, baseboards in all areas. (Offices, entrances and lunch room.)
- Empty all trash and garbage containers into the trash container/dumpster and replace with new trash bag.
- Empty all recycling containers into the recycling container.
- Clean and wipe down all surfaces and areas. (Lobby, offices and chairs.)
- Vacuum all carpet areas.
- Dust all counter tops and open desk tops including windowsills, file cabinets and baseboards.
- Clean Restrooms. (Wipe down stools, urinals, sinks, mirrors, replace deodorant blocks in urinals as needed, refill soap dispenser, refill towel dispenser, refill toilet paper dispensers and supply one additional roll in each stall, wipe down all restroom stalls).
- Clean Lunch Room. (Wipe down sink, counters and other areas.)

Monthly:

- Clean and wipe down interior and exterior entrance doors.
- Remove spider webs.

Semi-Annually: Spring and Fall:

- Clean and wipe down interior and exterior windows.

Police Station windows include all windows in the offices of the Police Department and lunchroom.

3) Municipal Liquor Store – 400 W Dual Blvd. (Anticipated until November 30th, 2021)

Monthly:

- Clean and wipe down front entryway and interior glass doors.
- Clean and wipe down front windows in entryway.

Semi-Annually: Spring and Fall:

- Clean and wipe down exterior windows.

Quarterly:

- Strip and wax floor.

NEW Municipal Liquor Store – 10 6th Ave SE (Anticipated beginning December 1st, 2021)

Monthly:

- Clean and wipe down front entryway and interior glass doors.
- Clean and wipe down front windows in entryway.

Semi-Annually: Spring and Fall:

- Clean and wipe down exterior windows.

4) Community Center – 208.5 1st Avenue NW

Semi-Annually: Spring and Fall:

- Strip and wax kitchen and walkway.

Days for stripping and waxing floor of the Community Center shall be coordinated with the Parks, Recreation and Events Coordinator and/or designee.

A Community For Generations.



Request for City Council Action

To: Mayor Johnson and Members of City Council
From: Sheila Sellman, Community Development Director
Date: April 20, 2021
Subject: Resolution 2021-XXX Approving a Development Agreement for Caribou Coffee

Background:

On April 6th the City Council approved a site plan for a freestanding Caribou Coffee with drive-thru at 206 5th Ave NE. As part of the development process a minor development agreement is required. The applicant has reviewed the agreement and has no concerns or comments.

Request:

Approve development agreement for Caribou Coffee.

Attachments:

- Resolution 2021-XXX
- Development Agreement

RESOLUTION 2021-XXX

APPROVING THE DEVELOPMENT AGREEMENT FOR CARIBOU COFFEE

WHEREAS, Coffee Holdings LLC, (applicant) has an approved site plan for a Caribou Coffee at 260 5th Avenue NE PID 16.029.0500; and,

WHEREAS, a Development Agreement has been prepared and reviewed by the Developer and is ready for consideration by the City Council of the City of Isanti;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Isanti, Minnesota hereby approves this Resolution with the following conditions:

- 1) Prior to the signing of the development agreement any outstanding escrows, fees and/or financial guarantees, as stated within the development agreement, shall be established and/or paid and any minor changes to the agreement can be done by the City Administrator.

IT IS FINALLY RESOLVED, that the City Council of the City of Isanti, Minnesota hereby direct the Mayor and City staff to execute said development agreement.

This Resolution hereby approved by the City Council of the City of Isanti this 20th day of April 2021.

Mayor Jeff Johnson

Attest:

Jaden Strand
City Clerk

CITY OF ISANTI
MINOR DEVELOPMENT AGREEMENT

THIS AGREEMENT (the "Agreement"), is made and entered into this ____ day of _____ 2021 between the **City of Isanti**, a Minnesota municipal corporation (the "City") Coffee Holdings LLC, a _____ limited liability company (the "Developer").

RECITALS

WHEREAS, Developer seeks to construct a 605 square foot Caribou Coffee freestanding building (the Development) on the property located at 260 5th Avenue NE., PID 16.029.0500., Isanti MN, Isanti County Minnesota (the Property); and

WHEREAS, the Property is zoned B-2, General Business District and Highway 65 Overlay, and the Property is to be developed in accordance with the zoning requirements of that District, subject to the terms and conditions of this Agreement; and

WHEREAS, it is the policy of the City to enter into development contracts as contemplated in Minnesota Statutes 462.358, subd. 2(a); and

WHEREAS, Developer agrees to comply with the requirements set forth by City Code, City Approvals and Approved plans as defined and enumerated on attached Exhibit C and Exhibit D; and

WHEREAS, the City and Developer desire to set forth their respective rights and obligations in this Agreement.

