



# MORRISON COUNTY BOARD OF COMMISSIONERS OFFICIAL MINUTES

DECEMBER 30, 2016  
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The meeting was held in the County Board Room, Government Center, Little Falls MN, and was called to order at 9:00 a.m. by Chairman Winscher.

**Members present:** Commissioners Randy Winscher, Duane Johnson, Mike Wilson, Jeff Jelinski, and Kevin Maurer.

**Staff present:** Deb Gruber, Tabitha Maher, Deb Lowe, Brian Middendorf, Glen Erickson, Steve Messerschmidt, Chuck Parins, Beth Hamlin, Michelle Warnberg, Jean Popp and Steve Backowski.

**Others present:** Tyler Jensen, Mark Slupe, Judith Swenson, Tom Wenzel.

### APPROVAL OF COUNTY BOARD MINUTES

A motion was made by Commissioner Maurer, seconded by Commissioner Johnson and carried unanimously to approve the Morrison County Board of Commissioner Minutes for December 20, 2016.

### AGENDA CHANGES

A motion was made by Commissioner Jelinski, seconded by Commissioner Wilson and carried unanimously to adopt the agenda as presented.

### SOLID WASTE ABATEMENT

A motion was made by Commissioner Maurer, seconded by Commissioner Johnson and carried unanimously to authorize Resolution#2016-107 for the County to enter the Bonnie Lou E. Meacham to remove unauthorized deposits of accumulated Solid Waste at the landowner's expense.

### PUBLIC HEALTH REPORT

A motion was made by Commissioner Jelinski, seconded by Commissioner Johnson and carried unanimously to approve the Abstract of Establishment licenses as attached for the 2017 Food, Beverage and Lodging establishments in Morrison County.

A motion was made by Commissioner Johnson, seconded by Commissioner Maurer and carried unanimously to approve the following 2017 Annual Establishment Licenses contingent upon payment in full of 2016 Real Estate Taxes:

Dist. 1 Innsbrook Motel	Randall	\$235.00
Motley Motel	Motley	\$285.00
Western Liquors dba Angler's Corner	Cushing	\$687.00
Dist. 2 Big Adventures Child Care Center	Little Falls	\$271.00
Little Fiesta	Little Falls	\$620.00
Dist. 3 Scottie's Log Bar	Royalton	\$620.00
Dist. 4 Sev's Food & Liquor	Buckman	\$778.00
Dist. 5 Jordie's Trail Side Café & Catering	Bowlus	\$469.00
Polish Palace	Little Falls	\$687.00
Time Out Bar & Grill	Upsala	\$620.00

A motion was made by Commissioner Jelinski, seconded by Commissioner Johnson and carried unanimously to approve 2017 New Owner Establishment Licenses:

Dist. 2 Super 8	Little Falls	\$736.00
Pnogy Patel Owner		
Dist. 3 Herbie's Pa, LLC	Little Falls	\$687.00
Jason Gohl Owner		



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Dist. 4 Patrick's Bar & Grill	Pierz	\$620.00
Andrew Maher Owner		
Skiba's Bar and Grill	Lastrup	\$489.00
Crystal Skiba Owner (formerly Herold's Bar)		

A motion was made by Commissioner Johnson, seconded by Commissioner Maurer and carried unanimously to approve 2017 New Owner Establishment Licenses:

Dist. 3 Papa Murphy's Pizza	Little Falls	\$271.00
Great Northern Holding / James Ravnikar Owner		

**AUDITOR'S REPORT**

A motion was made by Commissioner Johnson, seconded by Commissioner Wilson and carried unanimously to approve the Board Chair, Auditor-Treasurer and County Administrator sign the State Auditor engagement letters for the year ending 12/31/16 for Morrison County and the Morrison County RDFA.

A motion was made by Commissioner Maurer, seconded by Commissioner Johnson and carried unanimously to approve the new form and Procedures for Handling Counterfeit Money throughout the County.

A motion was made by Commissioner Jelinski, seconded by Commissioner Wilson and carried unanimously to approve Morrison County Procurement Policy for Federal Grants.

A motion was made by Commissioner Johnson, seconded by Commissioner Maurer and carried unanimously to approve 2016 Assigned, Restricted & Committed Fund Balances per GASB 54 requirements.

**COUNTY BOARD WARRANTS**

A motion was made by Commissioner Johnson and seconded by Commissioner Maurer to approve the following Resolution:

WHEREAS, the Morrison County Board of Commissioners have reviewed the list of County Board Warrants;

NOW THEREFORE, BE IT RESOLVED, that the list of County Board Warrants on file in the Auditor/Treasurer's Office for December 30, 2016 be approved for payment:

REVENUE	\$	137,251.51
PUBLIC WORKS	\$	58,276.35
SOCIAL SERVICE	\$	67,161.12
SOLID WASTE	\$	102,028.56
PARKS	\$	4,575.90
BUILDING FUND	\$	2,290.00
LOCAL COLLABORTIVE	\$	230.86
FORFEITED LAND FUND	\$	151.00
TOTAL	\$	371,965.30
MEALS	\$	108.68

Motion carried on a roll call vote with all Commissioners voting "aye".

A motion was made by Commissioner Johnson and seconded by Commissioner Maurer to approve the Commissioners Expense Reports as presented. Motion carried on a roll call vote with all Commissioners voting "aye".



# MORRISON COUNTY BOARD OF COMMISSIONERS OFFICIAL MINUTES

DECEMBER 30, 2016

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## ASSESSOR'S REPORT

A motion was made by Commissioner Maurer, seconded by Commissioner Johnson and carried unanimously to approve the attached Abstract of Tax Abatements dated December 30, 2016.

## PUBLIC WORKS REPORT

A motion was made by Commissioner Wilson, seconded by Commissioner Johnson and carried unanimously to authorize signing the Resolution#2016-108 Agreement with Pierz and Rich Prairie SWD for street and utility improvement project.

A motion was made by Commissioner Wilson, seconded by Commissioner Maurer and carried unanimously to authorize signing the Resolution#2016-109 Agreement with Pierz for Pierz Loop Trail project.

A motion was made by Commissioner Maurer, seconded by Commissioner Wilson and to approve Resolution#2016-110 with no increase from 2016, the solid waste (SW) tipping fee and service fee for 2017 at Morrison County (MC) Solid Waste Management Facility (SWMF). Motion carried on a roll call vote with all Commissioners voting "aye".

A motion was made by Commissioner Johnson, seconded by Commissioner Maurer and carried unanimously to authorize the renewal of Licenses for Solid Waste Haulers, Recycling Haulers, and for Facility operations contingent upon verification of payment in full of 2016 real estate taxes and payment of required fees.

