

**DUNDAS CITY COUNCIL
REGULAR MEETING AGENDA
Monday, April 12, 2021
7:00 p.m. Dundas City Hall**

- 1. Call to Order/Pledge Allegiance**
- 2. Roll Call:** Mayor Glenn Switzer; Councilors Larry Fowler, Luke LaCroix, Grant Modory, Luke Swartwood
- 3. Public Forum**
- 4. Approval of Agenda***
Motion _____, second _____
- 5. Consent Agenda** *(All items on the Consent Agenda are considered routine and have been made available to the City Council at least two (2) days in advance of the meeting. The items will be enacted in one motion. There will be no separate discussion of these items unless a council member or citizen so requests, in which event the item will be removed from this agenda and considered in normal sequence.)*
 - a. Regular Minutes of March 22, 2021*
 - b. Consider Service Agreement with Campbell Knutson for City Attorney Services*
 - c. Resolution 2021-09* A Resolution Approving Transfers for 2021 Capital Expenditures and Cash Deficits
 - d. Resolution 2021-10* A Resolution Approving Transfer of Gambling Funds
 - e. Disbursement Report* - \$145,649.90**Motion by _____, second by _____**
- 6. Old Business**
 - a. Consider Memorial Park Pavilion COVID Preparedness Plan, Waiver of Liability*
Motion by _____, second by _____
- 7. Ordinances and Resolutions**
 - a. Ordinance 2021-05 An Ordinance Amending Chapter 155: Annexation Reserve District Sections §155.05 and §155.06
Motion by _____, second by _____
 - b. Resolution 2021-11* A Resolution Requesting that Rice County Prepare a Planning Study of the Decker Avenue Corridor from TH 19 to CSAH 1
Motion by _____, second by _____
- 8. New Business**
 - a. Consider 2020 Financial Audit Presentation and Acceptance*
Motion _____, second _____
 - b. Consider Receiving Quote and Awarding a Contract for Street Sweeping for 2021 and 2022*
Motion by _____, second by _____
 - c. Consider Receiving Quotes and Awarding Contract for 2021 Sanitary Sewer Cleaning /Televising*
Motion by _____, second by _____
 - d. Consider Approving Water Meter Replacement Program*
Motion by _____, second by _____
 - e. Consider Approving Dominic Milne as Part-Time Police Officer*
Motion by _____, second by _____
 - f. Consider Waiving 2021 Liquor License Renewal Fees*
Motion by _____, second by _____
- 9. Reports of Officers, Boards and Committees**
 - a. City Attorney*
 - b. City Engineer*
 - c. City Administrator
 - d. Mayor, Councilors and Committee
- 10. Announcements**
 - a. Park and Recreation Advisory Board – Tuesday, April 13 at 7:00 p.m. City Hall
 - b. Planning Commission Meeting & Public Hearing* – Thursday, April 15 at 7:00 p.m. City Hall
 - c. Annual Park Clean Up Day – Saturday, April 17 at 9:30 a.m. Memorial Park
 - d. City Council Meeting & Public Hearing*– Monday, April 26 at 7:00 p.m. City Hall
 - e. Annual Clean Up Day – Saturday, May 8 from 7:00-11:00 a.m. Trailhead Parking Lot
- 11. Adjourn**

**DUNDAS CITY COUNCIL
REGULAR MEETING MINUTES**

**Monday, March 22, 2021
7:00 p.m. Dundas City Hall**

UNOFFICIAL MINUTES

Present: Mayor Glen Switzer; Councilors: Larry, Fowler, Grant Modory, Luke LaCroix, Luke Swartwood
Staff Present: City Engineer John Powell, Administrator Jenelle Teppen, Deputy Clerk Linda Ripka

CALL TO ORDER/PLEDGE ALLEGIANCE

Mayor Switzer called the Council meeting to order at 7:00 p.m. with the pledge of allegiance.

Roll Call: Mayor Switzer; Councilors Fowler, LaCroix, Modory, Swartwood.

A quorum was present.

PUBLIC FORUM/PRESENTATION - No one spoke and no presentation.

APPROVAL OF AGENDA

Motion by Fowler, second by LaCroix, to approve the agenda. Motion Carried Unanimously (MCU)

CONSENT AGENDA

Motion by Modory, second by Swartwood, to approve consent agenda as follows:

**Regular Minutes of March 8, 2021 and
Disbursement Report* - \$55,025.78. MCU**

OLD BUSINESS

No old business brought before Council.

ORDINANCES AND RESOLUTIONS

No Ordinance or Resolution brought before Council.

NEW BUSINESS

Consider Receiving Quotes and Awarding a Contract for the 2021 Seal Coat Project

City Engineer Powell reviewed three quotes submitted for the 2021 Seal Coat Project, recommending Pearson Bros. Inc. with a quote of \$24,069.00. He reviewed the unit price ranges and stated it is in the budget for 2021.

Motion by Fowler, second by LaCroix, to receive the three quotes for the 2021 Seal Coat Project and award a Contract to Pearson Bros. Inc. of Hanover, MN, in the amount of \$24,069. Councilor Modory expressed concern on previous years coating with Powell explaining the process and will monitor this year's work. **MCU**

Consider Approval of Rental/Reservation of Mill Park Shelter

Motion by Swartwood, second by LaCroix, to approve Rental/Reservation of Mill Park Shelter.

Administrator Teppen stated due to Governor's Executive Order limiting the number of people to 15 who can gather indoors and outside gatherings to 50, She stated the Memorial Park pavilion is closed for reservations. However, she recommended renting the Mill Park Shelter as it is an open shelter keeping in line with Governor's Order. She recommended the rates with be half day at \$45 and all day at \$65 with a \$100 deposit.

Discussion followed on sanitation, liability and monitoring rental area of Mill Park. It was suggested not to rent Mill Park but to look into professionally hiring out cost of sanitizing pavilion at Memorial Park after rentals and sign waiver of liability. Council asked staff to return with a COVID Preparedness Plan and liability waiver.

Motion tabled to next meeting. MCU

NEW BUSINESS (con't)**Consider Approval of Communication Plan to Notify Property Owners About the City's Parking Requirements**

Administrator Teppen indicated concern has been expressed by Council regarding the number of vehicles parked in residential areas on unimproved surfaces such as adjacent to a driveway or in front/side/backyard areas.

She requested review of City Code Section 154.067 Off-Street Parking Requirements, Subd.D. She recommended that staff develop a communication notice to be posted on the City's web site and following that a flyer would be delivered by police department personnel and mailed to the property owner who is in violation of the Code. Offending property owners would be given time to correct the issue and a second notice would be delivered/mailed if no progress or communication with staff.

Mayor Switzer suggested a broader time line and that the notice be mailed to every property owner as well as posted on the website. Discussion followed about educating property owners in what the City's expectations are. Discussion also focused on existing gravel driveways and grandfathering them in – gravel driveways can remain but should the property owner make improvements to the driveway, they must then come into compliance

Timeline is that the mailer goes out by the end of April and property owners are given until the end of July to comply. If compliance is not achieved police personnel will issue a warning/notice by the end of September to be in compliance or be cited. Staff will report back to the Council as time goes by.

Motion by Switzer, second by LaCroix, to approve Communication Plan to notify residential property owners about the City Code parking requirements with mailing notifications and follow up. MCU

Consider Approval of Election of Counsel Form

City Attorney Jared Shepherd is leaving Hoff Barry and going to Campbell Knutson. Administrator Teppen recommends the Council approve signing the change to Campbell Knutson noting the fees charges will remain the same.

Motion by Fowler, second by LaCroix, to approve Election of Counsel and authorize the mayor and city administrator to sign the form. MCU

REPORTS OF OFFICERS, BOARDS AND COMMITTEES**City Engineer – John Powell**

Nothing to add to his report.

City Administrator – Jenelle Teppen

Teppen reported four proposals were received for playground equipment for Memorial and the plans will be reviewed with the Park Board members on April 13.

Mayor, Councilors and Committees

Mayor Switzer stated a concern was raised by Bridgewater Township officials on development of an Outlot in Stoneridge Hills before moving forward with further annexation in the Bridgewater Heights area. The Mayor responded to the letter sent by the Township's attorney.

WORK SESSION**Review and Discuss Proposed Water Meter Replacement Plan**

Engineer Powell reviewed memo for replacing all of the water meters in the City. Current meters are more than 15 years old, and the software program that reads the meters needs to be updated. He stated the ultra-sonic meter has a 20-year warranty on meter and battery along with noting the benefits, especially eliminating driving by to get a read. Powell stated the replacement will occur over a two-year period, requiring extra staff to install and record. Councilor Modory expressed concern about the liability of having staff perform the replacement rather than a plumber.

ADJOURN

Motion by Modory, second by Fowler, to adjourn the Council meeting at 8:37 p.m. MCU

Submitted by:

Attest:

Jenelle Teppen, City Administrator

Glenn Switzer, Mayor



REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Jenelle Teppen, City Administrator

SUBJECT: Consider Approving Service Agreement Between the City of Dundas and Campbell Knutson

DATE: For the City Council Meeting of April 12, 2021

PURPOSE/ACTION REQUESTED

Consider approving the Service Agreement between the City and Campbell Knutson.

SUMMARY

At the City Council meeting on March 22, 2021 the Council approved the Election of Counsel firm which essentially approves following Jared Shepard from the legal firm of Hoff Barry to the firm of Campbell Knutson.

RECOMMENDATION

Motion to approve the Service Agreement between the City of Dundas and Campbell Knutson.

**AGREEMENT FOR LEGAL SERVICES
BETWEEN THE CITY OF DUNDAS AND
CAMPBELL KNUTSON, *Professional Association***

THIS AGREEMENT, dated March ____, 2021, is by and between the **CITY OF DUNDAS**, a Minnesota municipal corporation ("City") and **CAMPBELL KNUTSON, *Professional Association***, a Minnesota corporation ("Attorney").

NOW, THEREFORE, in consideration of the mutual undertakings herein, the parties hereto agree as follows:

1. SERVICES AND RELATIONSHIP.

A. The designated attorney, Jared Shepherd, shall furnish and perform general civil municipal legal services for the City.

B. The Attorney shall be engaged as an independent contractor and not as a City employee. The Attorney is free to contract with other entities.

2. TERM.

A. The Attorney shall serve at the pleasure of the City Council, and this Agreement may be terminated without cause by resolution of the City Council.

B. The Attorney may terminate this Agreement at any time, provided that the Attorney shall give the City thirty (30) days written notice before the termination becomes effective.

3. PAYMENT.

A. *General Civil Municipal:*

Designated City Attorney:	\$155.00 per hour
Attorneys	\$155.00 per hour
Paralegals/Legal Assistants/Law Clerk:	\$ 90.00 per hour

Our minimum increment of time is 0.1 hours. Travel time is charged at the hourly rates above.

B. *Pass-through Legal Services*: The customary hourly rate of the particular attorney or paralegal/legal assistant doing the work currently vary between \$200.00 and \$300.00 for attorneys and \$125.00 and \$150.00 for paralegal/legal assistant. We bill pass-through legal rates for attorneys and paralegal/legal assistants for the following matters:

1. Where the City is reimbursed from a developer or other third party;
2. Public improvement projects involving special assessments or improvements to private property.

C. *Costs*: Out-of-pocket costs without mark-up. Costs include:

- Westlaw and Lexis/Nexis legal research
- recording fees
- postage of 50¢ or more
- photocopies at 20¢ per copy
- color copies at 40¢ per copy
- litigation (court filing fees, expert witnesses, acquisitions, subpoenas, service of process, etc.)

D. The City will normally pay for services within thirty (30) days of receipt of a statement for services rendered.

4. **INSURANCE.** The Attorney will purchase and maintain sufficient insurance to protect Attorney against claims for legal malpractice.

5. **MISCELLANEOUS.**

A. *Governing Law.* This Agreement shall be governed by the laws of the State of Minnesota.

B. *Assignment.* The Attorney may not assign or refer any of the legal services to be performed hereunder without the written consent of the Dundas City Administrator.

C. *Effective Date.* This Agreement shall be in effect on the date first above written. This Agreement shall not be modified or amended without the approval in writing of the Dundas City Council.

Dated: _____, 2021.

CITY OF DUNDAS

By: _____
Glenn Switzer, Mayor

And _____
Jenelle Teppen, City Administrator

Dated: _____, 2021.

CAMPBELL KNUTSON
Professional Association

By: _____

**CITY OF DUNDAS
COUNTY OF RICE
STATE OF MINNESOTA**

RESOLUTION NUMBER 2021 - 09

*A Resolution Approving Transfers for
2021 Capital Expenditures and Cash Deficits*

WHEREAS, the City of Dundas, Minnesota, will make the following transfers from the General Fund to ensure adequate resources are available to pay for capital expenditures;

Fund 401 in the amount of \$776,812.62

Fund 408 in the amount of \$183,534.88;

NOW THEREFORE, BE IT RESOLVED THAT, the City Council of the City of Dundas, Minnesota, hereby affirms these transfers be effective March 31, 2021.