NOW, THEREFORE, in consideration of the Recitals, the premises and of the mutual promises and conditions contained herein, it is agreed by the City and the Developer as follows:

1. **Development Agreement Provisions.** Subject to such changes as may be agreed between the City and the Developer(s), development of the Property shall adhere to the provisions set forth herein.
2. **Escrow for City Costs and Fees.** Developer shall, contemporaneously with

execution of this Agreement, deposit with the City an escrow of \$5,000 to cover the cost of legal fees, engineering fees, administrative expenses and other costs related to the Development. Any funds remaining in the escrow account(s) after the completion of the Development shall be refunded to the Developer. In the event the escrow account is depleted, the Developer shall post additional sums of money to replenish the account to a maximum of \$5,000 to cover projected City costs as determined by the City. The escrow account shall always have a balance of no less than \$1,000.00. The Developer shall be entitled, upon request, to an itemized statement of all costs and fees charged against the Developer's escrow account.

3. **Developer Installed Municipal Improvements.** The Developer shall construct the following described municipal improvements for the Development, which are hereinafter collectively called "Developer Installed Municipal Improvements." The Developer Installed Municipal Improvements shall be constructed at the Developer's expense and in accordance with City requirements and specifications, unless otherwise stated. The Developer shall engage at its own expense a registered professional civil engineer to prepare plans and specifications for the Developer Installed Municipal Improvements. These plans shall be submitted to the City for review and be approved by the City Engineer. The Developer agrees to City inspection of all Developer Installed Municipal Improvements and payment for said inspection services.

- a. The Developer shall extend new 5-foot-wide sidewalk along Main Street from 5th Avenue Ped Ramp to Main Street driveway, pursuant to the conditions set forth in the February 23, 2021, memo from the City's engineer, Bolton & Menk.
- b. Remove existing curb & gutter & replace with valley gutter or full B618 as needed.

- c. Remove the existing concrete driveway apron and curb cut onto Main Street. Replace curb with full B618 through old entrance.
 - d. Concrete valley gutters will be needed at both proposed entrances.
 - e. All utilities, including electricity, telephone, cable and natural gas, shall be installed underground within platted utility easements or road rights-of-way.
 - f. Replace existing sidewalk with 6-inch thick sidewalk through driveways and ped ramps, all other sidewalk can be 4-inch thick.
 - g. Relocate existing hydrant and pass testing for pressure and bacteria per City and MDH standards.
4. **Erosion Control.** Soil stabilization shall be employed to ensure the integrity of the soils and prevent erosion onto City streets, alley and neighboring parcels.
5. **Lighting.** The Developer shall be financially responsible for the cost of lighting for the Development.
6. **Warranty of Improvements.** The Developer represents and warrants that all the Developer Installed Municipal Improvements made shall be guaranteed to be properly functioning as designed for a period of two years following acceptance by the City of the Developer Installed Municipal Improvements (“Warranty Period”). In the case of any material or labor that is supplied and that is reasonably rejected by the City as defective or unsuitable, then the rejected materials shall be removed and replaced with approved material, and the rejected labor shall be done anew to the reasonable satisfaction and approval of the City at the sole cost and expense of the Developer. In any event, none of the Warranty Periods identified herein shall begin to run until all the Developer Installed Municipal Improvements have been approved and accepted by the City. If the Developer does not proceed to correct or repair improvements under this section once notified by the City, it shall be considered

an Event of Default under the Development Agreement.

7. **Signs and Markings.** All costs associated with markings and signs are to be borne by the Developer. Placement of City signage shall be as directed by the City Engineer. Business signage shall be approved by sign permit.

8. **Lowest Floor Elevation.** No building shall be constructed unless the lowest floor elevation is at least two feet above the 100-year flood elevation or two feet above the high groundwater elevation, whichever is greater. Additionally, the lowest floor elevation shall be specifically referenced and designated on a certificate of survey, which survey shall be provided to the City before any building permits are issued.

9. **Miscellaneous Provisions.** The Developer specifically understands that approval for this development is given subject to the following requirements:

- a. Exterior lighting or advertising activities on the site shall comply with City ordinance regarding same.
- b. The Developer shall permit access to the land herein for periodic inspection to assure conformance with the conditions herein.
- c. The Developer shall remove all temporary soil stabilization and erosion control devices, such as silt fencing, before the escrow held by the City is returned to the Developer.

10. **Special Provisions.** The following shall apply:

- a. **Liquidated Damages.** The Developer agrees to pay liquidated damages to the City in the amount of \$500.00 if the Developer encroaches upon any City road right-of-way or utility easement without first obtaining a written permit from the City expressly authorizing said encroachment. The City shall be authorized to retain an appropriate percentage of the financial guarantee referred to above as security for payment of any liquidated damages owed to the City.