A motion was made by Commissioner Maurer, seconded by Commissioner Johnson and carried unanimously to authorize the Engineering Technician Sr. position conforming to the attached job description along with placing the position rating at a grade 28 following the recommendation of PEHRC.

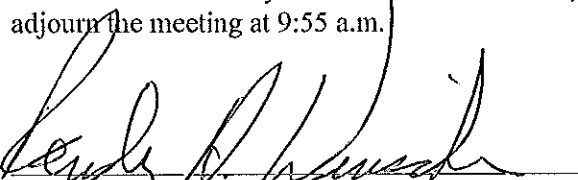
## ADMINISTRATION REPORT

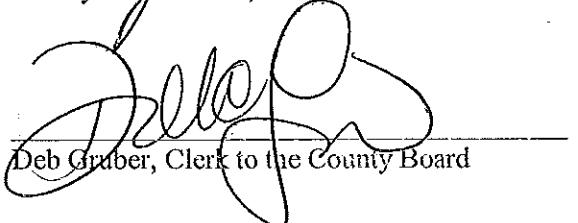
A motion was made by Commissioner Wilson, seconded by Commissioner Jelinski and carried unanimously to approve starting the new Office Support Supervisor at step 5 of the County's compensation scale.

A motion was made by Commissioner Jelinski, seconded by Commissioner Johnson and carried unanimously to appoint EMS Advisory Committee member, Martha Healy, and EMS Advisory Committee Alternate member, Betsy Lundquist, for a two year terms from 2017-2018.

## ADJOURNMENT

A motion was made by Commissioner Winscher, seconded by Commissioner Johnson and carried unanimously to adjourn the meeting at 9:55 a.m.

  
Randy H. Winscher, Chairman

  
Deb Gruber, Clerk to the County Board



# 2016

## Morrison County Solid Waste Complaint Packet Cover Sheet

**Property Owner:** Bonnie Lou E. Meacham

**Location of Complaint:** 33808 Bugle Road  
Motley, MN 56466  
Morrison County PID # 29.0526.000

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### *Checklist of Required SW Complaint Documentation*

- [ X ] Entered on Solid Waste Complaint Register
- [ X ] Solid Waste Complaint Documentation Form
- Attachments:
- [ X ] MC GIS Report
- [ X ] Conversation Record(s)
- [ X ] Photographs
- [ X ] Documentation

Attachments: MC Attorney Notification Letter to Ms. Meacham

Attachments: \_\_\_\_\_

Attachments: \_\_\_\_\_

Attachments: \_\_\_\_\_

Attachments: \_\_\_\_\_

# RESOLUTION 2016-107

**Morrison County Board of Commissioners  
Abatement  
for  
Ms. Bonnie Lou E. Meacham  
33808 Bugle Road, Motley, MN 56466  
PIDs # 29.0526.000**

**Pursuant to Section 23, Subsection 23.3 of the  
Morrison County Solid Waste Ordinance**

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**WHEREAS**, Section 23, Subsection 23.3 of the Morrison County Solid Waste Ordinance states: "Pursuant to Minnesota Statute 375.18 subdivision 14, the County may remove unauthorized deposits of accumulated solid waste at the landowner's expense and may order the expense to be a lien on the property and be collected as a special assessment. In addition, pursuant to Minnesota Statute 115A.99, the County may seek civil penalties and damages from the landowner and/or the persons responsible for the unauthorized deposit of solid waste, and if such penalties are not paid, the County may impose the amount due as a lien on property owned by the landowner and/or responsible persons and may collect the amount as a special assessment", and;

**WHEREAS**, It is the policy of the Public Works Department to work with landowners in order to achieve voluntary compliance, and;

**WHEREAS**, Ms. Bonnie Lou E. Meacham has failed to achieve compliance within the timeline allowed by the Public Works Department, and;

**WHEREAS**, the following are conditions that merit abatement action on the above referenced property:

- Demolition debris, and
- Several piles of mixed solid waste (SW), and

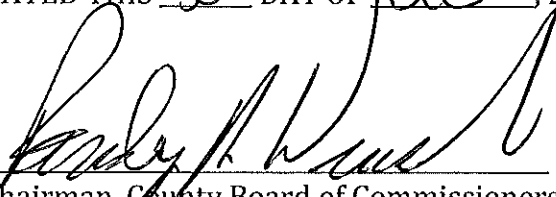
**WHEREAS**, the above conditions violate Section 3.0, Subsections 3.1 & 3.2, Section 5.0, Subsections 5.1-5.4 & 5.5 a, b, e, Section 6.0, Subsection 6.1, and

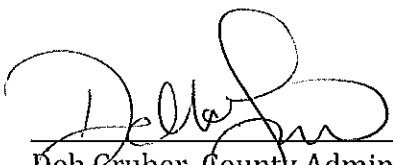
**WHEREAS**, pursuant to Section 23, Subsection 23.3 of the Morrison County Solid Waste Ordinance, it is the recommendation of the Solid Waste Officer that abatement procedures be authorized for the above referenced property.

RESOLUTION -Morrison County Board of Commissioners  
 Abatement for Ms. Bonnie Lou E. Meacham, 33808 Bugle Road, Motley, MN 56466  
 PIDs # 29.0526.000

**NOW, THEREFORE,** the Morrison County Board of Commissioners hereby authorizes the Morrison County Solid Waste Officer, and others acting under his direction, to remove all unauthorized deposits of accumulated Solid Waste on the property located at 33808 Bugle Road, Motley, MN, at the landowner's expense. This authorization is stayed for ten (ten) days to provide the landowner additional time to clean the property or appeal this Resolution to District Court. The expense of the removal shall be a lien on the property and be collected as a special assessment, as provided by law.

DATED THIS 30 DAY OF Dec, 2016.

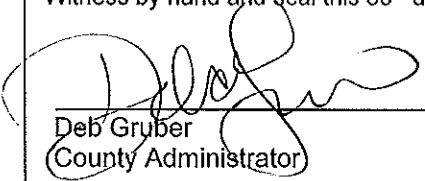
  
 \_\_\_\_\_  
 Chairman, County Board of Commissioners  
 County of Morrison  
 State of Minnesota

  
 \_\_\_\_\_  
 Deb Gruber, County Administrator  
 County of Morrison  
 State of Minnesota

STATE OF MINNESOTA }  
 COUNTY OF MORRISON }

I, Deb Gruber, County Administrator, Morrison County, Minnesota hereby certify that I have compared the foregoing copy of the resolution of the County Board of said County with the original record thereof on file in the Administration Office of Morrison County in Little Falls, Minnesota as stated in the minutes of the proceedings of said board at a meeting duly held on this 30<sup>th</sup> day of December, 2016, and that the same is a true and correct copy of said original record and of the whole thereof, and that said resolution was duly passed by said board at said meeting.  
 Witness by hand and seal this 30<sup>th</sup> day of December, 2016.