ADOPTED, by the City Council of Dundas, Minnesota, on this 12th day of April 2021.

CITY OF DUNDAS BY:

ATTEST:

Glenn Switzer, Mayor

Jenelle Teppen, Administrator/Clerk

Resolution 2021-09

**CITY OF DUNDAS
COUNTY OF RICE
STATE OF MINNESOTA**

RESOLUTION NUMBER 2021 - 10

*A Resolution Approving Transfer
of Gambling Funds*

WHEREAS, the following transfer from the Custodial Dundas Baseball Association Fund (Fund No. 801) to the Special Revenue Gambling Fund (Fund No. 201) is necessary to ensure the proper recording of lawful gambling funds;

Fund 201 in the amount of \$9,823.20;

NOW THEREFORE, BE IT RESOLVED THAT, the City Council of the City of Dundas, Minnesota, hereby affirms these transfers be effective March 31, 2021.

ADOPTED, by the City Council of Dundas, Minnesota, on this 12th day of April 2021.

CITY OF DUNDAS BY:

ATTEST:

Glenn Switzer, Mayor

Jenelle Teppen, Administrator/Clerk

Resolution 2021-10

DISBURSEMENT REPORT

City of Dundas
Council Meeting April 12, 2021

DATE	PAYABLE	AMOUNT
3/25/2021	PERA	\$3,131.76
4/8/2021	PERA	\$4,410.93
3/26/2021	State of MN Empower Retirement	\$1,200.00
4/8/2021	State of MN Empower Retirement	\$1,200.00
3/26/2021	MN Dept of Revenue	\$913.23
4/8/2021	MN Dept of Revenue	\$1,463.08
3/25/2021	IRS	\$4,543.03
4/8/2021	IRS	\$7,316.49
3/25/2021	Payroll PP# 5 Employees	\$13,385.56
4/7/2021	Payroll PP#4 Council	\$1,927.57
4/7/2021	Payroll PP# 7 Employees	\$18,113.02
	Sub Total Paid Payroll and Sales Liabilities	\$57,604.67
3/31/2021	RDC Monthly	\$59.00
3/31/2021	ACH Per Item	\$12.50
3/31/2021	Low Volume ACH Maitenance	\$5.00
4/5/2021	PSN Monthly Service	\$283.00
4/23/2021	Nextiva VOIP	\$175.52
3/24/2021	Cardmember Service	\$621.60
4/12/2021	Bills paid (Claims Register)	\$86,888.61
	Sub Total Paid Claims and Service Liabilitie	\$88,045.23
TOTAL	Payroll/Disbursements for March 8, 2021	\$145,649.90

CITY OF DUNDAS

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Payments

Current Period: April 2021

Payments Batch 041221AP		\$86,888.61	
Refer	0 FRANDSEN BANK & TRUST	-	
Cash Payment	G 101-21708 H.S.A. Withholdings	Wade Murray HSA 3.25.21 payroll	\$550.00
Invoice			
Transaction Date	4/5/2021	Frandsen Bank 10100	Total \$550.00
Refer	0 AEM FINANCIAL SOLUTIONS, LLC	-	
Cash Payment	E 101-41000-301 Auditing and Acct g Servi	Professional services for April 2021	\$5,650.00
Invoice	441657 4/1/2021		
Transaction Date	4/5/2021	Frandsen Bank 10100	Total \$5,650.00
Refer	0 AFLAC	-	
Cash Payment	G 101-21710 Other Deductions	Employee Reimbursed HB065	\$367.62
Invoice	958439 3/15/2021		
Transaction Date	4/5/2021	Frandsen Bank 10100	Total \$367.62
Refer	0 AMAZON CAPTIAL SERVICES	-	
Cash Payment	E 101-41000-200 Supplies	office supplies	\$62.70
Invoice	1KK9-TVGQ-HLN 3/19/2020		
Cash Payment	E 101-43100-200 Supplies	office supplies	\$13.90
Invoice	1KK9-TVGQ-HLN 3/19/2020		
Transaction Date	4/5/2021	Frandsen Bank 10100	Total \$76.60
Refer	0 AMERICAN EXCAVATING INC	-	
Cash Payment	E 801-45130-406 Grounds Maintenance	ball park	\$5,579.63
Invoice	10927 12/4/2020		
Transaction Date	4/5/2021	Frandsen Bank 10100	Total \$5,579.63
Refer	0 AMERICAN LEGAL PUBLISHING	-	
Cash Payment	E 101-41000-433 Dues and Subscriptions	2021 S-2 Folio/Internet Supplement	\$203.00
Invoice	7156 3/16/2021		
Transaction Date	4/5/2021	Frandsen Bank 10100	Total \$203.00
Refer	0 AMERICAN LEGAL PUBLISHING	-	
Cash Payment	E 101-41000-433 Dues and Subscriptions	2021 S-2 Supplement Editing Pages	\$815.00
Invoice	6854 2/28/2021		
Transaction Date	4/5/2021	Frandsen Bank 10100	Total \$815.00
Refer	0 BENNY H. SVIEN	-	
Cash Payment	E 101-42400-311 Bldg Permit Expense	Permit 6714	\$27.51
Invoice	3/30/2021		
Cash Payment	E 101-42400-312 Plan Review Expense	Permit 6714	\$595.97
Invoice	3/30/2021		
Cash Payment	E 101-42400-315 Plumbing Permit Expens	Permit 6714	\$1.64
Invoice	3/30/2021		
Cash Payment	E 101-42400-314 Mechanical Permit Expen	Permit 6714	\$1.73
Invoice	3/30/2021		
Transaction Date	4/5/2021	Frandsen Bank 10100	Total \$626.85
Refer	0 BENNY H. SVIEN	-	
Cash Payment	E 101-42400-311 Bldg Permit Expense	Permit #4134	\$4.19
Invoice	3/16/2021		

CITY OF DUNDAS
Payments

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Current Period: April 2021

Cash Payment	E 101-42400-312 Plan Review Expense	Permit #4134			\$90.76
Invoice	3/16/2021				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total	\$94.95
Refer	0 <i>BENNY H. SVIEN</i>				
Cash Payment	E 101-42400-311 Bldg Permit Expense	Permit #4137			\$3.77
Invoice	3/23/2021				
Cash Payment	E 101-42400-312 Plan Review Expense	Permit #4137			\$81.66
Invoice	3/23/2021				
Cash Payment	E 101-42400-315 Plumbing Permit Expens	Permit #4137			\$0.50
Invoice	3/23/2021				
Cash Payment	E 101-42400-314 Mechanical Permit Expen	Permit #4137			\$0.90
Invoice	3/23/2021				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total	\$86.83
Refer	0 <i>BENNY H. SVIEN</i>				
Cash Payment	E 101-42400-311 Bldg Permit Expense	Permit #7204			\$35.91
Invoice	3/23/2021				
Cash Payment	E 101-42400-312 Plan Review Expense	Permit #7204			\$777.97
Invoice	3/23/2021				
Cash Payment	E 101-42400-315 Plumbing Permit Expens	Permit #7204			\$2.42
Invoice	3/23/2021				
Cash Payment	E 101-42400-314 Mechanical Permit Expen	Permit #7204			\$2.25
Invoice	3/23/2021				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total	\$818.55
Refer	0 <i>BLESENER'S QUALITY EXTERIORS</i>				
Cash Payment	E 602-49450-400 Repairs and Maintenanc	Install alum soffit and fascia			\$3,593.00
Invoice	3/31/2021				
Cash Payment	E 601-49400-400 Repairs and Maintenanc	Install alum soffit and fascia			\$1,552.00
Invoice	3/31/2021				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total	\$5,145.00
Refer	0 <i>CENTRAL FARM SERVICE</i>				
Cash Payment	E 101-43100-211 Equipment Fuel	fuel			\$245.74
Invoice	3/31/2021				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total	\$245.74
Refer	0 <i>CITY OF NORTHFIELD</i>				
Cash Payment	E 602-49450-385 Sewer Utilities	Wastewater Treatment			\$18,240.24
Invoice	3/22/2021				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total	\$18,240.24
Refer	0 <i>MELIZA, DUANE</i>				
Cash Payment	E 101-43100-330 Travel	milage reimbursement			\$141.68
Invoice	4/4/2021				
Cash Payment	E 101-45200-330 Travel	milage reimbursement			\$20.24
Invoice	4/4/2021				
Cash Payment	E 601-49400-330 Travel	milage reimbursement			\$145.73
Invoice	4/4/2021				
Cash Payment	E 602-49450-330 Travel	milage reimbursement			\$97.15
Invoice	4/4/2021				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total	\$404.80

CITY OF DUNDAS
Payments

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Current Period: April 2021

Refer	0	<u>ECKBERG LAMMERS</u>	-			
Cash Payment	E 101-42100-304	Legal Fees	Prosecution for the month of March 21			\$660.24
Invoice	03 2021	3/31/2021				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total		\$660.24
Refer	0	<u>GOPHER STATE ONE CALL</u>	-			
Cash Payment	E 601-49400-310	Professional Services	gopher one calls			\$24.97
Invoice	1030347	3/31/2021				
Cash Payment	E 602-49450-310	Professional Services	gopher one calls			\$24.98
Invoice	1030347	3/31/2021				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total		\$49.95
Refer	0	<u>GRAPHIC MAILBOX</u>	-			
Cash Payment	E 101-41000-200	Supplies	pole banners			\$680.00
Invoice	136139	3/19/2021				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total		\$680.00
Refer	0	<u>GUTH ELECTRIC, INC</u>	-			
Cash Payment	E 801-45130-400	Repairs and Maintenanc	electrical work at Memorial Park			\$9,179.00
Invoice	17488	12/9/2020				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total		\$9,179.00
Refer	0	<u>HAWKINS INC.</u>	-			
Cash Payment	E 601-49400-200	Supplies	Chlorine cylinders			\$10.00
Invoice	4905832	3/26/2021				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total		\$10.00
Refer	0	<u>HOFF BARRY, PA</u>	-			
Cash Payment	E 101-41000-304	Legal Fees	general administration			\$1,689.50
Invoice		3/31/2021				
Cash Payment	G 430-22013	Escrow - Brd. Hgt. Pre. Plat	Bridgewater development			\$408.00
Invoice		3/31/2021				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total		\$2,097.50
Refer	0	<u>JAGUAR COMMUNICATION</u>	-			
Cash Payment	E 101-41000-321	Telephone & Communic	Internet/phone bill - 8608			\$114.88
Invoice		4/1/2021				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total		\$114.88
Refer	0	<u>JAGUAR COMMUNICATION</u>	-			
Cash Payment	E 601-49400-321	Telephone & Communic	Internet/phone bill - 8611			\$136.23
Invoice		4/1/2021				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total		\$136.23
Refer	0	<u>JAGUAR COMMUNICATION</u>	-			
Cash Payment	E 101-42100-321	Telephone & Communic	Internet/phone bill - 15379			\$67.75
Invoice		4/1/2021				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total		\$67.75
Refer	0	<u>KWIK TRIP INC</u>	-			
Cash Payment	E 101-42100-418	Vehicle Fuels	fuel			\$503.68
Invoice						
Transaction Date	4/5/2021	Frandsen Bank	10100	Total		\$503.68
Refer	0	<u>LAW ENFORCEMENT LABOR SVC</u>	-			