- b. **Sodding and Seeding Requirements.** Prior to issuance of a certificate of occupancy, it shall be the responsibility of the Developer to install sodding in all lot front yards, side yards, and back yards per City Zoning Ordinance. Said sodding shall be complete, established and growing within sixty (60) days of issuance of a Certificate of Occupancy, except that, if the Certificate of Occupancy is issued between the dates of October 1 and May 1, then the sodding required herein shall be complete, established and growing no later than July 1 of the following year with the appropriate escrow established for the lot.
- 11. **Warranty of Title.** The Developer warrants and represents to the City that it is the fee owner of the land described in the Plat and that it has authority to execute this Agreement and agree to the conditions hereof.
- 12. **Lien Waivers.** Copies of signed and recorded lien waivers are required from each of the Developer's Contractors and Subcontractors involved in constructing the sidewalks. The Lien Waivers shall be submitted to and approved by the City Engineer prior to accepting the sidewalks and starting the warranty period.
- 13. **Restrictions on Transfer/Indemnification.**
 - a. **Indemnification.** The Developer agrees to defend and hold the City, and its officials, employees and agents, harmless against any and all claims, demands, lawsuits, judgments, damages, penalties, costs and expenses, including reasonable attorney's fees, arising out of actions or omissions by the Developer, its employees and agents, in connection with the Development.
 - b. **Enforcement by City; Damages.** The Developer acknowledges the right of the City to enforce the terms of the Development Agreement against the Developer, by action for specific performance or damages, or both, and by any other legally authorized means. The Developer also acknowledges that its failure to perform any or all of its obligations under the Development Agreement may result in substantial damages to the City; that in the event of default by the Developer, the City may

commence legal action to recover all damages, losses and expenses sustained by the City; and that such expenses may include, but are not limited to, the reasonable fees of legal counsel employed with respect to the enforcement of the Development Agreement.

14. **Hold Harmless Agreement.** The Developer acknowledges that its failure to control erosion in accordance with the plans and exhibits as contained herein may cause flooding and/or damage to adjoining property owners. In such event, the Developer agrees to hold the City harmless and indemnify the City from claims of all third parties or the Developer for damages arising out of such flooding and/or damages. Further, in the event the City undertakes any corrective actions to prevent or minimize any such flooding and/or damage, the Developer agrees to hold the City harmless and indemnify the City from claims of all third parties for damages arising out of said corrective action by the City, and agrees to reimburse the City for all out of pocket expenses incurred by the City arising out of the corrective action including, but not limited to, any cost necessary to re-landscape disrupted soils located within the Development.

15. **Events of Default.**

a. **Events of Default Defined.** The following shall be “Events of Default” under the Development Agreement and the term “Event of Default” shall mean, whenever it is used in the Development Agreement, any one or more of the following events:

i. Subject to unavoidable delays, failure by the Developer to commence and complete construction of the Developer Installed Municipal Improvements pursuant to the terms, conditions and limitations of the Development Agreement. For purposes of this Agreement, “unavoidable delays” means delays which are the direct result of acts of God, unforeseen adverse weather conditions, strikes, other labor troubles, fire or other casualty to the Municipal Improvements, litigation commenced by third parties which, by injunction or other similar judicial action,

directly results in delays, or acts of any federal, state or local governmental unit, and which directly results in delays.

- ii. Failure by the Developer to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under the Development Agreement.

b. **Remedies on Default.** Whenever any Event of Default occurs, the City may undertake any one or more of the following:

- i. The City may suspend its performance under the Development Agreement until it receives assurances from the Developer, deemed adequate by the City, that the Developer will cure its default and continue its performance under the Development Agreement. Suspension of performance includes the right of the City to withhold permits including, but not limited to, building permits.
- ii. The City may initiate such action, including legal, equitable or administrative action, as is necessary for the City to secure performance of any provision of the Development Agreement or recover any amounts due under the Development Agreement from the Developer, or immediately draw on the financial guarantees provided by the Developer pursuant to the Development Agreement.
- iii. The City may draw upon any escrow or financial guarantee established pursuant to this Agreement.
- iv. The Developer agrees that if the escrow or financial guarantee is insufficient or terminates, the City has the right to use the special assessment process under Minnesota Statutes chapter 429 to construct and pay for uncompleted Developer Installed Municipal Improvements or to correct and repair any improvements under warranty. This constitutes a petition to undertake such public

improvements under Minnesota Statutes chapter 429, and waiver of any all rights to notices, hearings and appeal under said chapter.

16. **Notice and Demands.** A notice, demand or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; to the addresses as follows:

a. Developer: Coffee Holdings, LLC
530 South Front Street Suite 100
Mankato MN 56001

b. City: City of Isanti
City Administrator
P.O. Box 428
Isanti, MN 55040

Either party may designate an additional or another address upon giving notice to the other party pursuant to this paragraph.

17. **Disclaimer of Relationship.** Nothing contained in this Agreement or any Development Agreement nor any act by the City or the Developer shall be deemed or construed by any person to create any relationship of a third-party beneficiary, principal and agent, limited or general partner, or joint venture among the City, the Developer, and/or any third party.