Commissioner	Yes	No	Abs	Mot	2nd
Winscher	X				
Jelinski	X				
Johnson	X				X
Maurer	X			X	
Wilson	X				

  
 \_\_\_\_\_  
 Deb Gruber  
 County Administrator

**MORRISON COUNTY  
REQUEST FOR BOARD ACTION**

REQUESTED BOARD DATE: **December 30, 2016**

ORIGINATING DEPARTMENT: **ASSESSOR'S OFFICE**

PRESENTER: **Glen A. Erickson**

ITEM (as appears on agenda): **ASSESSOR'S REPORT (ABATEMENTS)**

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BOARD ACTION:

**Request approval of the attached Abstract of Tax Abatements dated December 30, 2016.**

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BACKGROUND INFORMATION:

**See attached.**

Additional information attached: No or Yes



## ABSTRACT OF TAX ABATEMENTS

December 30, 2016

1. **RONALD F KARST, Parcel Number 42.0064.000, Pierz City**

This parcel should have been deleted and should not have been valued or taxed for taxes payable in 2014, 2015 & 2016. The **2014** taxes in the sum of \$32.00 should be deleted, along with any penalty & interest. The **2015** taxes in the sum of \$26.00 should be deleted, along with any penalty & interest. The **2016** taxes in the sum of \$28.00 should be deleted, along with any penalty & interest. This parcel will be inactivated for the 2016 assessment, taxes payable 2017 and future years. **Amount of Credit: \$86.00. Recommend Approval.**

2. **VANCE & RENEE WALDOCH et al., Parcel Numbers 20.0148.000 & 08.0338.000, Parker & Cushing Townships**

The MP linkage on Parcel No. 20.0148.000 was incorrect and the parcel should have been full homestead for taxes payable in 2014, 2015 & 2016. Due to parcel linkage and how ag credits are dispersed, it also affected the pay 2015 & 2016 taxes on Parcel No. 08.0338.000. Correcting the taxes payable in **2014** on Parcel No. **20.0148.000**, would decrease the taxes from \$2,458.00 to approximately \$2,102.00, a decrease of \$356.00. Correcting the taxes payable in **2015** on Parcel No. **20.0148.000**, would decrease the taxes from \$2,304.00 to approximately \$1,952.00, a decrease of \$352.00. Correcting the taxes payable in **2015** on Parcel No. **08.0338.000**, would *increase* the taxes from \$446.00 to approximately \$456.00, an *increase* of \$10.00. Correcting the taxes payable in **2016** on Parcel No. **20.0148.000**, would decrease the taxes from \$2,266.00 to approximately \$1,914.00, a decrease of \$352.00. Correcting the taxes payable in **2016** on Parcel No. **08.0338.000**, would *increase* the taxes from \$444.00 to approximately \$454.00, an *increase* of \$10.00. This will be corrected for the 2016 assessment, taxes payable 2017. **Amount of Credit: \$1,040.00. Recommend Approval.**

**Abstract of Tax Abatements (Continued)**

**Page 2**


**December 30, 2016**

NOTE: Minnesota Statutes 1988, Section 609.41, "Whoever, in making any statement, oral or written, which is required or authorized by law to be made as a basis of imposing, reducing, or abating any tax or assessment, intentionally makes any statement as to any material matter which the maker of the statement knows is false may be sentenced, unless otherwise provided by law, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both"

Tax is Paid  
 Tax is Not Paid

**REPORT OF INVESTIGATION**

After examining the applicants' claims, I have carefully investigated these applications and find the facts as stated above.

  
\_\_\_\_\_  
Signature of Investigator


December 30, 2016  
Date

**CERTIFICATIONS OF APPROVAL**

NOTE: For these abatements to be approved, the assessor, county auditor and the county board of commissioners must all favorably recommend their adoption.

**ASSESSOR'S RECOMMENDATION** (County Assessor or City Assessor in certain cities)

Approved       Denied

  
\_\_\_\_\_  
Assessor's Signature

**COUNTY AUDITOR'S RECOMMENDATION**

Approved       Denied

  
\_\_\_\_\_  
Auditor's Signature

**Abstract of Tax Abatements (Continued)**

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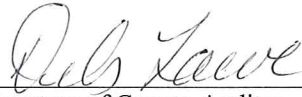
**December 30, 2016**

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**COUNTY BOARD OF COMMISSIONER'S ACTION (To be completed by county auditor)**

XX Approved      \_\_\_\_\_ Denied

**I certify that at a meeting held December 30, 2016 the County Board, took the above official action on these abatements. This action was duly adopted and entered upon the minutes of its proceedings as a public record, showing the names of taxpayers, other concerned persons and the amounts involved.**



\_\_\_\_\_  
Signature of County Auditor

12/30/16

\_\_\_\_\_  
Date

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REBECCA OTTO  
STATE AUDITOR

# STATE OF MINNESOTA

## OFFICE OF THE STATE AUDITOR

SUITE 500  
525 PARK STREET  
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)  
(651) 296-4755 (Fax)  
state.auditor@state.mn.us (E-Mail)  
1-800-627-3529 (Relay Service)

December 20, 2016

The Honorable Duane Johnson, Chair  
Morrison County Rural Development  
Finance Authority  
ATTN: County Auditor/Treasurer  
Morrison County Government Center  
213 First Avenue S.E.  
Little Falls, Minnesota 56345-3196

Members of the Board of Commissioners  
Morrison County Rural Development  
Finance Authority

We are pleased to confirm our understanding of the services we are to provide pursuant to Minnesota Laws for the Morrison County Rural Development Finance Authority (RDFA), a component unit of Morrison County, Minnesota, for the year ended December 31, 2016. We will audit the component financial statements and related notes to the financial statements of the Morrison County Rural Development Finance Authority included in the basic financial statements of Morrison County as of and for the year ended December 31, 2016. A separate financial report for the Morrison County RDFA will not be issued. The audit report for Morrison County for the year ended December 31, 2016, will include a management and compliance report for the Morrison County RDFA. A separate management and compliance report for the Morrison County RDFA will not be issued.

The financial statements of the Morrison County RDFA will also be included as supplementary information in Morrison County's financial statements. We will subject the supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements.