CITY OF DUNDAS
Payments

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Current Period: April 2021

Cash Payment	G 101-21707 LELSI Union Dues	April 2021 Union Dues		\$127.00
Invoice				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total \$127.00
Refer	0 <i>MENARDS, INC</i>	-		
Cash Payment	E 101-42100-200 Supplies	batteries		\$7.98
Invoice 7420	3/24/2021			
Transaction Date	4/5/2021	Frandsen Bank	10100	Total \$7.98
Refer	0 <i>MIDWEST WATER SPECIALTY, INC</i>	-		
Cash Payment	E 101-41000-200 Supplies	water		\$48.15
Invoice 113167	3/17/2021			
Cash Payment	E 101-42100-200 Supplies	water		\$12.00
Invoice 113167	3/17/2021			
Transaction Date	4/5/2021	Frandsen Bank	10100	Total \$60.15
Refer	0 <i>NAPA</i>	-		
Cash Payment	E 101-43100-419 Vehicle Operations	supplies		\$18.92
Invoice 5121-00-723644	3/17/2021			
Transaction Date	4/5/2021	Frandsen Bank	10100	Total \$18.92
Refer	0 <i>NCPERS GROUP LIFE INS</i>	-		
Cash Payment	G 101-21712 Life Insurance	Life Insurance Coverage Period 4/1/21-4/31/21		\$112.00
Invoice 4336000042021	3/10/2021			
Transaction Date	4/5/2021	Frandsen Bank	10100	Total \$112.00
Refer	0 <i>QUADIENT LEASING</i>	-		
Cash Payment	E 101-41000-413 Rental	lease payment		\$192.12
Invoice N8799333	3/29/2021			
Transaction Date	4/5/2021	Frandsen Bank	10100	Total \$192.12
Refer	0 <i>SPRINT</i>	-		
Cash Payment	E 601-49400-321 Telephone & Communic	Phone Bill: 2/15/21-3/14/21		\$96.37
Invoice 292583318-232	3/18/2021			
Transaction Date	4/5/2021	Frandsen Bank	10100	Total \$96.37
Refer	0 <i>STREICHERS</i>	-		
Cash Payment	E 101-42100-217 Uniforms	uniforms		\$79.99
Invoice 1490781	3/16/2021			
Transaction Date	4/5/2021	Frandsen Bank	10100	Total \$79.99
Refer	0 <i>VERIZON</i>	-		
Cash Payment	E 101-42100-321 Telephone & Communic	cell phones		\$128.37
Invoice 987343484				
Transaction Date	4/5/2021	Frandsen Bank	10100	Total \$128.37
Refer	0 <i>WATERFORD OIL COMPANY INC</i>	-		
Cash Payment	E 601-49400-211 Equipment Fuel	red nonbio		\$247.71
Invoice	3/12/2021			
Cash Payment	E 602-49450-211 Equipment Fuel	red nonbio		\$247.71
Invoice	3/12/2021			
Transaction Date	4/5/2021	Frandsen Bank	10100	Total \$495.42
Refer	0 <i>WSB & ASSOC INC</i>	-		

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Payments

Current Period: April 2021

Cash Payment	E 101-41000-303 Engineering Fees	2021 City Engineering	\$800.00
Invoice	R-017408-000-2 3/18/2021		
Cash Payment	E 101-45200-303 Engineering Fees	Memorial Park Improvements	\$1,922.00
Invoice	46 3/18/2021		
Cash Payment	E 601-49400-303 Engineering Fees	Water Tower Maintenance	\$62.50
Invoice	46 3/18/2021		
Cash Payment	E 408-41940-303 Engineering Fees	New City Hall and Parking Lot	\$31.25
Invoice	46 3/18/2021		
Cash Payment	E 101-41910-303 Engineering Fees	Mill Town Trial Head	\$312.50
Invoice	46 3/18/2021		
Cash Payment	E 101-41910-303 Engineering Fees	Sidewalk/Trail Improvements	\$3,231.75
Invoice	46 3/18/2021		
Cash Payment	E 101-41910-303 Engineering Fees	Pavement Maintenance	\$1,031.25
Invoice	46 3/18/2021		
Cash Payment	E 101-41910-303 Engineering Fees	Forest Ave Pavement Maintenance	\$62.50
Invoice	46 3/18/2021		
Cash Payment	E 225-43150-303 Engineering Fees	Wastewater System	\$997.50
Invoice	46 3/18/2021		
Cash Payment	E 225-43150-303 Engineering Fees	Storm Water System	\$437.50
Invoice	46 3/18/2021		
Cash Payment	E 101-41910-303 Engineering Fees	2023 Street Lighting	\$31.25
Invoice	46 3/18/2021		
Cash Payment	E 101-41910-303 Engineering Fees	Comprehensive Transportation Planning	\$1,230.50
Invoice	46 3/18/2021		
Transaction Date	4/5/2021	Frandsen Bank 10100	Total \$10,150.50
Refer	0 WSB & ASSOC INC	-	
Cash Payment	G 430-22011 Escrow - Fenway Land Comp	Bridgewater Heights PUD Amendment	\$31.25
Invoice	45 3/18/2021		
Cash Payment	G 430-22013 Escrow - Brd. Hgt. Pre. Plat	Bridgewater Heights PUD Amendment East	\$3,025.00
Invoice	45 3/18/2021		
Cash Payment	G 430-22012 Escrow - Brd. Hgt. Annex/Cn	Bridgewater Heights Annexation Request	\$717.50
Invoice	45 3/18/2021		
Transaction Date	4/5/2021	Frandsen Bank 10100	Total \$3,773.75
Refer	0 LMCIT	-	
Cash Payment	E 101-45200-151 Worker s Comp Insuranc	Workers Comp Coverage	\$371.98
Invoice	4/5/2021		
Cash Payment	E 101-43100-151 Worker s Comp Insuranc	Workers Comp Coverage	\$7,231.55
Invoice	4/5/2021		
Cash Payment	E 101-42100-151 Worker s Comp Insuranc	Workers Comp Coverage	\$10,738.47
Invoice	4/5/2021		
Transaction Date	4/5/2021	Frandsen Bank 10100	Total \$18,342.00
Refer	0 ALDRICH TECNNOLOGY CONSULT	-	
Cash Payment	E 101-41000-310 Professional Services	Bright Blue card connected	\$562.50
Invoice	5071 4/1/2021		
Transaction Date	4/7/2021	Frandsen Bank 10100	Total \$562.50
Refer	0 APG MEDIA OF SOUTHERN MN	-	
Cash Payment	E 101-41000-351 Legal Notices Publishing	public hearing advertising	\$337.50
Invoice	11130-0321 3/31/2021		

CITY OF DUNDAS
Payments

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Current Period: April 2021

Transaction Date	4/7/2021	Frandsen Bank	10100	Total	\$337.50
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Fund Summary

	10100 Frandsen Bank
101 GENERAL FUND	\$42,003.39
225 STORM SEWER	\$1,435.00
408 CITY HALL CONSTRUCTION	\$31.25
430 ESCROW DEPOSITS	\$4,181.75
601 WATER	\$2,275.51
602 SEWER	\$22,203.08
801 DUNDAS BASEBALL ASS.	\$14,758.63
	\$86,888.61

Pre-Written Checks	\$0.00
Checks to be Generated by the Computer	\$86,888.61
Total	\$86,888.61



REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Jenelle Teppen, City Administrator

SUBJECT: Consider Approving COVID-19 Preparedness Plan and COVID-19 Addendum for Memorial Park Pavilion Rentals

DATE: For the City Council Meeting of April 12, 2021

PURPOSE/ACTION REQUESTED

Consider approving the COVID-19 Preparedness Plan, and COVID-19 Addendum for Memorial Park Pavilion Rentals.

SUMMARY

At the City Council meeting on March 22, 2021 the Council directed staff to come back with a COVID-19 Preparedness Plan and a COVID-19 Addendum so that the Pavilion at Memorial Park could be opened for rentals again.

Those items are attached.

To ensure that the Pavilion is cleaned and sanitized to avoid the spread of COVID-19, staff has contacted a professional cleaning service – Service Master – who has proposed a rate to clean the Pavilion after each rental. The professional-grade cleaning service will reduce any liability that the City would take on should an outbreak occur. In addition to the regular rental fees for the Pavilion, renters will be charged an additional \$65.00 per use to cover the additional cleaning service.

Staff recommends that the Pavilion rental be limited to only Saturdays and Sundays, and one rental per day on those days.

RECOMMENDATION

Motion to approve the COVID-19 Preparedness Plan and the COVID-19 Addendum for Memorial Park Pavilion Rentals.



Memorial Park Pavilion

COVID – 19 Preparedness Plan

Venue Guidelines

The City of Dundas recognizes that there is still a lot of uncertainty around events and gatherings. City staff has worked hard to adjust operations to meet the guidelines and recommendations set forth by Governor Walz and the Minnesota Department of Health.

Below are current guidelines or restrictions on the use of the Memorial Park Pavilion that differ from the normal practices. Please note that these are subject to change as guidelines and recommendations change.

This document applies to private celebrations, receptions, parties, or other similar gatherings (i.e., those open to only people who are invited, or those whose attendance is dependent on membership or affiliation with a particular group, organization, business or person).

- This includes receptions, parties, and gatherings connected to weddings (e.g., wedding receptions), funerals (e.g., celebrations before or after a funeral service), life milestones (e.g., birthday parties, retirement parties, graduation parties, and parties for other similar milestones), family reunions and other similar occasions.
- This also includes receptions, parties and gatherings connected to planned religious services (e.g., receptions before or after a religious service), and other private social events (e.g., work parties, professional networking events and other similar events).

Venue Capacity

As of March 31, 2021:

PRIVATE CELEBRATIONS, RECEPTIONS OR PARTIES – WITH FOOD OR BEVERAGES

The current guidelines indicate that capacity may not exceed 25%, up to a maximum of 50 people.

- Maximum of 44 people inside the Pavilion at one time (25% capacity)
- The Pavilion is not open to members of the public (private only)

PRIVATE CELEBRATIONS, RECEPTIONS OR PARTIES – WITHOUT FOOD OR BEVERAGES

The current guidelines indicate that capacity may not exceed 25%, up to a maximum of 50 people.

- Maximum of 44 people inside the Pavilion at one time (25% capacity)
- The Pavilion is not open to members of the public (private only)

Screening

Please establish and implement health screening for all persons planning to attend the event to ensure that anyone with symptoms, or has tested positive without symptoms, or has been exposed to anyone who has tested positive and is in their quarantine period, does not attend.

Guest Behavior

Requirements

- Implement and maintain social distancing of at least six (6) feet between persons from different households throughout the event.
- No more than six (6) people may be seated together at any one time.
- Provide controlled flow of participants as much as possible, including upon start and at end of the event. Use signage, marking, barriers, paint tape or flags to eliminate congestion areas, bottle-necks and choke points, and provide queuing when necessary.
- Prohibit uncontrolled mingling or gathering before or after the event.
- Personal equipment and items used during the event (microphones, computers and other devices should not be shared or should be disinfected after each use.
- Adapt all practices during the event to avoid physical contact or passing objects between people.
- Limit the number of speakers and plan so that they maintain at least six (6) feet of distance from others.
- Lawn games, toys or shared activities are not permitted at this time.

Recommendations

- Whenever possible, provide individual microphones for multiple speakers. If a microphone must be shared, consider leaving it untouched on a stand.
- Event photography: Standing close together is a high-risk activity, even when it is a shorter period of time. Consider taking individual photos and using editing software to combine them into a group photo.

Indoor Face Covering Mandate

Face coverings are required in all indoor business and public indoor spaces. In addition, workers must wear face coverings outdoors when six (6) feet of social distance from others cannot be maintained.

Requirements

- Require all workers and attendees to wear face coverings in compliance with Executive Order 20-81, and establish a procedure for accommodating persons who cannot wear face coverings due to a medical or mental health condition or disability.
- Face coverings may be temporarily removed in certain situations, for example, face coverings may be removed when eating and/or drinking, but must be put back on when not eating or drinking. Because eating drinking require attendees to remove their face covering, only eat or drink while seated and apart from members of other households.

Recommendations

- Have masks available at the event for persons who arrive without one.
- Require or strongly recommend that patrons wear face coverings outdoors when six (6) feet social distancing cannot be maintained.

Hygiene Practices

Requirements

- Provide hand sanitizer at entrances and exits and other strategic locations.
- Provide instructions and signage for attendees on regular handwashing/sanitizing.

Music

Bands, DJ's and other live music performances are allowed but must maintain physical distancing of six (6) feet between the other performers and 12 feet from the audience.

Food and Beverages

Requirements

- Food must be prepared and service in accordance with applicable rules and regulations guiding the specific event.
- Control lines at food and beverage areas to ensure social distancing of at least six (6) feet between members of different households. This can be done with floor markings or other indicators. Face coverings must be worn when in line for food.
- No more than six (6) people may be seated together at any one time.
- Self-service food and beverage areas are allowed as long as protections are in place such as oversight of the self-service area to ensure that social distancing is maintained, hands are being sanitized and participants wear face coverings in the self-service area. The responsible party for overseeing compliance can be the venue administrator, caterer or event organizer.

Recommendations

- Best practice would be to service prepackaged food as much as possible.
- Use wrapped silverware.
- Use compostable products and glassware.
- Do not pre-set tables.

MEMORIAL PARK PAVILION RESERVATION

COVID-19 ADDENDUM

CANCELLATION

The City reserves the right to cancel this reservation up to 72 hours prior to the Date of Use, or at any time when a state of emergency is declared by the City, the state, or federal government, or unsafe environmental or public health conditions exist in the opinion of the City, including but not limited to a pandemic. In such event, Renter agrees that the City shall have no responsibility or liability for any disruption or damages or loss which Renter may suffer or incur due to the cancellation. The City will attempt to notify the Renter as soon as possible if such cancellation occurs. All fees paid to the City shall be refunded if this reservation is canceled pursuant to this paragraph.