18. **Receipt Acknowledgment.** The City shall acknowledge receipt of the funds received at the time the Development Agreement is signed.

19. **Other Provisions.**

- a. **Modifications.** The Development Agreement may be modified solely through written amendments hereto executed by the Developer and the City.
- b. **Counterparts.** The Development Agreement may be executed in any number of counterparts, each one of which shall constitute one and the same instrument.
- c. **Judicial Interpretation.** Should any provision of the Development Agreement require judicial interpretation, the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent or attorney prepared the same, it being agreed that the agents and attorneys of both parties have participated in the preparation thereof.
- d. **Governing Law.** The Development Agreement shall be construed under the laws of the State of Minnesota.
- e. **Severable Provisions.** If any word, phrase, clause or part of this Agreement is found unenforceable, the balance of the Agreement shall remain in full force and effect.

The Remainder of this page is left intentionally blank.

IN WITNESS WHEREOF, the City and Developer have caused this Agreement to be duly executed on the day and year first above written.

CITY OF ISANTI

By:

Mayor

Attest:

City Clerk

STATE OF MINNESOTA)

) ss.

COUNTY OF ISANTI)

On this _____ day of _____, 2021, before me, a Notary Public, personally appeared Jeff Johnson and Jaden Strand, of the City of Isanti, a Minnesota municipality within the State of Minnesota, and that said instrument was signed on behalf of the City of Isanti by the Mayor and City Clerk and, hereby acknowledge said instrument to be the free act and deed of said City of Isanti.

Notary Public

2021 Exhibit B - Caribou Coffe

Acres:

\$ 1.14

Units:

Lots:

I. Platting Fees Owed/Credits:		Cost	per acre/unit/lot	Cash	Notes:
A.	Trunk Utilities	\$ 2,050.00	per acre	\$ 2,337.00	
B.	Park Dedication	\$ 1,500.00	per acre	NA	
C.	Signal Light	\$ 0.10	per Sq/Ft	\$ 4,965.80	49658
Total Fees:				\$ 7,302.80	
II. Improvement Related Costs:				Cash	Notes
		Letter of Credit (LOC)		Cash Escrow	Notes
C.	Engineering				
	Onsite Field Inspection			\$ 5,000.00	City Engineer - contract
Improvement Subtotals:		\$ -		\$ 5,000.00	
III. LOC/Escrow/Fees required:		LOC*		Cash	
A.	Letter of Credit (LOC) - Section II I.	\$ -			
B.	Cash Escrow - Section II C-H.			\$ 5,500.00	
C.	Fees - Section I			\$ 7,302.80	
D.	Administrative - Section II A.			\$ -	
E.	Development related transportation improvement cost - Section II B.			\$ -	
Total Cash required		\$ -		\$ 12,802.80	



Memo for Council Action

To: Mayor Johnson and Members of the City Council
From: Finance Director Betker
Date: April 20th 2021
Subject: Setting Work Sessions for 2022 Budget

Background:

Below is the proposed 2022 Budget Timeline

Date	Month	Action
2nd Council Meeting	April	Memo to Council Outlining Budget Process/Timeline
Thurs. after 2 nd CC Mtg	April	Prepare & Distribute Budget & Capital Outlay Request Templates
First 3 weeks	May	Input Department Head Budget Requests
Last 1 week	May	Meet With Department Heads Regarding Operating & Capital Budgets
2nd week	June	Department Head Meeting on Budget to be Presented at C.O.W.
Committee of the Whole	June	Review Budget Items and Capital Outlay Requests
2nd Council Meeting	July	Council Budget Workshop – Operating Budgets
2nd Council Meeting	August	Council Budget Workshop – Capital Budgets
1st Council Meeting	September	Preliminary Levy is Approved
1st Council Meeting	December	Truth in Taxation Meeting, Final levy and Budget Adoption

Request: Staff is recommending that Budget workshops be held immediately following the regular Council Meetings on Tuesday July 20th and Tuesday August 17th.

Attachment:

- Resolution 2021-XXX – Setting Work Sessions for 2022 Budget

RESOLUTION 2021-XXX

SETTING WORK SESSIONS FOR 2022 BUDGET

WHEREAS, the City Council schedules Work Sessions as needed from time to time in accordance with City Code Chapter 8-12, B.; and,

WHEREAS, annually the City Council meets in Work Sessions regarding the proposed City Budget with three scheduled Work Sessions. The need for the third Work Session will be affirmed prior to adjournment of the second Work Session;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Isanti, Minnesota to set the following Budget Work Sessions, to be held immediately after the regular City Council Meeting on the following dates:

1. Tuesday, July 20, 2021
2. Tuesday, August 17, 2021

This Resolution is hereby approved by the Isanti City Council this 20th day of April 2021.