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the legal provisions of the *Minnesota Legal Compliance Audit Guides*, and will include tests of accounting records of the Morrison County RDFA and other procedures we consider necessary to enable us to express such opinions and to report in conformity with the provisions of the *Minnesota Legal Compliance Audit Guides*. We will issue a written report upon completion of our audit of the

Morrison County RDFA's financial statements. Our report will be addressed to the governing body of Morrison County. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue a report, or we may withdraw from this engagement.

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

### **Management Responsibilities**

Management is responsible for the financial statements, notes, and all accompanying information as well as all representations contained therein. In order to meet your responsibilities for the financial statements and notes, you agree to have information completed and available for audit by the dates identified in a schedule of completion document provided to auditors. If you are unable to prepare the information needed for the financial statements or notes, or if the completion schedule varies significantly, we will, based on our staffing availability, provide the additional nonaudit services necessary to assist in the preparation of your draft financial statements and notes in conformity with U.S. generally accepted accounting principles based on management's chart of accounts and other information determined and approved by management. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. Any such services will be performed in accordance with applicable professional standards. The Morrison County RDFA understands this will result in additional costs and agrees to pay for these services.

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

We will prepare the trial balances for use during the audit. Our preparation of the trial balances will be limited to formatting information into working trial balances based on management's chart of accounts.

Management is responsible for (a) establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (b) following laws and regulations; and (c) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (a) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of the audit, and (c) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

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

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

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written management representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing us with report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken

to address significant findings and recommendations resulting from those financial audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to using the auditor's report, you understand that you must obtain our prior consent to reproduce or use our report in bond offering official statements or other documents.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (a) errors, (b) fraudulent financial reporting, (c) misappropriation of assets, or (d) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

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

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

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance

matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

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

### **Audit Administration and Other**

We will provide your governing body, management, related organization representatives, and, if applicable, nonfederal grantor entities with copies of our reports. Management is responsible for all other distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of the Office of the State Auditor. We may be requested to make certain audit documentation and appropriate individuals available to a state or federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. If requested, access to such audit documentation will be provided under our supervision. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained, pursuant to our record retention plan, for a period of ten years after the date the auditor's report is issued. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact those contesting the audit finding for guidance prior to destroying the audit documentation. We will be available throughout the year to answer questions, provide assistance, or assist you in implementing any of our recommendations.

Our fees are based on standard hourly rates plus travel and any out-of-pocket expenses. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Progress billings will be mailed to you every four weeks. The condition of your records and the assistance you are able to provide us affects both the timeliness and cost of the audit.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract when requested by you. Our 2015 peer review report can be found on our website at [www.auditor.state.mn.us](http://www.auditor.state.mn.us).



Morrison County Rural Development  
Finance Authority  
December 20, 2016  
Page 6

We appreciate the opportunity to be of service to the Morrison County Rural Development Finance Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please contact me at (651) 282-2748 or Randy Vogt, who will be in charge of this audit, at (651) 284-4136 or at [Randall.Vogt@osa.state.mn.us](mailto:Randall.Vogt@osa.state.mn.us). If you agree with the terms of our engagement as described in this letter, please sign where provided below and return it to us.

Sincerely,



for Dianne Syverson, CPA, Audit Manager

Approved: This letter correctly sets forth the understanding of the Morrison County Rural Development Finance Authority.

  
Chair, Board of Commissioners

12-30-16  
Date



REBECCA OTTO  
STATE AUDITOR

# STATE OF MINNESOTA

## OFFICE OF THE STATE AUDITOR

SUITE 500  
525 PARK STREET  
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)  
(651) 296-4755 (Fax)  
state.auditor@state.mn.us (E-Mail)  
1-800-627-3529 (Relay Service)

December 20, 2016

The Honorable Debora Lowe  
County Auditor/Treasurer  
Morrison County Government Center  
213 First Avenue S.E.  
Little Falls, Minnesota 56345-3196

Members of the Board of Commissioners  
County Administrator  
Morrison County

We are pleased to confirm our understanding of the services we are to provide pursuant to Minnesota Laws for Morrison County, Minnesota, for the year ended December 31, 2016. We will audit the group financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Morrison County as of and for the year ended December 31, 2016. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Morrison County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Morrison County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles (GAAP) and will be subjected to certain limited procedures, but will not be audited:

- Management's discussion and analysis
- Budgetary presentations for the general and major special revenue funds and related notes
- GASB-required supplementary other post-employment benefits and pension information and related notes

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

- Combining and individual fund statements
- Budgetary presentations for other funds
- Schedule of intergovernmental revenue
- Morrison County Rural Development Finance Authority statements
- Schedule of expenditures of federal awards and related notes

A separate engagement letter will be prepared for the Morrison County Rural Development Finance Authority, a component unit that we will also audit.

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the provisions of the Uniform Guidance; and the legal provisions of the *Minnesota Legal Compliance Audit Guides*, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions and to report in conformity with the provisions of the *Minnesota Legal Compliance Audit Guides*. We will issue written reports upon completion of our single audit. Our reports will be addressed to the governing body of Morrison County. We intend to place reliance on the audit performed by component auditors of the Housing and Redevelopment Authority of Morrison County component unit and plan to make reference to the component auditors in our report on your financial statements. We also intend to place reliance on the audit performed by auditors of the South Country Health Alliance, a joint venture in which Morrison County has an equity interest, and plan to make reference to the joint

venture auditors in our report on your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the single audit compliance opinion are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

### **Management Responsibilities**

Management is responsible for the financial statements, notes, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. In order to meet your responsibilities for the financial statements, notes, and schedule of expenditures of federal awards, you agree to have information completed and available for audit by the dates identified in a schedule of completion document provided to auditors. If you are unable to prepare the information needed for the financial statements, notes, or schedule of expenditures of federal awards, or if the completion schedule varies significantly, we will, based on our staffing availability, provide the additional nonaudit services necessary to assist in the preparation of your draft financial statements, notes, and schedule of expenditures of federal awards in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on management's chart of accounts and other information determined and approved by management. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. Any such services will be performed in accordance with applicable professional standards. The County understands this will result in additional costs and agrees to pay for these services.