COMPLIANCE WITH STATE GUIDANCE ON COVID-19

The Renter recognizes the existence of the COVID-19 pandemic and the existing state and local emergencies. The Renter must comply with all guidance from the State of Minnesota, including but not limited to past and future Executive Orders issued by the Governor, and all guidance published by the Minnesota Department of Health.

Renter acknowledges that they have read the Minnesota Department of Health Guidance for Safe Celebrations and Events and agrees to follow Minnesota Department of Health guidance while using the Park, if such guidance remains in place at the time of their event.

The City has developed a COVID-19 Preparedness Plan (“COVID Plan”) in response to the pandemic for use of the Memorial Park Pavilion (“Facility”) and has instituted safety measures consistent with CDC guidelines, including social distancing protocols. The Renter acknowledges the City’s COVID Plan, confirms that Renter has read the COVID Plan, and Renter agrees to abide by the COVID Plan.

Renter will be responsible for monitoring the health and symptoms of guests, participants, or members of their party (“Guests”), including but not limited to the following:

If any Guest has a temperature over 100.4 degrees Fahrenheit, Renter will not allow the Guest to attend and use the Facility. Renter will not permit any Guest to attend and use the Facility if they have any of the following symptoms: cough, shortness of breath or sore throat.

Renter will not permit any Guest to attend and use the Facility if a member of the Guest’s household tests positive for COVID-19 or has been told to self-quarantine.

Renter acknowledges that if a Guest violates any part of the COVID-19

Preparedness Plan, the Guest will be removed from the Facility.

ACKNOWLEDGEMENT; WAIVER OF LIABILITY; INDEMNIFICATION

I represent and agree that I have read the City of Dundas Memorial Park Pavilion Rules and Regulations (“Rules”) and this COVID-19 Addendum and understand and agree to the rights and responsibilities as described in the Rules and the COVID-19 Addendum. A copy of the Rules and COVID-19 Addendum has been provided to me. I further understand that the City will not be responsible for providing supervision of the activities and that the City reserves the right to cancel this reservation for reasons of public safety or convenience, including but not limited to COVID-19 pandemic response.

I understand that my use of the Facility is voluntary and that I’m using it for my own benefit and the benefit of my organization or group and/or invited guests or participants only. I understand that the use of the Facility is undertaken at my own risk and that the City of Dundas will not be liable for any claims, injuries or damages of whatever nature incurred by me or a member of my organization or group and/or invited guests, or by the negligence of third parties. I further understand the unique risks of gathering in groups during the COVID-19 pandemic, including the risk of transmission of COVID-19 among participants and attendees. On behalf of myself and/or the organization I represent, I expressly forever release and discharge the City of Dundas and its agents or employees from any such claims, injuries or damages. I also agree to defend, indemnify and hold the City harmless from any claims, injuries or damages of whatever nature arising out of or connected with my use of the Facility. I acknowledge that if the undersigned fails to do so, then the City may institute an action against the undersigned and all persons using the Facility pursuant to the Rental Application and this Addendum for recovery of all costs, including attorney fees, incurred by the City pursuant to this paragraph.

SIGNATURE OF RENTER

DATE

PRINTED NAME OF RENTER

Requirements for Celebrations and Significant Life Events

2/12/2021

This document was updated to reflect amendments to Executive Order (EO) 21-07 will go into effect Saturday, Feb. 13 at 12:00 p.m. (noon) and is an amendment to EO 21-01 which does not have an end date. Celebrations, receptions, parties, significant life events, and similar gatherings must continue to comply with the requirements set forth in EO 21-01, as amended by EO 21-07, along with the requirements provided in this document, to mitigate the risk of transmission of COVID-19.

Frequently Asked Questions about Stay Safe MN (<https://mn.gov/covid19/for-minnesotans/stay-safe-mn/faq.jsp>) or Stay Safe Guidance for Businesses and Organizations (<https://staysafe.mn.gov/industry-guidance/index.jsp>) may have additional clarifications about requirements and recommendations.

This document does not apply to wedding ceremonies, funeral ceremonies, and religious services, but it does apply to the related receptions, celebrations, parties, and gatherings that occur before or after the service or ceremony. For services and ceremonies, please see the [Preparedness Plan Requirements for Faith-Based Communities, Places of Worship, Weddings, and Funerals](http://www.health.state.mn.us/diseases/coronavirus/safefait.pdf) (www.health.state.mn.us/diseases/coronavirus/safefait.pdf).

Updates to this document include for private celebrations and parties that involve food or beverages: Occupancy capacity is limited to 25% with **up to a maximum of 50 patrons** (increased from two households indoors, max. 10; and three households outdoors, max. 15) with social distance of 6 feet maintained. These events may not occur between **11 p.m. (previously 10 p.m.) and 4 a.m.** Celebrations and private parties that do not involve food or beverages should adhere to capacity and restrictions applicable to the venue. Dancing is strongly discouraged.

Your health and COVID-19

Any time people are gathering with others, they are at risk of exposure to SARS-CoV-2, the virus that causes COVID-19. COVID-19 spreads through respiratory droplets produced when an infected person coughs, sneezes, or talks. These droplets can land in the mouths or noses of people who are nearby or possibly inhaled into the lungs. People with symptoms and without symptoms can spread the virus.

COVID-19 can lead to serious medical conditions and even death for people of all ages. We cannot predict who will become severely ill, although we know that older people and people with underlying health

REQUIREMENTS FOR CELEBRATIONS AND SIGNIFICANT LIFE EVENTS

conditions are at higher risk. We do not yet know what the long-term effects of infection from COVID-19 are; even people with mild cases may experience long-term complications.

The best way to prevent illness is to avoid exposure to this virus. The masking, physical distancing, and other steps work together to help reduce the risk of spreading COVID-19. We can all take these actions to protect our families, others, and ourselves:

- ✓ Stay home when sick.
- ✓ Stay at least 6 feet apart from other people.
- ✓ Wear face coverings.
- ✓ Wash your hands often.
- ✓ Cover your mouth and nose when you cough or sneeze.

EO 21-01 as amended by EO 21-07

This document applies to the **private celebrations, receptions, parties, or similar private events** discussed in the following section because COVID-19 spreads more when people who are familiar with one another gather together to socialize or to celebrate special occasions. It is easy for us to “let our guard down” in these situations and to forget the steps needed to keep ourselves and others safe. When food and beverage are involved, the risk is even higher because people must remove their masks to eat and drink. Alcohol also creates its own special risks by lowering inhibitions, and we know that these risks increase in the later hours of the night. **In balancing the importance of milestone occasions with the risks of COVID-19 transmission, these private celebrations and parties are limited further if they involve food and beverage.**

1. For private celebrations, receptions, or parties **with food or beverages**, capacity must be limited to allow for 6 feet of social distancing, and may not exceed **25%**, up to a maximum of **50** people. In addition, these events must not occur between the hours of 11:00 p.m. and 4:00 a.m.
2. For private celebrations, receptions, parties, or other similar private events **without food or beverages**, capacity must be limited to allow for 6 feet of social distancing. Capacity may not exceed **25%**, up to a maximum of **250** people.

As noted above, this document **does not** apply to wedding, funeral, or religious **services or ceremonies** at a place of worship, event center, or other venue that comply with the [COVID-19 Preparedness Plan Requirements for Faith-based Communities, Places of Worship, Weddings, and Funerals](https://www.health.state.mn.us/diseases/coronavirus/safefait.pdf) (www.health.state.mn.us/diseases/coronavirus/safefait.pdf). This guidance increases allowance for capacity, but generally requires seating and strict controls on movement.

If your event includes more than one of the above activities, you must adjust your capacity limits and actions to meet the applicable requirements. If different types of activities occur at the same time in the same venue, the most restrictive of the applicable capacity requirements govern the event.

Celebrations, receptions, private parties, and other similar gatherings

This document applies to private celebrations, receptions, parties, or other similar gatherings held in a venue or business (i.e., those open only to people who are invited, or those which the ability to attend is dependent on membership in or affiliation with a particular group, organization, business, or person).

Venues that host these events must develop and comply with an event-specific COVID-19 Preparedness Plan that incorporates the requirements in this document.

- This includes receptions, parties, and gatherings connected to weddings (e.g., wedding receptions), funerals (e.g., celebrations before or after a funeral service), life milestones (e.g., birthday parties, retirement parties, graduation parties, and parties for other similar milestones), family reunions, and other similar occasions.
- This also includes receptions, parties, and gatherings connected to planned religious services (e.g., receptions before or after a religious service), and other private social events (e.g., cocktail parties, dances, work parties, professional networking events, and other similar events).

This document does not apply to:

- Events at venues that are open to the general public (e.g., concerts, theater, sporting events, etc.), regardless of whether the event is free or requires payment for entry.
- Professional or business meetings within a workplace that follow applicable industry guidance, including applicable limitations on meeting size.
- Social gatherings in private homes or other gatherings that are not held in a venue or business.
 - Such gatherings are limited by EO 21-01 as amended by EO 21-07 to no more than two households indoors (up to a maximum of 10 people) and no more than three households outdoors (up to a maximum of 15 people). People may wish to consider this guidance if they choose to host these social gatherings.
- Private events hosted in a venue that are arranged or organized for educational or informational purposes (e.g., lectures, seminars, continuing education, presentations, and similar events), to carry out a commercial, business, or professional activity (e.g., a board meetings, auctions, trade shows, fundraising activities, professional training, testing or certification activities, and similar events), or to carry out any other activities that are expressly allowed to take place under the Governor's Executive Orders (including EO 21-01 as amended by EO 21-07).
 - These events must comply with the [Stay Safe Guidance for Entertainment and Meeting Venues \(staysafe.mn.gov/industry-guidance/entertainment.jsp\)](https://staysafe.mn.gov/industry-guidance/entertainment.jsp).
 - Notwithstanding this paragraph, any private social, celebratory, or networking components associated with these events that are hosted by a business or venue are subject to the requirements of this Guidance for Celebrations and Significant Life Events, including capacity limitations.

REQUIREMENTS FOR CELEBRATIONS AND SIGNIFICANT LIFE EVENTS

Requirements for venues that host private parties and also remain open to the public

If a venue hosts an event that falls within this guidance and also remains open to other members of the public (e.g., a private party in a section of a restaurant or bowling alley), the venue must comply with the following:

- It must designate an exclusive and separate event space within the establishment (e.g., a ballroom, private room, or other separated space) to ensure persons attending the event remain separated from other patrons who are not attending the event, and areas or activities not associated with the event.
- Workers hired specifically for the event, such as an outside caterer or entertainer, must also be separated from other workers, patrons, or activities not associated with, staffing, or attending the event.
- The attendees of the event must be included in calculating the overall capacity of the venue, restaurant, bar, or other event space.

Events with food and beverage

Events that **do** involve food and beverage (whether complementary, for purchase, or brought on site) must be conducted in accordance with the requirements applicable to the venue hosting the event, except where this guidance imposes a different or conflicting requirement, in which case this guidance controls.

- Events that involve food or beverage may not take place between the hours of 11 p.m. and 4 a.m.
- Events must be limited to a maximum of 50 people (counting those indoors and outdoors) where 6 feet of social distancing can be maintained between members of different households, or 25% capacity.

Events without food and beverage

Events that **do not** involve food and beverage (whether complementary, for purchase, or brought on site) must be conducted in accordance with the requirements applicable to the venue hosting the event, except where this guidance imposes a different or conflicting requirement, in which case this guidance controls.

- Events, whether indoors or outdoors, must be limited to ensure that social distancing of 6 feet can be maintained between members of different households at all times. Capacity must be further limited to the lesser of 25% capacity, or 250 patrons total.
- Face coverings must be worn by all people in accordance with Executive Order 20-81 and the policies of the venue hosting the event.
- For more detail about the requirements applicable to venues and determining occupant capacity, see the relevant [Stay Safe Guidance for Entertainment Meetings and Venues \(staysafe.mn.gov/industry-guidance/entertainment.jsp\)](https://staysafe.mn.gov/industry-guidance/entertainment.jsp), which must be incorporated into the COVID-19 Preparedness Plan for the event.