Attest:

Mayor Jeff Johnson

Jaden Strand
City Clerk



Request for City Council Action- MEMO

To: Mayor Johnson and Members of City Council
From: Jaden Strand, City Clerk
Date: April 20, 2021
Subject: Electrical Maintenance Services- Request for Proposals

Background:

The City's contract with its current electrical service provider is expiring; to make sure the City is getting the best cost for services it is recommended to go out for proposals for electrical maintenance services. Staff has prepared a request for proposals (RFP) for this service that outlines needs and specifications.

Request:

- Staff is requesting City Council action on this item.

Attachment:

- RFP for Electrical Maintenance Services



CITY OF ISANTI

REQUEST FOR PROPOSALS

ELECTRICAL MAINTENANCE SERVICES

Proposals Due: May 5th, 2021

I. INTRODUCTION

This request has been prepared by the City of Isanti to retain electrical maintenance work from a qualified business.

The primary objective of requesting proposals is for the City to determine which proposer can offer the highest quality of service at the most reasonable cost.

II. INSTRUCTIONS FOR PROPOSERS

- A. The City will accept electronic or written proposals. Responses must clearly address all of the items listed in this request for proposal. Parties choosing to submit a written proposal please submit to:

Jaden Strand
City Clerk
City of Isanti
110 1st Ave NW P.O. Box 428
Isanti, MN 55040

Electronic proposal submissions are to be attached to an email with the subject line “Electrical Maintenance Proposal” Questions or request for clarification may be directed to Jaden Strand, City Clerk by phone at (763) 762-5759 or via email at Jstrand@cityofisanti.us.

- B. **All proposals must be received no later than 4:30 pm on Wednesday, May 5th, 2021.** Any vendors submitting proposals after the date and time listed above are not guaranteed consideration. Proposals submitted should be clearly labelled “Electrical Maintenance Proposal”.

III. SCOPE OF WORK:

Specifications for Electrical Maintenance Service for Isanti Municipal Facilities is as follows:

- 1) The City is accepting proposals to perform electrical maintenance work on an “as-needed basis” for City building and facilities. The work may be indoor or outside. This work includes tasks ranging from maintenance of building lighting and electrical systems to small projects in City Parks to other electrical project needs for any/all City facilities. Work to be performed under direction of a state licensed Master Electrician. This proposer should list experience, examples of project work, list individual(s) to perform work, their qualifications and contractor references.

Acceptance of the proposal is for a “first call” basis, and if the contractor is not available or cannot respond in a timely manner, the City reserves the right to contact another vendor of their choosing. Specialty equipment in city utility and liquor store facilities is not covered under this contract.

IV. PROPOSAL EVALUATION AND CONTRACT AWARD

- A. The City intends to award a contract to the proposer(s) evaluated to be best qualified to perform the work for the City, cost and other factors considered.
- B. The City shall not be liable for any expenses incurred by the proposer including, but not limited to, expenses associated with the preparation of the proposal or final contract negotiations.

- C. The City of Isanti reserves the right to reject any and all proposals or to request additional information from any or all proposers.
- D. It is anticipated that the City will establish a contract with a selected business for a five (5) year term. A contract for this term will be prepared and entered into with the successful proposer.
- E. The successful contractor must not have any delinquent accounts with the City of Isanti.

V. TERM OF CONTRACT AND INSURANCE:

The Contract Term shall be five (5) years; from June 1, 2021 to May 31, 2026. The approved contractor will need to provide to the City a Certificate of Insurance with General and Automobile Liability Insurance in the amount of \$1,000,000 and Workers Compensation Insurance in the statutory amounts. The City of Isanti shall be listed on the Certificate as an additional insured.

Independent contractors carrying on a trade or business as sole proprietors must present Independent Contractor Exemption Certificate (ICEC) when submitting a quote for the above services.



**CITY OF ISANTI REQUEST FOR PROPOSAL
ELECTRICAL MAINTENANCE SERVICES QUOTE WORKSHEET**

All categories must be completed to be considered in the award of the quote per the attached specifications.

I (we) submit the following quote for electrical maintenance services for the City of Isanti.

	Cost for Service- Hourly Basis
Regular Rate (8 a.m. to 4:30 p.m.) Monday through Friday	\$
After Hours	\$
Weekends/ Holidays	\$
Price Adjustment Over Term of Contract (If any)	\$

You may attach any additional information to this worksheet to provide quotes for the Electrical Maintenance service.

Proposal submitted by: (Please Print)

Company Name

Phone Number

Mailing Address

City, State Zip code

Contact Person/Person Submitting Proposal

Email

Signature of Person Submitting Proposal

Date

REFERENCES:

Commercial References: Please print or type.