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

Management is responsible for (a) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (b) following laws and regulations; (c) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (d) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (a) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (b) access to personnel, accounts, books, records, supporting documentation, and other information as

needed to perform an audit under the Uniform Guidance, (c) additional information that we may request for the purpose of the audit, and (d) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings, if applicable, should be available for our review.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written management representation letter that (a) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (b) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (c) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written management representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) you believe the supplementary information, including its form and

content, is fairly presented in accordance with GAAP; (c) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing us with report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those financial audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to using the auditor's report, you understand that you must obtain our prior consent to reproduce or use our report in bond offering official statements or other documents.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (a) errors, (b) fraudulent financial reporting, (c) misappropriation of assets, or (d) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written

representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Control**

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

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

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

#### **Audit Procedures—Compliance**

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

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Morrison County's major programs. The purpose of these procedures will be to express an opinion on Morrison County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

#### **Audit Administration and Other**

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse and, if appropriate, to pass-through entities. Additional copies of the reporting package may be

required. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide your governing body, management, related organization representatives, and, if applicable, nonfederal grantor entities with copies of our reports. Management is responsible for all other distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of the Office of the State Auditor. We may be requested to make certain audit documentation and appropriate individuals available to a cognizant or oversight agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. If requested, access to such audit documentation will be provided under our supervision. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

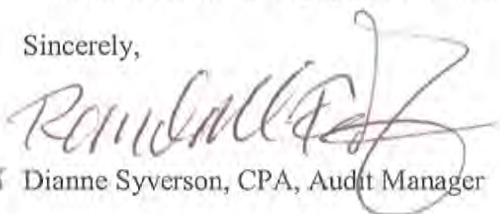
The audit documentation for this engagement will be retained, pursuant to our record retention plan, for a period of ten years after the date the auditor's report is issued. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact those contesting the audit finding for guidance prior to destroying the audit documentation. We will be available throughout the year to answer questions, provide assistance, or assist you in implementing any of our recommendations.

Our fees are based on standard hourly rates plus travel and any out-of-pocket expenses. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Progress billings will be mailed to you every four weeks. The condition of your records and the assistance you are able to provide us affects both the timeliness and cost of the audit.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract when requested by you. Our 2015 peer review report can be found on our website at [www.auditor.state.mn.us](http://www.auditor.state.mn.us).

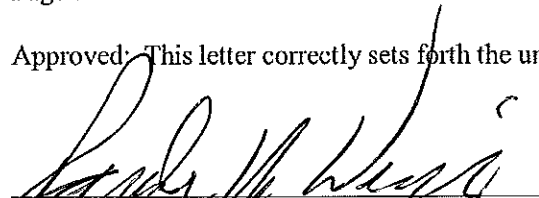
We appreciate the opportunity to be of service to Morrison County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please contact me at (651) 282-2748 or Randy Vogt, who will be in charge of this audit, at (651) 284-4136 or at [Randall.Vogt@osa.state.mn.us](mailto:Randall.Vogt@osa.state.mn.us). If you agree with the terms of our engagement as described in this letter, please sign where provided below and return it to us.

Sincerely,


  
for Dianne Syverson, CPA, Audit Manager



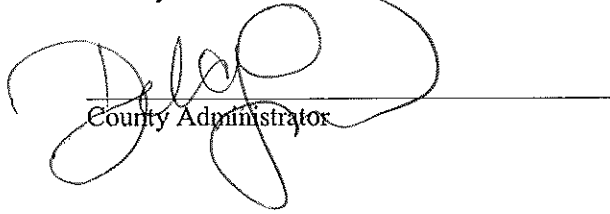
Approved: This letter correctly sets forth the understanding of Morrison County.

  
\_\_\_\_\_  
Chair, Board of Commissioners

12-30-16  
Date

  
\_\_\_\_\_  
County Auditor/Treasurer

12-30-16  
Date

  
\_\_\_\_\_  
County Administrator

12-30-16  
Date

# AGREEMENT

Between Morrison County, The City of Pierz and Rich Prairie Sewer and Water District

**THIS AGREEMENT** is made and entered into between Morrison County, acting by and through its Board of County Commissioners, hereinafter referred to as the “County”, The City of Pierz acting by and through its City Council, hereinafter referred to as the “City” and Rich Prairie Sewer and Water District acting by and through its Board of District Commissioners, hereinafter referred to as the “District”.

Project Location: On 3<sup>rd</sup> Avenue (County State Aid Highways 39 and 43) in the City of Pierz  
From: Centennial To: Kamnic

## **WITNESSETH:**

**WHEREAS;** the City and District have requested that the County place the reconstruction of a segment of 3<sup>rd</sup> Avenue in the City of Pierz into its five year Transportation Improvement Plan so that improvements to the sewer and water system can be made; and

**WHEREAS;** the parties agree that the project shall consist of removal of existing street items, salvaging and recycling existing materials, replacement and improvement to the existing sewer /water system and reconstruction of the street; and

**WHEREAS;** the County, City and District have mutually agreed that the County should let a contract consisting of this work subject to the terms hereinafter set forth in the Agreement.

## **IT IS, THEREFORE, MUTUALLY AGREED AS FOLLOWS:**

### **ARTICLE I: PROJECT PREPERATION**

#### **SECTION A. PRELIMINARY ENGINEERING**

The County shall be responsible for all preliminary engineering work required to develop an approved plan and specifications for the street portion of the reconstruction. The District shall be responsible for all preliminary engineering required to develop a plan and specifications for the sewer and water portion of the reconstruction. The parties agree that existing sewer and water items that will not be a part of the future operating system shall be removed as necessary, to the extent feasible, as a part of the sewer and water work. The parties agree to work in cooperation while developing the combined plan set and specification that the bidding document will be based upon.

#### **SECTION B: CONTRACT AWARD AND CONSTRUCTION**

Upon a final plan set and specification agreed to and signed off upon by all parties the County shall receive bids and award a contract to the lowest responsible bidder.

#### **SECTION C: DIRECTION, SUPERVISION & INSPECTION OF CONSTRUCTION**

The street reconstruction work contemplated herein shall be under the direction of the County, and shall be under the supervision of a Licensed Professional Engineer. The sewer/water replacement work contemplated herein shall be under the direction of the District, and shall be under the supervision of a Licensed Professional Engineer.

## **ARTICLE II - PARTICIPATION OF ITEMS**

### **SECTION A: ENGINEERING ITEMS**

1) Preliminary Engineering: The District will be responsible for the preliminary engineering associated with the sewer and water replacement project. The City will be responsible for preliminary engineering associated with the fire hydrants. The County will be responsible for the preliminary engineering associated with the street reconstruction portion of the project.

2) Construction Engineering: The District will cover the cost of construction engineering associated with the sewer and water replacement work. The City will be responsible for the construction engineering associated with the fire hydrants. The District, City and County will prorate the cost of the street reconstruction engineering associated with the project in accordance with the percentages listed in EXHIBIT A.

### **SECTION B: CONSTRUCTION ITEMS**

1) The District, County and City will cover the construction cost of the items associated with the project in accordance with EXHIBIT A.