Incorporate other relevant guidance

- The plan for the event must incorporate other relevant guidance applicable to the venue hosting the event:

REQUIREMENTS FOR CELEBRATIONS AND SIGNIFICANT LIFE EVENTS

- [COVID-19 Preparedness Plans: Requirements for all Businesses and Other Entities \(dli.mn.gov/sites/default/files/pdf/COVID_19_preparedness_plan_requirements_guidelines_businesses.pdf\)](https://dli.mn.gov/sites/default/files/pdf/COVID_19_preparedness_plan_requirements_guidelines_businesses.pdf)
- [Stay Safe Guidance for Entertainment and Meeting Venues \(staysafe.mn.gov/industry-guidance/entertainment.jsp\)](https://staysafe.mn.gov/industry-guidance/entertainment.jsp)
- [COVID-19 Preparedness Plan Requirements for Restaurants and Bars \(www.health.state.mn.us/diseases/coronavirus/safedining.pdf\)](https://www.health.state.mn.us/diseases/coronavirus/safedining.pdf)

COVID-19 Preparedness Plan Guidance: Celebrations and Significant Life Events

Anytime people from different households gather, there is an increased risk of spreading infections. Hold an in-person gathering only if planners and participants commit to keeping at least 6 feet of space between people from different households (social distancing) at all times and wear face coverings throughout the event. Consider whether having your event encourages people in high-risk groups (particularly older adults and people with underlying health conditions) to gather. If so, consider offering a virtual celebration instead.

This guidance is for event planners, venue managers and owners, catering companies, people or families requesting these services, and others who may be involved in the planning and coordination of celebrations and events. These events may take place in indoor or outdoor venues, including but not limited to, rental space in event centers, restaurants, fellowship halls and gathering spaces in faith-based buildings, community centers, halls, or outdoor event spaces. Examples of celebrations and events covered by this guidance include but are not limited to catered parties, wedding receptions, funeral receptions, and other similar gatherings or life milestones held at a venue.

Follow the COVID-19 Preparedness Plan

All businesses, organizations, venues, and event organizers hosting celebrations and events governed by this guidance are required to develop and implement an event-specific COVID-19 Preparedness Plan that incorporates the requirements in this guidance and other applicable guidance on [StaySafe MN \(staysafe.mn.gov\)](https://staysafe.mn.gov). This plan must be available so people on the premises can easily see this document. Vendors servicing one event may collectively agree to one comprehensive plan, if they so choose.

The host(s), organizer/planner(s), vendor(s), and facility staff are all responsible for the success of the event and the implementation of plans to minimize the spread of COVID-19. Acknowledge the shared responsibility for your event and the need to keep all participants and staff safe.

Prior to the event, plan how to address a situation where people are not following the face covering and social distancing requirements throughout the entire event. If attendees are not complying with applicable requirements, stop the event.

Requirements and recommendations

Health screening

Requirements

- Establish and implement health screening for all persons planning to attend the event to ensure that anyone with symptoms, or has tested positive without symptoms, or has been exposed to anyone who has tested positive and is in their quarantine period, does not attend.

Maintain physical distance of at least 6 feet

Requirements

- Implement and maintain social distancing of at least 6 feet between persons from different households throughout the event.
- Provide controlled flow of participants as much as possible, including upon start and at end of the event. Use signage, markings, barriers, paint tape or flags to eliminate congestion areas, bottle-necks and choke points, and provide queuing where necessary.
- Limit the number of speakers and make arrangements so that they maintain at least 6 feet of distance from others.

Recommendations

- Whenever possible, provide individual microphones for multiple speakers. If a microphone must be shared, consider leaving it untouched on a stand.
- Event photography: Standing close together is a high-risk activity, even when it is a shorter period of time. Consider taking individual photos and using editing software to combine them into a group photo. See additional recommendations in the [Preparedness Plan Requirements for Faith-Based Communities, Places of Worship, Weddings, and Funerals](#) (www.health.state.mn.us/diseases/coronavirus/safefait.pdf).

Use of face coverings

Face coverings are required in all indoor business and public indoor spaces. In addition, workers must wear face coverings outdoors when 6 feet of social distance from others cannot be maintained. For more information, including exemptions from the face covering requirement and situations where face coverings may be temporarily removed, see [Masks and face coverings](#) (www.health.state.mn.us/diseases/coronavirus/prevention.html#masks).

Requirements

- Require all workers and attendees to wear face coverings in compliance with Executive Order 20-81, (see [Face Covering Requirements and Recommendations](#) [www.health.state.mn.us/diseases/coronavirus/facecover.html]), and establish a procedure for accommodating persons who cannot wear face coverings due to a medical or mental health condition or disability.

REQUIREMENTS FOR CELEBRATIONS AND SIGNIFICANT LIFE EVENTS

- Face coverings may be temporarily removed in certain situations. For example, face coverings may be removed when eating and/or drinking, but must be put back on when not eating or drinking. Because eating and drinking require attendees to remove their face covering, only eat or drink while seated and apart from members of other households.

Recommendations

- Have masks available at the event for persons who arrive without one.
- Require or strongly recommend that patrons wear face coverings outdoors when social distancing cannot be easily maintained.

Hand Hygiene Practices

Requirements

- Provide hand sanitizer at entrances and exits and other strategic locations.
- Provide instructions and signage for attendees on regular handwashing/sanitizing.

Food and beverages (if applicable)

Requirements

- Food must be prepared and served in accordance with applicable rules and regulations guiding the specific event. Licensed food establishments must follow the [Minnesota Food Code \(www.health.state.mn.us/communities/environment/food/rules/foodcode/index.html\)](http://www.health.state.mn.us/communities/environment/food/rules/foodcode/index.html).
- Control lines at concession, food, and beverage areas to ensure social distancing of at least 6 feet between members of different households. This can be done with floor markings or other indicators. Face coverings must be worn when in line for food or concessions.
- No more than six people may be seated together at any one time.
- Self-service food and beverage areas are allowed as long as the COVID-19 Preparedness Plan includes protections such as oversight of the self-service area to ensure that social distancing is maintained, hands are being sanitized, and participants wear face coverings in the self-service area. The responsible party for overseeing compliance can be the venue administrator, caterer, or event organizer.

Recommendations

- Best practice would be to serve prepackaged food as much as possible.
- Use remote payment systems when possible if attendees are purchasing food or beverages.

Music and dancing

Bands, DJs, and other live music performances are allowed but must maintain physical distancing of 6 feet between other performers and 12 feet from the audience. For more information, see [Music Activities and Performances During COVID-19 \(www.health.state.mn.us/diseases/coronavirus/musicguide.pdf\)](http://www.health.state.mn.us/diseases/coronavirus/musicguide.pdf).

Dancing has a higher risk of spreading COVID-19 and is strongly discouraged. Dancing, like other vigorous physical activity, results in heavier breathing and increases the volume of respiratory droplets being

REQUIREMENTS FOR CELEBRATIONS AND SIGNIFICANT LIFE EVENTS

released into the air, increasing the risk of COVID-19 transmission. The nature of the activity also makes it difficult for venues and event organizers to maintain compliance with social distancing requirements.

If you include dancing as a part of your event, follow these requirements and recommendations.

Requirements

- Everyone must wear face coverings while dancing at the event.
- Limit the number of people on the dance floor to allow for 6 feet of distance between people from different households at all times.
- If these requirements are not being followed, vendors and others who have planned and are monitoring the event are responsible for stopping the dancing portion of the event.

Recommendations

- Designate a person (DJ, performer, host, planner, or combination) to monitor and enforce the distancing, masking, and limits to the number of people on the dance floor at the same time.
- Divide participants into groups using nametags or other methods, and allow them access to the dance floor at different times.
- Repeat or split popular songs if necessary so everyone can enjoy the music in succession.
- Encourage socially distanced line dancing or other forward facing dances where people are more easily able to maintain 6 feet of distance between people.
- "Chair dancing" or dancing by moving to the music while seated in chairs at least 6 feet apart, can be a creative way to maintain distance and still dance with your arms and legs.
- Consider limiting dancing to ceremonial dances with designated participants according to your particular tradition and culture.

Restrooms

Requirements

- Mark areas where people may need to line up to ensure social distancing.
- Provide an ample supply of hand sanitizer, or soap and water.
- Clean facilities regularly following the venue's cleaning and disinfection protocol.
- Set a maximum number of guests allowed in the restroom to meet applicable capacity/size guidelines for social distancing.

Summary

We all have a role to play in protecting ourselves and fellow Minnesotans from COVID-19. This guidance is based on insuring social distance and wearing face coverings to limit the potential spread of COVID-19 whenever people gathering. By following current [Executive Orders from Governor Walz](#) (mn.gov/governor/news/executiveorders.jsp) and these guidelines on [Stay Safe MN \(staysafe.mn.gov\)](https://staysafe.mn.gov), we

REQUIREMENTS FOR CELEBRATIONS AND SIGNIFICANT LIFE EVENTS

can enjoy activities and events while supporting public health, slowing the spread of COVID-19, and minimizing added strain on local communities and health care systems in Minnesota.

Resources

- [CDC: Considerations for Events and Gatherings \(www.cdc.gov/coronavirus/2019-ncov/community/large-events/considerations-for-events-gatherings.html\)](https://www.cdc.gov/coronavirus/2019-ncov/community/large-events/considerations-for-events-gatherings.html)
- [CDC: Event Planning and COVID-19: Questions and Answers \(www.cdc.gov/coronavirus/2019-ncov/community/large-events/event-planners-and-attendees-faq.html\)](https://www.cdc.gov/coronavirus/2019-ncov/community/large-events/event-planners-and-attendees-faq.html)



Minnesota Department of Health | health.mn.gov | 651-201-5000
625 Robert Street North PO Box 64975, St. Paul, MN 55164-0975

Contact health.communications@state.mn.us to request an alternate format.



REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Jenelle Teppen, City Administrator

SUBJECT: Consider Approving Ordinance 2021 – 05 An Ordinance Amending Chapter 155: Annexation Reserve District, Sections 155.05 AND 155.06

DATE: For the City Council Meeting of April 12, 2021

PURPOSE/ACTION REQUESTED

Consider approving Ordinance 2021 – ~~XX-05~~ amending Chapter 155; Annexation Reserve District, Sections 155.05 and 155.06.

SUMMARY

In November 2020 and again in January 2021, the PCARD reviewed, discussed and made alterations to a draft ordinance that amends City Code Chapter 155, Sections 155.05 and 155.06.

This was brought forward by staff after a review of the current regulations noted that “zoning districts” were referenced to the land use map. However, there is no formal delineation of uses by district within the ARD. The attached ordinance assigned uses to three “sub-districts” that match the land uses in the land use map.

The PCARD voted 5-2 to recommend the amended ordinance to the City Council. The PCARD has no authority to publish ordinances because they have no funds. The City Code, including the zoning ordinance for the Annexation Reserve District, is under the purview of the City Council. The City Council is, therefore, obligated to consider approval and adopt the amendment in order for PCARD’s recommendation to be effective.

RECOMMENDATION

Motion to approve Ordinance 2021-~~XX05~~ amending City Code Chapter 155; Annexation Reserve District, Sections 155.05 and 155.06.

Motion to approve the summary of Ordinance 2021 – ~~05XX~~ amending City Code Chapter 155; Annexation Reserve District, Sections 155.05 and 155.06

ORDINANCE 2021-05
CITY OF DUNDAS
COUNTY OF RICE
STATE OF MINNESOTA

*An Ordinance Amending Chapter 155: Annexation Reserve District
Sections 155.05 and 155.06*

THE CITY COUNCIL OF THE CITY OF DUNDAS DOES HEREBY ORDAIN:

Section 1. Section 155.05(D) is amended by adding the underlined language and deleting the language in ~~strikeout~~ to read as follows:

(D) *Establishment of official zoning map.* The zoning districts established by this chapter correspond to the future land uses ~~are set forth~~ shown on the ~~zoning~~ future land use map attached to this chapter as §155.14, which is hereby incorporated as part of this chapter as the zoning map.

Section 2. Section 155.06 (E) “Use Chart” is deleted in its entirety and is replaced by a new Use Chart as follows:

(E) Use chart. Chart follows on next page.