Contact Name

Company Name

Address

Phone Number

Contact Name

Company Name

Address

Phone Number

Contact Name

Company Name

Address

Phone Number

CITY OF ISANTI
REQUEST FOR PROPOSALS FOR ELECTRICAL MAINTENANCE SERVICES

The City of Isanti is accepting proposals for a five (5) year contract for electrical maintenance services for City facilities. Specifications are available upon request from the City Clerk's Office at Isanti City Hall or online at www.cityofisanti.us. The City Council reserves the authority to waive irregularities, accept or reject any/or all proposals, and award in the best interest of the City. Proposals can be submitted via email to JStrand@cityofisanti.us or addressed to Jaden Strand at 110 - 1st Avenue NW, PO Box 428, Isanti MN 55040. All proposals submitted must be clearly marked as "Proposal for Electrical Maintenance Services" and will be accepted until 4:30 p.m. on May 5th, 2021.

Jaden Strand
City Clerk

Publish on:
Posted on:



Request for City Council Action- MEMO

To: Mayor Johnson and Members of City Council
From: Jaden Strand, City Clerk
Date: April 20, 2021
Subject: Resolution 2021-XXX Approving a Mutual Aid Agreement Between the City of Isanti and the City of Cambridge for the Sharing of Equipment and Personnel Resources

Background:

The Mutual Aid Agreement between the City of Isanti and the City of Cambridge has expired. The agreement would allow for the sharing of equipment, personnel and other resources between the two communities when there is a significant need such as an emergency. The Mutual Aid Agreement is a three-year agreement that shall expire on March 31, 2024.

Request:

- Staff is requesting City Council action on this item.

Attachment:

- Resolution 2021-XXX

RESOLUTION 2021-XXX

**APPROVING A MUTUAL AID AGREEMENT BETWEEN THE CITY OF ISANTI AND THE
CITY OF CAMBRIDGE FOR THE SHARING OF EQUIPMENT AND PERSONNEL
RESOURCES**

WHEREAS, an agreement has been developed pursuant to Minnesota Statutes 471.59 that authorizes the joint and cooperative exercise of powers common to contracting parties; and,

WHEREAS, the intent of the agreement is to make equipment, personnel and other resources available to a political subdivision from another political subdivision; said political subdivisions being the City of Isanti and the City of Cambridge;

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

1. That the Mutual Aid Agreement Between the City of Isanti and the City of Cambridge attached as 'Exhibit A' is approved.
2. Mayor and City Administrator are hereby authorized to execute said document.

This resolution was duly adopted by the Isanti City Council this 20th day of April 2021.

Attest:

Mayor Jeff Johnson

Jaden Strand
City Clerk

Exhibit A

City of Cambridge and City of Isanti, Minnesota Mutual Aid Agreement

Purpose

This Agreement is made pursuant to Minnesota Statutes, Section 471.59 which authorizes the joint and cooperative exercise of powers common to contracting parties. The intent of this Agreement is to make equipment, personnel and other resources available to governmental units from other governmental units.

Definitions

“Party” means a governmental unit as defined by Minnesota Statutes, Section 471.59, subd. 1.

“Parties” shall collectively mean more than one Party.

“Requesting Official” means the person designated by a Party who is responsible for requesting Assistance from other Parties.

“Requesting Party” means a Party that requests Assistance from other Parties.

“Responding Official” means the person designated by a Party who is responsible to determine whether and to what extent that Party should provide Assistance to a Requesting Party.

“Responding Party” means a Party that provides Assistance to a Requesting Party.

“Assistance” means (Check the type of assistance that will be provided):

- ✓ Public works personnel and equipment:
- ✓ Law enforcement personnel and equipment:
- ✓ Utility personnel and equipment:
- ✓ Other personnel and equipment as listed below:
Building Inspectors, Administration, Finance, or Public Information Officer

Procedure

1. **Request for Assistance.** Whenever, in the opinion of a Requesting Official, there is a need for Assistance from other Parties, the Requesting Official may call upon the Responding Official of any other Party to furnish Assistance.
2. **Response to Request.** Upon the request for Assistance from a Requesting Party, the Responding Official may authorize and direct that Party’s personnel to provide Assistance to the Requesting Party. This decision will be made after considering the needs of the Responding Party and the availability of resources.
3. **Recall of Assistance.** The Responding Official may at any time recall such Assistance when in his or her best judgment or by an order from the governing body of the Responding Party, it is considered to be in the best interests of the Responding Party to do so.

4. **Command of Scene.** The Requesting Party shall be in command of the mutual aid scene. The personnel and equipment of the Responding Party shall be under the direction and control of the Requesting Party until the Responding Official withdraws Assistance.

Workers' compensation

Each Party shall be responsible for injuries or death of its own personnel. Each Party will maintain workers' compensation insurance or self-insurance coverage, covering its own personnel while they are providing Assistance pursuant to this Agreement. Each Party waives the right to sue any other Party for any workers' compensation benefits paid to its own employees or volunteer or their dependents, even if the injuries were caused wholly or partially by the negligence of any other Party or its officers, employees, or volunteers.