## **ARTICLE III - BASIS OF PAYMENT**

### **SECTION A: PROJECT CONSTRUCTION COSTS**

Upon award of a contract and initiation of the project the County will make partial payments to the contractor on a monthly basis for work completed. The County will then request reimbursement from the City or District for their prorated share of the items paid to the contractor also on a monthly basis. Upon final project completion, in accordance with Article I hereof, of all of the construction to be performed, the County shall pay the Contractor the amount based on the final estimate of quantities of the Contract items multiplied by the actual unit bid prices for the awarded contract.

### **SECTION B: ENGINEERING COSTS**

The County will cover 100% of the cost of the preliminary engineering required for the street reconstruction. The City will cover 100% of the cost of the preliminary engineering associated with expansion items of the street reconstruction such as a trail, additional sidewalk and streetscape enhancements. The District shall cover 100% of the cost of the preliminary engineering required for the sewer/water portion of the project except that the City shall be responsible for preliminary engineering associated with the fire hydrants. The County agrees to provide construction engineering services in connection with the street reconstruction project and will prorate the engineering costs in accordance with EXHIBIT A. The District will cover 100% of the cost of the construction engineering in connection with the sewer/water replacement portion of the project except the City shall cover the cost of construction engineering associated with the fire hydrants.

## **ARTICLE IV: GENERAL PROVISIONS**

### **SECTION A: CLAIMS**

**ITEM 1:** Each party shall be liable for its own acts to the extent provided by law and hereby agrees to indemnify, hold harmless and defend the other, its officers and employees against any and all liability, loss, costs, damages, expenses, claims and/or actions including attorney's fees which the other, its officers and employees may hereafter sustain, incur or be required to pay, arising out of or by reason of any act or omission of the party, its agents, servants or employees, in the execution, performance or failure to adequately perform its obligations pursuant to this contract.

**ITEM 2:** It is further agreed that any and all employees of the County and all other persons employed by the County in the performance of any work or services required or provided for herein shall not be considered employees of the City or District and that any and all claims that may arise under the Worker's Compensation Act of the State of Minnesota on behalf of said employee while so engaged and any and all claims made by any third parties as a consequence of any act or omission on the part of said County employees while so engaged on any of the work or services to be rendered herein shall in no way be the obligation or responsibility of the City or District.

### **SECTION B: MAINTENANCE**

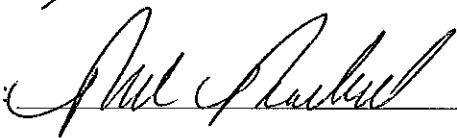
**ITEM 1:** Upon completion of the project the City agrees to thereafter assume full responsibility for the maintenance of the storm sewer without cost or expense to the County.

**ITEM 2:** It is further agreed that No party to this agreement shall drain any additional property into the storm sewer facilities that were not included in the drainage area for which the storm sewer facilities were designated without first obtaining agreement from the other parties.

IN WITNESS WHEREOF: The parties have placed their signatures below intending to be bound thereby.

**CITY OF PIERZ**

Mayor:  Date: 12-12-16

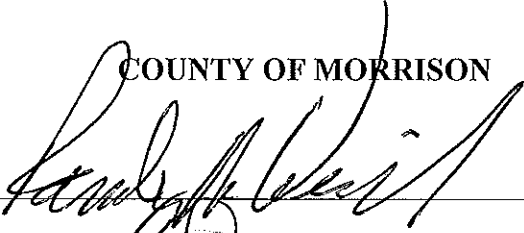
City Administrator:  Date: 12-12-16


**RICH PRARIE SEWER AND WATER DISTRICT**

Chairman, District Board:  Date: 12-19-16

Board Clerk:  Date: 12-14-16

**COUNTY OF MORRISON**

Chairman, County Board:  Date: 12-30-16

County Administrator:  Date: 12/30/16

**Proposed 2020 CSAH 39 and CSAH 43 (3rd Avenue North) Street Reconstruction Project  
From Centennial Drive to Kamnic Street**

12/29/2016

**Construction Cost Share Summary - County of Morrison and City of Pierz and Rich Prairie Sewer and Water District**

<u>Number</u>	<u>Construction Items</u>	<u>County of Morrison %</u>	<u>City of Pierz %</u>	<u>Rich Prairie SWD %</u>	<u>Notes</u>
1	Remove Concrete Curb	0%	0%	100%	RPSWD cost due to utility construction
2	Remove Concrete Sidewalk & Driveway Apron	0%	0%	100%	RPSWD cost due to utility construction
3	Removal or Reclamation of Bituminous Pavement	0%	0%	100%	RPSWD cost due to utility construction
4	Remove Water Hydrant & Gate Valve	0%	100%	0%	City owned enhancement
5	Salvage Aggregate	0%	0%	100%	RPSWD cost due to utility construction
6	Sawcutting Pavement	0%	0%	100%	RPSWD cost due to utility construction
7	Sanitary Sewer Items	0%	0%	100%	RPSWD cost due to utility construction
8	Water System Items	0%	0%	100%	RPSWD cost due to utility construction
9	Dewatering	0%	0%	100%	RPSWD cost due to utility construction
10	Utility Relocations	0%	0%	100%	RPSWD cost due to utility construction (City if for Trail or Fire Hydrants)
11	Remediation of Contaminated Material	0%	0%	100%	RPSWD cost due to utility construction (City if for Trail or Fire Hydrants)
12	Turf Establishment and Erosion Control	0%	0%	100%	RPSWD cost due to utility construction (City if for Trail or Fire Hydrants)
13	Right of Way Acquisition	0%	0%	100%	RPSWD cost due to utility construction (City if for Trail or Fire Hydrants)
14	Design & Construction Engineering (Utility)	0%	0%	100%	Based on total value percentage of final engineers estimate
15	Install Water Hydrant & Gate Valve	0%	100%	0%	City owned enhancement
16	Concrete Sidewalk, Trail, Driveway Apron (new)	0%	100%	0%	City owned enhancement
17	Streetscape Enhancements	0%	100%	0%	City owned enhancement
18	Crosswalk & Parking Lane Striping	0%	100%	0%	City owned enhancement
19	Concrete Sidewalk & Driveway Apron (replacement)	70%	0%	30%	RPSWD cost due to utility construction
20	Concrete Curb and Gutter	70%	0%	30%	RPSWD cost due to utility construction
21	Common Excavation	70%	0%	30%	See Remaining Life Calculation
22	Common Borrow	70%	0%	30%	See Remaining Life Calculation
23	Granular Borrow	70%	0%	30%	See Remaining Life Calculation
24	Aggregate Base - Stabilized	70%	0%	30%	See Remaining Life Calculation
25	Bituminous Base Course	70%	0%	30%	See Remaining Life Calculation
26	Bituminous Wearing Course	100%	0%	0%	See Remaining Life Calculation
27	ADA Improvement Related Costs	100%	0%	0%	County maintenance expense
28	Pavement Striping	100%	0%	0%	County maintenance expense
29	Mobilization	Pro Rata	Pro Rata	Pro Rata	Based on total value percentage of final engineers estimate
30	Machine Time	Pro Rata	Pro Rata	Pro Rata	Based on construction need per type of work completed
31	Traffic Control	Pro Rata	Pro Rata	Pro Rata	Based on total value percentage of final engineers estimate
32	Storm Sewer Items (includes Detention Pond)	Pro Rata - See cooperative agreement			Based state aid hydraulic analysis recommendation and RLC
33	Design & Construction Engineering (Street)	Pro Rata - See cooperative agreement		0%	Based on total value percentage of final engineers estimate