	<i>District</i>	<i>Type</i>	
	<i>R = Residential</i>	<i>P = Permitted</i>	
<i>Uses</i>	<i>C = Commercial</i>	<i>C = Conditional Use</i>	<i>Standards *</i>
	<i>I = Industrial</i>	<i>I = Interim Use</i>	

Agricultural and Related Uses

Commercial storage in existing agriculture building	R, C, I	I	X
Farm Buildings	R, C, I	P	
Farm Production	R, C, I	P	X
Feedlot, animal manure composting site, aquaculture	R, C, I	I	X
Forest and game management areas	R, C, I	P	
General Repair and machinery setup	R, C, I	I	X
Greenhouse and nursery sales	R, C, I	I	X
Commercial Recreation			

Golf course, country club, driving range	R, C, I	C	X
Organized motor sports: off-road only	C, I	I	X
Paintball course	C, I	I	X
Riding and boarding stable	R, C, I	C	X
Ski slope, snowboarding, tubing or sledding hills: private	C	C	X
Civic, Educational, Institutional			
Campground (public)	C	C	X
Cemetery	C	C	
Parks and recreation areas, walking and biking trails	R, C, I	P	
Religious Institution	C, R	C	X
School, public or private	C, R	C	X
Commercial and Industrial			
Bed and breakfast facility	C	I	X
Cabinet, carpentry shops	I	I	X
Contractor's Office	C, I	I	X
Contractor's yard w. outdoor storage	I	I	X
Kennel, Commercial	C, I	C	X
Small appliance repair	C, I	I	X
Temporary asphalt plant or highway construction yard and equipment placement	I	I	X
Upholstering, furniture repair or restoration	C, I	I	X
Veterinary clinic	C, I	I	X
Public Service and Utility Uses			
Communications tower	R, C, I	C	X
Essential public service towers and transmission lines	R, C, I	P	X
Essential public service without towers and transmission lines	R, C, I	P	X
Government buildings	C, I	P	
Wind energy generation facilities and towers 40 KW or greater	R, C, I	C	X
Residential and Related Uses			
Facility for supervised residential program (up to 6 residents)	R, C, I	P	

Single-family residential	R, C, I	P	X
Structures Accessory to Permitted Uses			
Antennas and satellite dishes	R, C, I	P	
Detached garages, storage sheds, outbuildings	R, C, I	P	X
Farm drainage systems, flood control and watershed structures, erosion control structures	R, C, I	P	X
Farm storage, containerized or bulk for onsite and under 1,000 gallons	R, C, I	P	
Other structures typically incidental and clearly subordinate to permitted use	R, C, I	P	
Private swimming pool, tennis court, recreational facilities accessory to a dwelling	R, C, I	P	
Seasonal roadside stands for sales of farm products primarily produced on the premises	R, C, I	I	X
Signs meeting the chapter standards	R, C, I	P	X
Solar equipment	R, C, I	P	X
Temporary farm dwelling (mobile home)	R, C, I	I	X
Wind generation facilities and towers, less than 40 KW for household or business use	R, C, I	P	X
Uses Accessory and Temporary to Permitted Uses			
Domestic pets, up to 6 animals	R, C, I	P	
Home occupation, permitted	R, C, I	P	X
Home occupation, interim	R, C, I	I	X
Licensed day care for up to 12 children	R, C, I	P	
Other temporary uses: yard sales, sale of one vehicle	R, C, I	P	X
Room and board facility, max 2 persons	R, C, I	I	X

NOTES TO TABLE:

*Specific standards for this use are included in this chapter.

Section 3. A copy of this Ordinance shall be kept on file at the Dundas City Hall.

Section 4. This Ordinance is effective upon its passage and publication in accordance with law.

BE IT FURTHER ORDAINED, that the attached Summary of Ordinance 2021-05 is hereby approved for publication purposes.

ADOPTED by the City Council of Dundas, Minnesota, on this 12th day of April 2021.

CITY OF DUNDAS BY:

ATTEST:

Glenn Switzer, Mayor

Jenelle Teppen, Administrator/Clerk

Ordinance 2021-05

**SUMMARY OF
ORDINANCE 2021-05**

CITY OF DUNDAS
STATE OF MINNESOTA

*An Ordinance Amending Chapter 155: Annexation Reserve District
Sections 155.05 and 155.06*

The following is the official summary of Ordinance 2021-05, which was approved and adopted by the Dundas City Council on April 12, 2021:

Ordinance 2021-05 amended City Code Chapter 155 regarding Annexation Reserve District, Sections 155.05(D) Establishment of official zoning map and 155.06 (E) Use Chart.

A copy of the entire Ordinance 2021-05 is available for inspection by any person during regular office hours at the Dundas City Hall, 100 Railway Street North, Dundas, MN 55019 and posted at the Dundas City website: www.cityofdundas.org

Published by order of:

Jenelle Teppen, City Administrator/Clerk

Publication in *Faribault Daily News* on: April 17, 2021

MEMORANDUM

To: Honorable Mayor and City Council
Dundas, Minnesota

From: John M. Powell, P.E.
City Engineer

Date: April 12, 2021

Re: Consider Resolution Requesting that Rice County Prepare a Planning Study of the Decker Avenue Corridor from TH 19 to CSAH 1

Introduction

On April 1, 2021, Rice County held a meeting at Dundas City Hall; invitees included City of Dundas staff, Bridgewater Township, and the owners of large parcels of property generally northwest of CSAH 1/Depot Street. The purpose of the meeting was to discuss the County's transportation planning process and the concept of Decker Avenue becoming a Rice County roadway.

Background

The potential for a jurisdictional change of Decker Avenue has been discussed for many years. A key issue for the City is how to provide connectivity from Decker Avenue to CSAH 1. Rice County indicates that if a planning study were prepared for the corridor, it would consider the connections to TH 19 and CSAH 1, and alignment concepts. Rice County staff encouraged the City of Dundas and Bridgewater Township to prepare resolutions in support of a planning study for this corridor. The attached resolution identifies several reasons for the City to request and support Rice County's preparation of a planning study.

Fiscal Impact

The cost to prepare a planning study for the Decker Avenue/Depot Street Corridor from TH 19 to CSAH 1 has not been determined. As the study would be of benefit to the local jurisdictions, the County would very likely request some amount of cost-sharing from the local jurisdictions.

Alternatives

1. Motion to Approve a Resolution Requesting that Rice County Prepare a Planning Study of the Decker Avenue Corridor from TH 19 to CSAH 1
2. Do not approve a Resolution Requesting that Rice County Prepare a Planning Study of the Decker Avenue Corridor from TH 19 to CSAH 1

Staff Recommendation

Alternative No. 1: Motion to Approve a Resolution Requesting that Rice County Prepare a Planning Study of the Decker Avenue Corridor from TH 19 to CSAH 1

Attachments

1. Resolution Requesting that Rice County Prepare a Planning Study of the Decker Avenue Corridor from TH 19 to CSAH 1
2. Location Map

**CITY OF DUNDAS
COUNTY OF RICE
STATE OF MINNESOTA**

RESOLUTION Number 2021 - 11

*A Resolution Requesting that Rice County Prepare a
Planning Study of the Decker Avenue Corridor from TH 19 to CSAH 1*

WHEREAS, on July 27, 2020, the Dundas City Council approved updates to the City's Comprehensive Plan; and

WHEREAS, the City Comprehensive Plan indicates traffic in the Dundas area is steadily rising, and identifies the Decker Avenue/Depot Street Corridor as a future Arterial roadway; and

WHEREAS, the City Comprehensive Plan identifies a policy to coordinate with the township regarding the design and upgrade of roads impacted by development; and

WHEREAS, the City Comprehensive Plan identifies a policy that supports the development of an integrated transportation network that connects the residential and commercial areas with the trunk highway system; and

WHEREAS, the City Comprehensive Plan identifies a policy supporting the upgrading of Decker Avenue from the City limits to TH 19; and

WHEREAS, the City Comprehensive Plan indicates that Dundas will cooperate with Rice County for the needed upgrade of Decker Avenue between the City limits and TH 19; and

WHEREAS, the cooperation with the Minnesota Department of Transportation and Rice County is required to implement transportation improvements in the City Comprehensive Plan; and

WHEREAS, the Rice County Comprehensive Plan indicates that the transportation systems, both highway and multi-modal, must safely, efficiently, and effectively allow citizens to travel to work, recreate, and conduct their personal lives; and

WHEREAS, the Rice County Comprehensive Plan indicates it will be important for collaborations and partnerships to be formed in order to carry out future projects and improvements; and

WHEREAS, Rice County Comprehensive Plan Transportation Goal 1, Strategy 1, includes the following action items:

Action Item 1: Identify and collaborate with local, regional and State transportation agencies, governmental units, businesses and county residents to gather input on existing and future concerns.

Action Item 3: Coordinate and work with cities and townships to develop long term land use and transportation plans to develop cost effective and efficient transportation systems; and

WHEREAS, Rice County Comprehensive Plan Transportation Goal 1, Strategy 2, includes the following action item:

Action Item 2: Develop partnerships, collaborate and cost-share with local and state transportation agencies on traffic studies, planning and programming of future improvements; and

WHEREAS, the 2025 Rice County Transportation Plan Figure 5.2-1 identifies the Decker Avenue/Depot Street Corridor from TH 19 to CSAH 1 as a Jurisdiction Transfer Candidate from Local to County; and

WHEREAS, Rice County and Bridgewater Township have had transportation planning discussions regarding the Decker Avenue corridor; and

WHEREAS, the Decker Avenue corridor enters into the City of Dundas; any planning study must address how it would continue into the City of Dundas and provide connectivity to CSAH 1.

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

1. The City of Dundas is Requesting that Rice County Prepare a Planning Study of the Decker Avenue Corridor from TH 19 to CSAH 1.

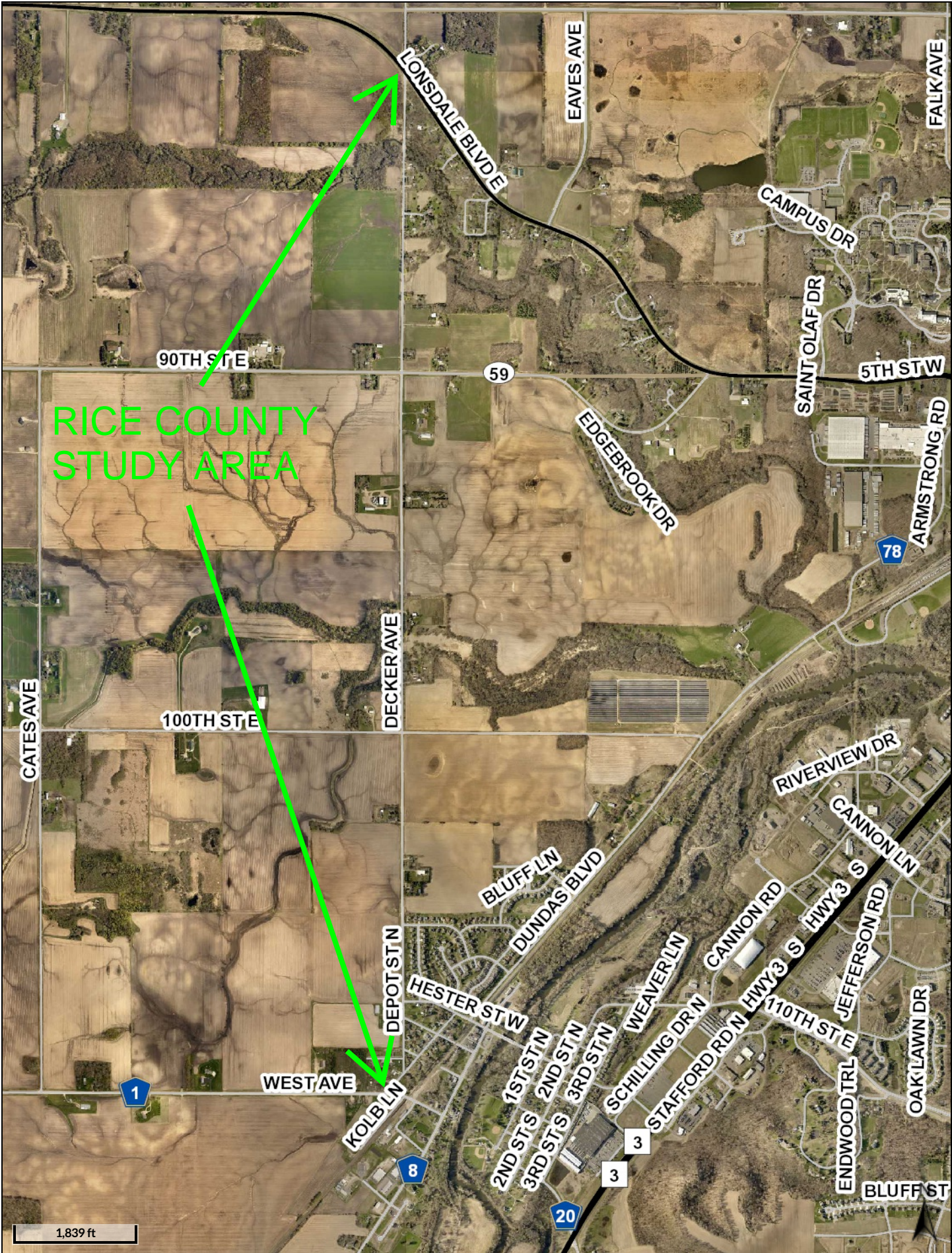
ADOPTED BY the City Council of Dundas, Minnesota on this 12th day of April 2021.