Damage to equipment

Each Party shall be responsible for damages to or loss of its own equipment. Each Party waives the right to sue any other Party for any damages to or loss of its equipment, even if the damages or losses were caused wholly or partially by the negligence of any other Party or its officers, employees, or volunteers.

Liability

1. For the purposes of the Minnesota Municipal Tort Liability Act (Minn. Stat. Ch. 466), the employees and officers of the Responding Party are deemed to be employees (as defined in Minn. Stat. § 466.01, subd. 6) of the Requesting Party.
2. The Requesting Party agrees to defend and indemnify the Responding Party against any claims brought or actions filed against the Responding Party or any officer, employee, or volunteer of the Responding Party for injury to, death of, or damage to the property of any third person or persons, arising from the performance and provision of Assistance in responding to a request for Assistance by the Requesting Party pursuant to this Agreement.
3. For purposes of determining total liability for damages pursuant to Minn. Stat. § 471.59, subd. 1a(b), the Parties are considered a single governmental unit and the total liability of the Parties shall not exceed the limits on governmental liability for a single governmental unit as specified in Minn. Stat. § 466.04, subd. 1.
4. The intent of this subdivision is to impose on each Requesting Party a duty to defend and indemnify a Responding Party for claims arising within the Requesting Party's jurisdiction subject to the limits of liability under Minnesota Statutes, Chapter 466. The purpose of creating this duty to defend and indemnify is to simplify the defense of claims by eliminating conflicts among defendants, and to permit liability claims against multiple defendants from a single occurrence to be defended by a single attorney.
5. No party to this Agreement nor any officer of any Party shall be liable to any other Party or to any other person for failure of any Party to furnish Assistance to any other Party, or for recalling Assistance, both as described in this Agreement.

Charges to the Requesting Party

1. No charges will be levied by a Responding Party to this Agreement for Assistance rendered to a Requesting Party under the terms of this Agreement unless that Assistance continues for a period of more than 48 hours. If Assistance provided under this Agreement continues for more than 48 hours, the Responding Party will submit to the Requesting Party an itemized bill for the

actual cost of any Assistance provided after the initial 8-hour period, including salaries, overtime, materials and supplies and other necessary expenses. The Requesting Party will reimburse the Party providing the Assistance for that amount.

2. Such charges are not contingent upon the availability of federal or state government funds.

Duration

This Agreement will be in force for a period of three years from the date of execution. Any Party may withdraw from this Agreement upon thirty (30) days written notice to the other Party or Parties to the Agreement. (Expiration Date: March 31, 2024)

Execution

Each party hereto has read, agreed to and executed this Mutual Aid Agreement on the date indicated.

Date: _____

Entity: City of Isanti

By: Jeff Johnson
Title: Mayor

By: Josi Wood
Title: City Administrator

Date: _____

Entity: City of Cambridge

By: James A. Godfrey
Title: Mayor

By: Evan Vogel
Title: City Administrator

Appendix A Charges

Response to mutual aid: First forty-eight hours are free

After the first forty-eight hours charges will be based upon equipment and personnel as follows:

Police/Equipment	Police Hourly Rate
Officer & Car	\$75.00
Officer	\$50.00

Public Works Charges

Labor Rate – Regular Time	Per hour minimum charge of ½ hour	\$40.00
Labor Rate – Over Time	Per hour minimum charge of 2 hours	\$60.00
Loader (with one operator)	Per hour	\$90.00
Skidsteer (with one operator)	Per hour	\$75.00
Skidsteer with attachment snow blower, brush cutter, broom, grapple bucket or other (with one operator)	Per hour	\$125.00
Dump Truck (with one operator)	Per hour	\$85.00
Street Sweeper (with one operator)	Per hour	\$85.00
Bucket Truck (two people required per OSHA included in hourly rate)	Per hour	\$175.00
Progressive Mower	Per Hour	\$65.00
One-ton truck (with one operator)	Per hour	\$65.00
Vactor Sewer Cleaning Truck (with two operators as required by OSHA)	Per hour	\$155.00
Air compressor or portable generator	Per hour	\$65.00



Isanti Police Department Monthly Report

March 2021

<u>Reported Crime</u>	<u>Month to Date</u>	<u>Year to Date</u>
Theft	10	25
Assault	2	8
Vandalism/Damage to Property	6	8
Narcotics	3	12
Burglary	2	3
Domestics	8	18
Crim Sex	0	3
Robbery	0	0
Loud Party/Disturbance	8	11
Medical	38	93
Permit to Purchase	15	39
Security Check / Extra Patrol	397	1,271

<u>Traffic Offenses</u>	<u>Month to Date</u>	<u>Year to Date</u>
No Insurance	7	20
DUI	1	3
Accidents	6	25
Hit & Run	0	0
Warrant P/U	4	10
Speed	7	36
DAR/DAS	4	11
Administrative Citations (Including Speed)	4	31