<b>Original street construction</b>	<b>1985</b>
<b>Street recently overlaid</b>	
<b>Potential street reconstruction</b>	<b>2020</b>

<b>Life Expectancy of Grading Related Items</b>	<b>50</b>
<b>Life Expectancy of Pavement Structure Related Items</b>	<b>20</b>

<b>Remaining Life Calculation</b>	<b>County Percentage</b>	<b>City/RPSWD Percentage</b>
Grading Items Percentage	70%	30%
Base Pavement Items Percentage	70%	30%
Pavement Items Percentage	100%	0%

RESOLUTION # 2016-108

Authorizing the signing of Agreement between  
the City of Pierz and Rich Prairie Sewer and Water District and Morrison County for  
reconstruction of 3<sup>rd</sup> Avenue (CSAH 39 & 43)

WHEREAS, the City and District have requested that the County place the reconstruction of a segment of 3<sup>rd</sup> Avenue in the City of Pierz into its five year Transportation Improvement Plan so that improvements to the sewer and water system can be made; and

WHEREAS, the parties agree that the project shall consist of removal of existing street items, salvaging and recycling existing materials, replacement and improvement to the existing sewer /water system and reconstruction of the street; and

WHEREAS, the County, City and District have mutually agreed that the County should let a contract consisting of this work subject to the terms hereinafter set forth in the Agreement.

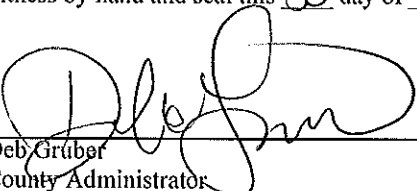
NOW, THEREFORE, BE IT RESOLVED, that Morrison County enter into the agreement with the City of Pierz and Rich Prairie Sewer and Water District for reconstruction of 3<sup>rd</sup> Avenue (CSAH 39 & 43).

BE IT FURTHER RESOLVED, that the County Board Chairman and the County Administrator are hereby authorized and directed for and on behalf of the County to execute and enter into the agreement with the the City of Pierz and Rich Prairie Sewer and Water District for reconstruction of 3<sup>rd</sup> Avenue (CSAH 39 & 43).

STATE OF MINNESOTA }  
COUNTY OF MORRISON }

I, Deb Gruber, County Administrator, Morrison County, Minnesota hereby certify that I have compared the foregoing copy of the resolution of the County Board of said County with the original record thereof on file in the Administration Office of Morrison County in Little Falls, Minnesota as stated in the minutes of the proceedings of said board at a meeting duly held on this 30 day of Dec, 2016, and that the same is a true and correct copy of said original record and of the whole thereof, and that said resolution was duly passed by said board at said meeting.

Witness by hand and seal this 30 day of Dec, 2016

  
\_\_\_\_\_  
Deb Gruber  
County Administrator

Commissioner	Yes	No	Abs	Mot	2nd
Jelinski	X				
Johnson	X				K
Winscher	X				
Wilson	X			X	
Maurer	X				

# **A G R E E M E N T**

## **SPONSORSHIP AGREEMENT**

Between  
Morrison County and City of Pierz  
for  
Pierz Loop Trail Application

**THIS AGREEMENT** is made and entered into by and between Morrison County, acting by and through its Board of Commissioners, hereinafter referred to as the “County” and City of Pierz acting by and through its City Council, hereinafter referred to as the “City”.

### **WITNESSETH:**

WHEREAS: The City of Pierz is working toward making improvements to their sidewalk and trail system in order to provide a safer and more usable transportation option for kids to go to and from school; and

WHEREAS: The City of Pierz will be submitting an application for "Transportation Alternatives" program to cover the cost of improving the sidewalk and trail system leading to area schools; and

WHEREAS: The City of Pierz has requested that Morrison County agree to sponsor the TAP application in order for them to be eligible for the funds.

### **IT IS, THEREFORE, MUTUALLY AGREED AS FOLLOWS:**

#### **ARTICLE I:**

##### **SECTION A. SPONSORSHIP**

County agrees to act as sponsoring agency for a "Transportation Alternatives" project identified as Pierz Loop Trail.

City agrees to secure and guarantee the local share of costs associated with this project and responsibility for seeing this project through to its completion, with compliance of all applicable laws, rules and regulations without cost or expense to the County.

##### **SECTION B: OPERATION AND MAINTENANCE**

The City agrees to operate and maintain facilities constructed with federal transportation funds for the useful life of the improvement and not change the use of right-of-way or property ownership acquired without prior approval from the County.

Upon completion of the construction project, the City agrees to therefore assume responsibility for the maintenance and operation of the improvements to their sidewalk and trail system without cost or expense to the County.



**ARTICLE II: - COST PARTICIPATION**

**SECTION A: CITY PARTICIPATION**

In the event the City is successful in securing funding for the project in the application process, the city agrees to be responsible for the local share of the project construction, engineering, and right of way acquisition costs not covered by the state or federal grant amounts and will reimburse County, without cost or expense to the County.

**SECTION B: COUNTY PARTICIPATION**

The County will be responsible for the contract administration costs without cost or expense to the City.

**ARTICLE III: GENERAL PROVISIONS**

**SECTION A: CLAIMS**

**ITEM 1:** The City indemnifies, saves and holds harmless the County and all of it's agents and employees of and from any and all claims, demands, actions or causes of action of whatsoever nature or character arising out of or by reason of the execution or performance of the work and/or services provided for herein, and further agrees to defend at it's own sole cost and expense any action or proceeding commenced for the purpose of asserting any claim of whatsoever character arising as a result of the work and/or services to be performed hereunder.