CITY OF DUNDAS BY:

ATTEST:

Glenn Switzer, Mayor

Jenelle Teppen, Administrator/Clerk



**City of Dundas
Rice County, Minnesota**

Communications Letter

December 31, 2020



**City of Dundas
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**Report on Matters Identified as a Result of
the Audit of the Financial Statements**

Honorable Mayor, Members of the
City Council and Management
City of Dundas
Dundas, Minnesota

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dundas, Minnesota, as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error, or fraud may occur and not be detected by such controls.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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

During our audit, we also became aware of deficiencies in internal control other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal controls and operating efficiency. They are described in the accompanying letter under Other Deficiency and Recommendation for Management.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated March 30, 2021, on such statements.

This communication is intended solely for the information and use of management, the members of the City Council, others within the City and state oversight agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

BerganKDV, Ltd.

Minneapolis, Minnesota
March 30, 2021

City of Dundas Other Deficiency

Lack of Segregation of Accounting Duties

The City had a lack of segregation of accounting duties due to a limited number of office employees. The lack of adequate segregation of accounting duties could adversely affect the City's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

Management and Members of the City Council are aware of this condition and have taken certain steps to compensate for the lack of segregation, but due to the number of staff needed to properly segregate all accounting duties, the costs of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. However, management and the Members of the City Council must remain aware of this situation and should continually monitor the accounting system, including changes that occur.

We recommend management, along with the Members of the City Council, evaluate the risks related to the deficiency and respond with improvements to processes to mitigate these risks. In doing this, management and the Members of the City Council must weigh the costs associated with adding more staff or procedures to its operations.

**City of Dundas
Recommendation for Management**

Dundas Baseball Association Activity Fund

During our audit, we noted that the Dundas Baseball Association Fund activity and operations were being reported under the City's governmental funds and the Association was using the same tax identification number as the City.

The Dundas Baseball Association Fund was moved from a governmental fund to a custodial fund classification in 2019. Since the Association is a separate entity from the City, we recommend that a separate tax identification number be used and the activity of the fund be reported separately from other funds of the City.

City of Dundas Required Communication

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2020. Professional standards require that we advise you of the following matters related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI, which supplements the basic audit financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our Responsibility in Relation to *Government Auditing Standards*

As communicated in our engagement letter, part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

City of Dundas Required Communication

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in the notes to financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the financial statements are:

Depreciation – The City is currently depreciating its capital assets over their estimated useful lives, as determined by management, using the straight-line method.

Expense Allocation – Certain expenses are allocated to programs based on an estimate of the benefit to that particular program. Examples are salaries, benefits, and supplies.

Net Pension Liability, Deferred Outflows of Resources Related to Pensions and Deferred Inflows of Resources Related to Pensions – These balances are based on an allocation by the pension plans using estimates based on contributions.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

City of Dundas Required Communication

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each opinion unit.

Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the City, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditor.

Other Information in Documents Containing Audited Financial Statements

We applied certain limited procedures to the RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**City of Dundas
Required Communication**

Other Information in Documents Containing Audited Financial Statements (Continued)

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

City of Dundas Financial Analysis

The following pages provide graphic representation of select data pertaining to the financial position and operations of the City for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance. A subsequent discussion of this information should be useful for planning purposes.

General Fund – Revenues

The graphs below and on the following page represent the General Fund revenues by source. Overall revenue in 2020 increased to \$365,729 from \$1,430,186 in 2019, an increase of 25.6%. The largest increase of \$138,682 was realized in taxes and special assessments due to an increase in the tax levy allocation to the General Fund along with revenue for delinquent collections. Intergovernmental revenue increased \$121,345 due in large part to receiving funds for the Coronavirus Aid, Relief and Economic Security (CARES) Act. Licenses and permits increased \$109,694 in 2020 as building permit and plan check revenue was higher compared to 2019. Charges and services increased \$38,215 related to zoning and other fees. Miscellaneous revenue decreased \$27,424 due to decreased investment earnings based on stronger market performance in 2019.

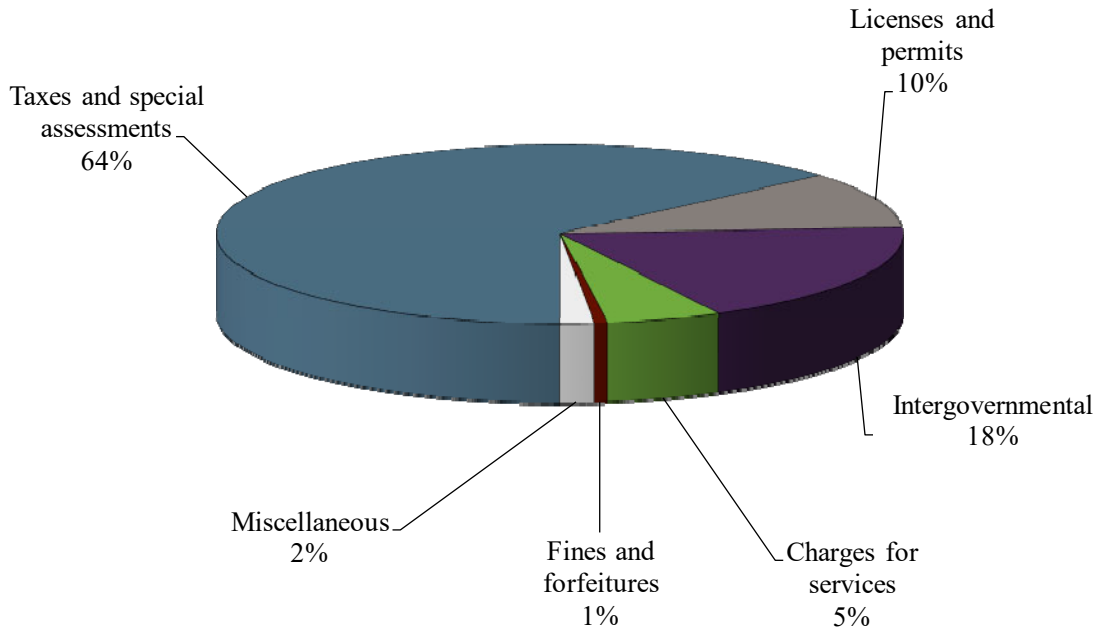
	2016	2017	2018	2019	2020
Taxes and special assessments	\$ 816,678	\$ 868,266	\$ 969,210	\$ 1,005,968	\$ 1,144,650
Licenses and permits	125,344	109,138	125,661	74,370	184,064
Intergovernmental	444,755	187,501	221,509	209,085	330,430
Charges for services	24,419	29,724	16,935	58,550	96,765
Fines and forfeitures	14,242	16,937	24,741	26,112	11,329
Miscellaneous	34,396	41,126	26,907	56,101	28,677
Total Revenues	\$ 1,459,834	\$ 1,252,692	\$ 1,384,963	\$ 1,430,186	\$ 1,795,915

The overall allocation of revenues among the various sources changed from 2019 to 2020 as shown on the following page. The allocation remained relatively consistent from 2019 but did change relative to the changes in revenue explained above.

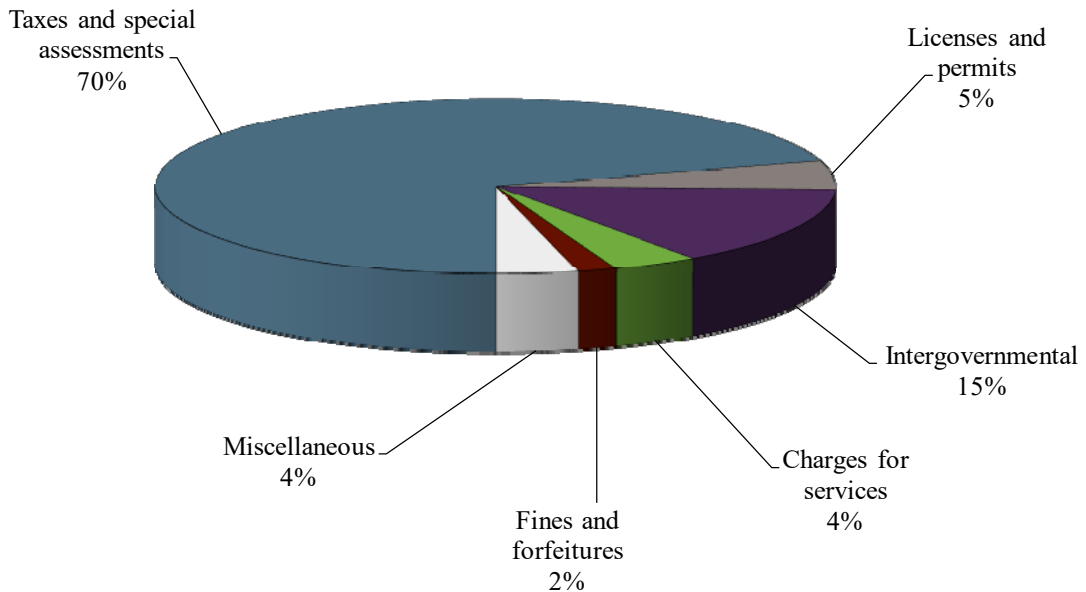
**City of Dundas
Financial Analysis**

General Fund – Revenues (Continued)

2020 General Fund Revenues



2019 General Fund Revenues



**City of Dundas
Financial Analysis**

General Fund – Revenues Budget to Actual

The chart below outlines the budgeted revenues compared to actual revenues for the General Fund.

For 2020, actual revenues of \$1,795,915 came in \$378,612, or 26.7%, over budgeted revenue of \$1,471,303. The largest variance of \$133,712 was in licenses and permits was over budget due to conservative budgeting for building permits and plan check fees. Intergovernmental revenue was \$114,466 over budget due the federal CARES funding received. Charges for services was \$92,115 over budget relating to zoning and other fees which were higher than budgeted. Property tax revenue was over budget by \$32,103 due to collection of delinquent taxes recognized in 2020.

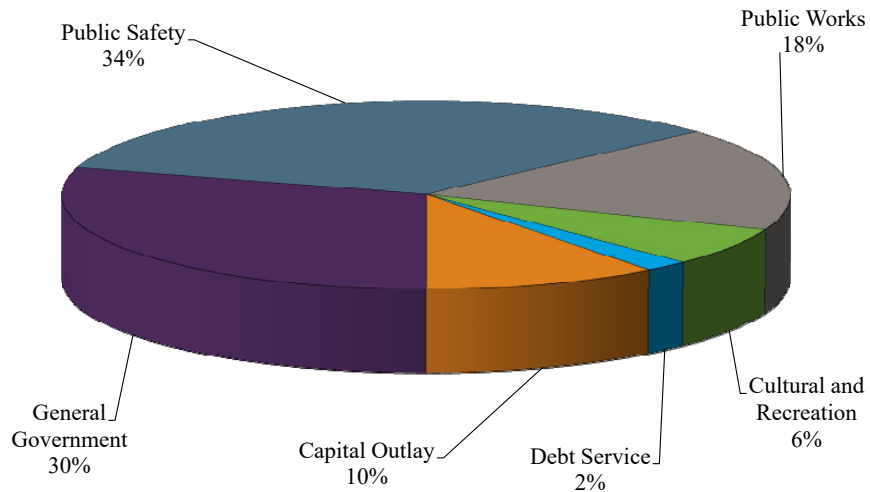
	Budgeted	Actual	Variance With
	Amounts		Final Budget -
	Final	Amounts	Over (Under)
Revenues			
Property taxes	\$ 1,112,547	1,144,650	\$ 32,103
Licenses and permits	50,352	184,064	133,712
Intergovernmental	215,964	330,430	114,466
Charges for services	4,650	96,765	92,115
Fines and forfeitures	18,450	11,329	(7,121)
Miscellaneous	15,340	28,677	13,337
Total Revenues	<u>1,417,303</u>	<u>1,795,915</u>	<u>378,612</u>
Expenditures			
General government	336,536	379,953	43,417
Public safety	441,758	430,819	(10,939)
Public works	202,540	227,070	24,530
Cultural and recreation	68,499	84,166	15,667
Capital outlay	51,765	136,281	84,516
Debt service	-	25,433	25,433
Total Expenditures	<u>1,101,098</u>	<u>1,283,722</u>	<u>182,624</u>
Other Financing Sources (Uses)			
Transfers In	-	103,300	103,300
Transfers Out	-	(322,541)	(322,541)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(219,241)</u>	<u>(219,241)</u>
Net Change in Fund Balance	<u>\$ 316,205</u>	<u>\$ 292,952</u>	<u>\$ (23,253)</u>

City of Dundas Financial Analysis

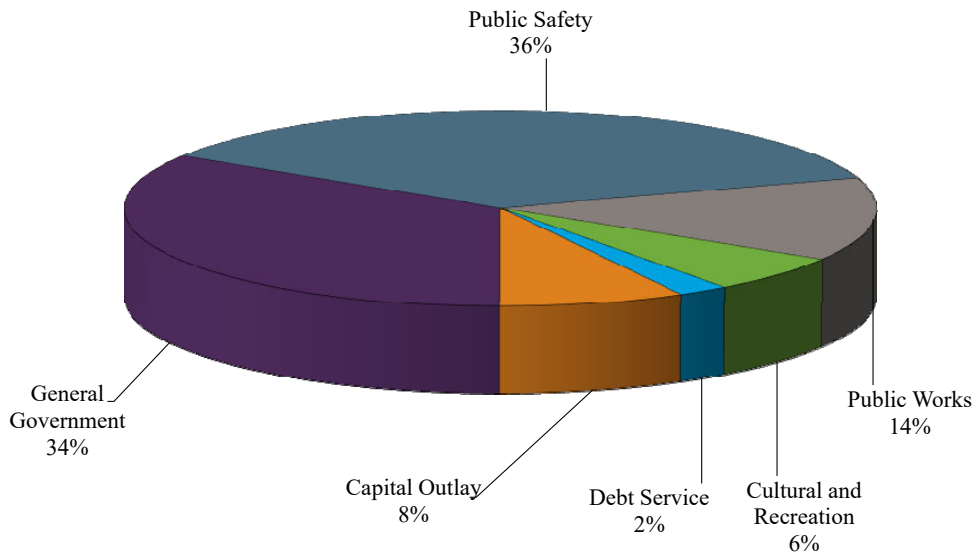
General Fund – Expenditures

General Fund expenditures increased \$63,525, or 5.2% from 2019 to 2020. The largest increase was in Public Works expenditures which increased primarily due to an increase in road maintenance expenditures. Capital outlay expenditures also increased due in large part to a new card access system that was installed. These were offset by a decrease in General Government expenditures due to lesser fees for engineering, planning, and other professional services in 2020. The following graphs represent the General Fund expenditures by function, with Public Safety making up the largest expenditure category. The percentage of expenditures by function stayed relatively consistent from 2019 to 2020.