<u>Squad Mileage</u>	<u>Month End Mileage</u>	<u>Month Miles</u>	<u>YTD Miles</u>
Ford Explorer 221	97,394	548	1,593
Ford Explorer 224	95,098	840	2,061
Ford F150 225	43,354	757	2,082
Chevy Impala 223	98,548	181	531
Dodge Durango 226: Note			
2 months total mileage	29,158	3,164	#VALUE!
Dodge Durango 227	35,439	988	4,031
Dodge Durango 228	13,100	1,680	5,414
Chevy Tahoe 229	4,525	1,325	4,525

CEZT REPORT MARCH 2021

[illegible]

CITY OF ISANTI MONTHLY REPORT

March 2021

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	24	46	\$0.00	\$0.00	\$24.00	\$38.00	\$1,920.00	\$3,680.00		
DECK	1	6	\$0.00	\$3,000.00	\$1.00	\$2.50	\$300.00	\$1,653.45		
LL FINISH	4	10	\$0.00	\$7,000.00	\$4.00	\$7.50	\$999.00	\$2,328.88		
REMODEL / ADDITION	0	2	\$0.00	\$15,650.00	\$0.00	\$8.00	\$0.00	\$598.20		
GARAGE / SHED	1	1	\$0.00	\$0.00	\$0.00	\$0.00	\$80.00	\$80.00		
MISCELLANEOUS	21	51	\$0.00	\$65,000.00	\$20.00	\$74.50	\$2,400.00	\$5,540.00		
SINGLE DWELLINGS	2	13	\$404,636.00	\$2,670,634.00	\$202.50	\$1,255.00	\$5,659.50	\$36,032.00		
MULTI DWELLINGS	0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
MECHANICAL	7	36	\$0.00	\$0.00	\$7.00	\$32.00	\$520.00	\$2,695.00		
PLUMBING	7	34	\$0.00	\$0.00	\$7.00	\$29.00	\$538.00	\$2,836.00		
RESIDENTIAL TOTAL	67	199	\$404,636.00	\$2,761,284.00	\$265.50	\$1,446.50	\$12,416.50	\$55,443.53		
COMMERCIAL										
NEW BUILDINGS	0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
REMODEL / ADDITION	0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
PLUMBING	0	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$54.00		
MECHANICAL	0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
ROOF / SIDING	1	2	\$0.00	\$15,150.00	\$79.00	\$79.00	\$1,448.00	\$1,728.50		
MISCELLANEOUS	4	26	\$0.00	\$31,990.00	\$3.00	\$30.00	\$225.00	\$3,443.20		
COMMERCIAL TOTAL	5	29	\$0.00	\$47,140.00	\$82.00	\$109.00	\$1,673.00	\$5,225.70		
RESIDENTIAL/COMMERCIAL TOTAL	72	228	\$404,636.00	\$2,808,424.00	\$347.50	\$1,555.50	\$14,089.50	\$60,669.23	\$12,750.00	\$82,571.00



MEMORANDUM

Date: April 14, 2021
To: Honorable Mayor Johnson and Members of the City Council
From: Jason W Cook, P.E.
City Engineer
Subject: Project Status Report
Project No.: 0R1.123310, Isanti, MN

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

1) Liquor Store Site Design

8 bids were received on April 9, 2021 and the project was awarded at the April 13, 2021 Council Meeting. Contracts will begin being processed.

2) Main Street Reconstruction

We will hold the Improvement Hearing on April 20, 2021 and bring the plans to Council for authorization to bid the project.

3) Eagle Park Parking Lot Reconstruction

We have added this as an alternate to the Main Street Reconstruction bid package to be evaluated after bids are received.

4) Heritage Walk Improvements

We have added this as an alternate to the Main Street Reconstruction bid package to be evaluated after bids are received.

5) 2021 Pavement Management Project

We will bring the plans to the April 20, 2021 council meeting for authorization to bid the project.

6) 2021 Storm System Management Project

This project is out for quotes with a scheduled bid date of April 27, 2021.

7) 6th Avenue Rehabilitation

Punchlist items will be completed this spring. Sod will be maintained by the contractor through May 15, 2021.

8) Legacy Pines 2nd & 3rd Additions

Punchlist items will be addressed in the spring on 2nd Addition. Sidewalks and final pavement surfaces will be completed in the spring on 3rd Addition Phases 1 & 2. 3rd Addition Phase 3 is planned for construction this summer.

Name: Project Status Report

Date: April 14, 2021

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9) Fairway Greens North Development

A new development is proposed to extend to the NE along 7th Avenue from Cajima Street near the Arts & Science Academy. The first phase is planned for construction this summer.

10) MS4 Implementation

We assisted the City with completing the MS4 permit application and will continue to assist the City as requested to meet MS4 requirements.

Please contact me if you have any questions.