**ITEM 2:** It is further agreed that any and all employees of the County and all other persons employed by the County in the performance of any work or services required or provided for herein shall not be considered employees of the City and that any and all claims that may arise under the Worker's Compensation Act of the State of Minnesota on behalf of said employee while so engaged and any and all claims made by any third parties as a consequence of any act or omission on the part of said County employees while so engaged on any of the work or services to be rendered herein shall in no way be the obligation or responsibility of the City.

**IN WITNESS WHEREOF:** The parties have placed their signatures below intending to be bound thereby.

**CITY OF PIERZ**

Chairman: Stephanie Hyton Date: 12-27-16

Clerk: Mary Kay Date: 12-27-2016

CITY SEAL

**COUNTY OF MORRISON**

Chairman, County Board: [Signature] Date: 12-30-16

Board Clerk: [Signature] Date: 12/30/16

COUNTY SEAL

Resolution #2016- 108

RESOLUTION OF SUPPORT

City of Pierz Loop Trail Application

Whereas: The City of Pierz is working toward making improvements to their sidewalk and trail system in order to provide a safer and more usable transportation option for kids to go to and from school; and

Whereas: The City of Pierz will be submitting an application for "Transportation Alternatives" program to cover the cost of improving the sidewalk and trail system leading to area schools; and

Whereas: The City of Pierz has requested that Morrison County agree to sponsor the TAP application in order for them to be eligible for the funds; and

Whereas: The City of Pierz will enter into a sponsorship agreement with Morrison County specifying the terms and conditions of sponsorship.

Now therefore, be it resolved that Morrison County agrees to act as sponsoring agency for a "Transportation Alternatives" project identified as Pierz Loop Trail and has reviewed and approved the project as proposed. Sponsorship includes a willingness to secure and guarantee the local share of costs associated with this project and responsibility for seeing this project through to its completion, with compliance of all applicable laws, rules and regulations.

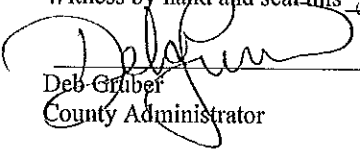
Be it further resolved that the Morrison County Engineer is hereby authorized to act as agent on behalf of this sponsoring agency.

STATE OF MINNESOTA }  
COUNTY OF MORRISON }

I, Deb Gruber, County Administrator, Morrison County, Minnesota hereby certify that I have compared the foregoing copy of the resolution of the County Board of said County with the original record thereof on file in the Administration Office of Morrison County in Little Falls, Minnesota as stated in the minutes of the proceedings of said board at a meeting duly held on this 30 day of Dec, and that the same is a true and correct copy of said original record and of the whole thereof, and that said resolution was duly passed by said board at said meeting.

Commissioner	Yes	No	Abs	Mot	2nd
Jelinski	<input checked="" type="checkbox"/>				
Johnson	<input checked="" type="checkbox"/>				
Winscher	<input checked="" type="checkbox"/>				
Wilson	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	
Maurer	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>

Witness by hand and seal this 30 day of Dec.

  
\_\_\_\_\_  
Deb Gruber  
County Administrator

**RESOLUTION NO. 2016-110**

**2017 Solid Waste Tipping Fee**

**WHEREAS;** Tipping Fees for Solid Waste (SW) management at the Morrison County (MC) Solid Waste Management Facility (SWMF) have remained consistent at the rate of \$65.00 per ton for licensed Solid Waste Haulers, and \$85.00 per ton for Self-Haulers over the period of 2013 through 2016, and

**WHEREAS;** the Solid Waste Tipping Fee is the integral part of Morrison County's Solid Waste Management programs, as part of an enterprise entity, for SW Operations, Post-Closure, State-of-the-Art capital investment, Landfill Remediation, as well as Special Waste and Self-Hauler management, and

**WHEREAS;** Morrison County has developed a long term disposal, recycling and special waste program that provides cost effective, high quality services for Morrison County residents, and demands for these services continue to increase consistently, and

**WHEREAS;** Morrison County has acted environmentally responsible with proper closure, post closure and cleanup of the old Greater Morrison Sanitary Landfill, and

**WHEREAS;** while resources to accomplish the required solid waste and special waste service continue to increase consistently as well, the Department of Public Works has safeguarded within the proposed 2017 Solid Waste budget, that a "no increase" in Tipping Fees position can be accommodated in order to support 2017 SW operations.

**NOW THEREFORE, BE IT RESOLVED;** that the Morrison County Board of Commissioners establishes the Solid Waste Tipping Fees for the year 2017 at the following rates:

<b>Licensed Solid Waste Hauler:</b>	<b>\$65.00 per ton</b>
<b>Solid Waste Self-Hauler:</b>	<b>\$85.00 per ton</b>

The Solid Waste Tipping Fee is collected at the time of landfill disposal at the Morrison County Solid Waste Management Facility or via invoice procedures from the MC Auditor's Office the following month.

RESOLUTION NO. 2016- 110

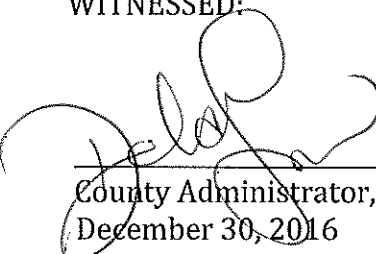
2017 Solid Waste Tipping Fee

I CERTIFY THAT the above resolution was adopted by the County Board of Morrison County on December 30, 2016.

SIGNED:

  
Chairman, MC Board of Commissioners  
December 30, 2016

WITNESSED:

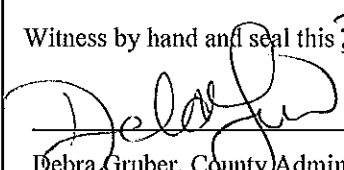
  
County Administrator, Morrison County  
December 30, 2016

Adopted this 30<sup>th</sup> day of December, 2016.

STATE OF MINNESOTA }  
COUNTY OF MORRISON }

I, Deb Gruber, County Administrator, Morrison County, Minnesota hereby certify that I have compared the foregoing copy of the resolution of the County Board of said County with the original record thereof on file in the Administration Office of Morrison County in Little Falls, Minnesota as stated in the minutes of the proceedings of said board at a meeting duly held on this 30<sup>th</sup> day of December, 2016, and that the same is a true and correct copy of said original record and of the whole thereof. and that said resolution was duly passed by said board at said meeting.

Witness by hand and seal this 30<sup>th</sup> day of Dec, 2016

  
Debra Gruber, County Administrator

Commissioner	Yes	No	Abs	Mot	2nd
Jelinski	X				
Johnson	X				
Winscher	X				
Wilson	X				X
Maurer	X			X	