2020 General Fund Expenditures



2019 General Fund Expenditures



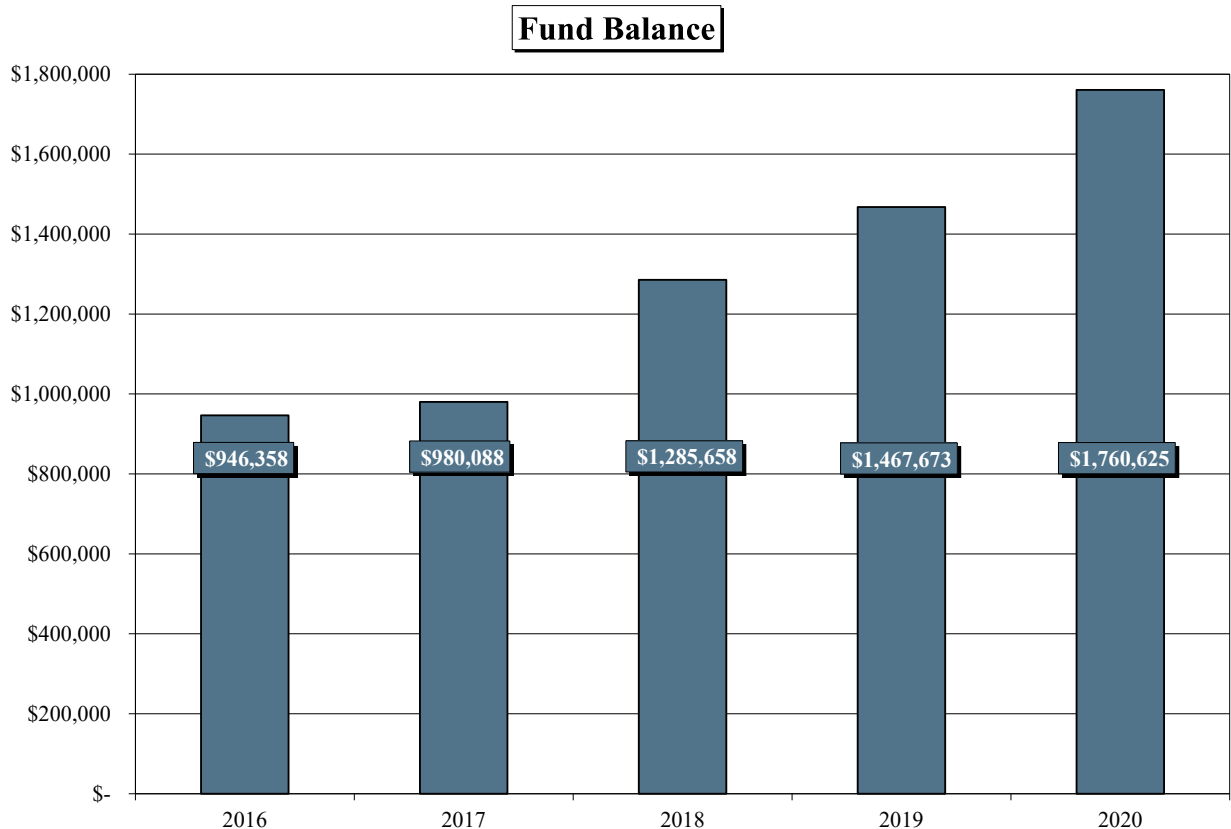
City of Dundas Financial Analysis

General Fund – Expenditures Budget to Actual

The budget of \$1,101,098 had a variance of \$182,624, or 16.6%, when compared to actual expenditures of \$1,283,722. The graph on the previous page shows expenditures were over budget in most categories. The largest variance was in capital outlay expenditures, which were \$83,073 over budget due more capital purchases than were initially budgeted for items such as the card access system and a Bobcat. General government expenditures were \$43,417 over budget due in part to budgeting for less expenditures for repairs and maintenance, engineering fees, and other professional services than what were incurred during the year. Public Works expenditures came in \$24,530 over budget, due to actual engineering and supply expenditures exceeding budgeted expenditures in 2020. Also contributing to the budget variance were the debt service expenditures of \$25,433 that were not part of the General Fund budget. Other budgeted expenditure types were in line with actual expenditures.

General Fund – Fund Balance

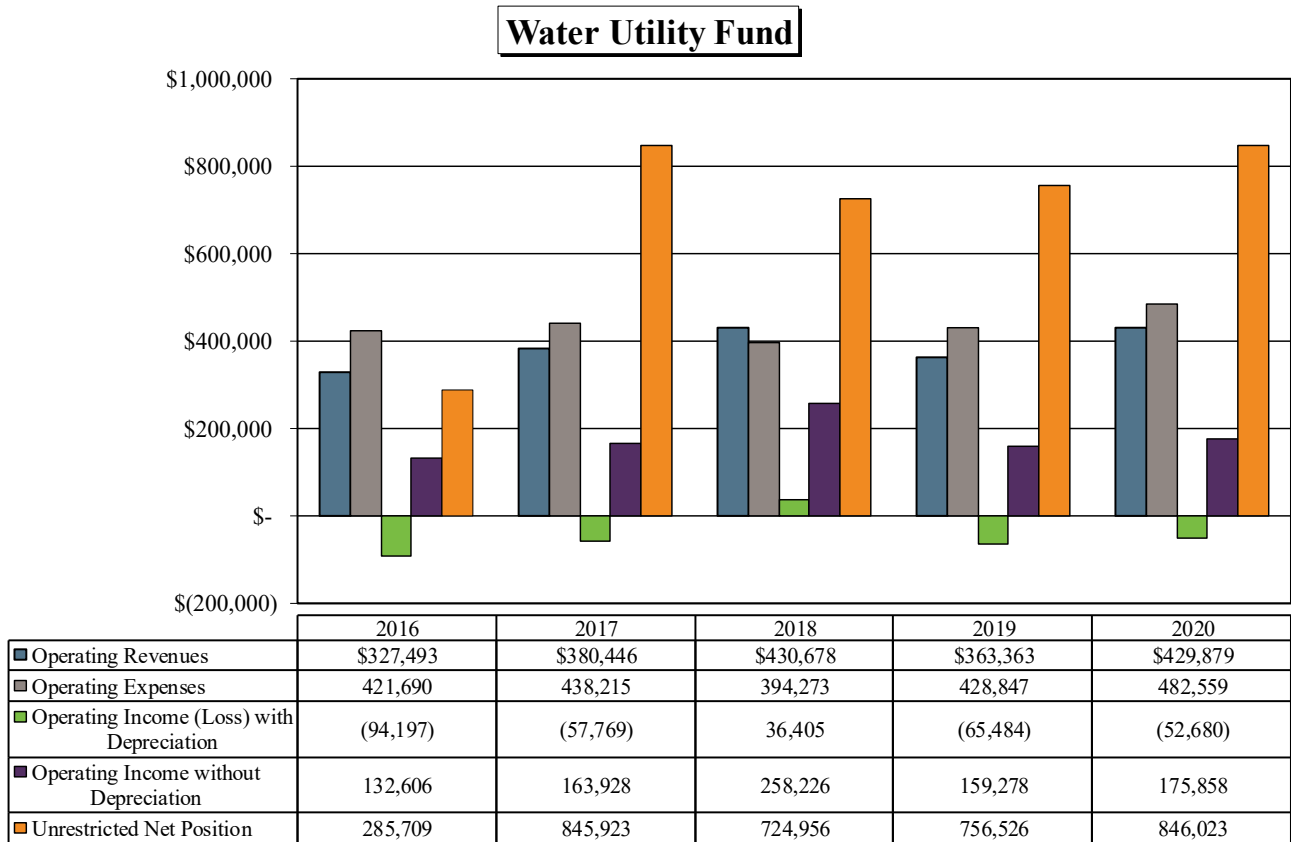
The graph below shows the General Fund balances for the past five years. The unrestricted fund balance of \$1,760,625 at the end of 2020 represents approximately seventeen months of budgeted 2021 expenditures of \$1,221,150. The City's target General Fund balance is to maintain an unassigned fund balance of an amount not less than 55% of the next year's budgeted expenditures of the General Fund. At December 31, 2020, the unassigned fund balance in the General Fund represented 142% of 2021 budgeted expenditures.



City of Dundas Financial Analysis

Water Utility Fund

Enterprise funds may be used to account for any activity in which a fee is charged. It is not required to have the fee support the entire activity; however, the basic premise in establishing an enterprise fund is the activity will be operated similar to a business. Therefore, it is expected an enterprise fund would at least be able to meet its obligations currently and into the future.

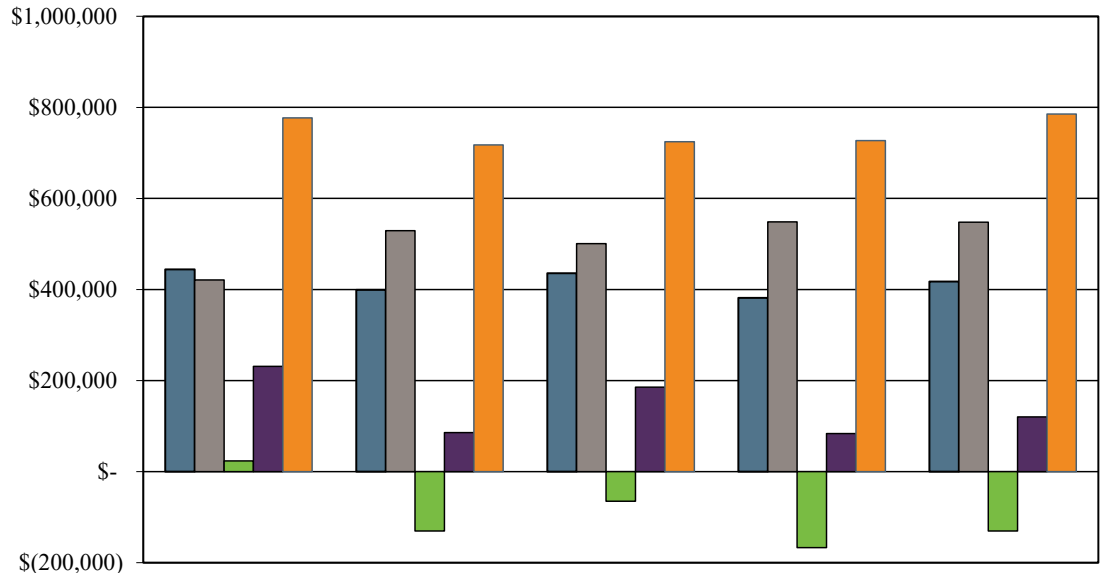


In 2020, operating revenues increased \$66,516 due primarily to an increase in customers and usage. Expenses increased \$53,712 from 2019 to 2020, due in part to an increase in needed supplies along with repairs and maintenance expenses. The result of 2020 activity was operating income, without depreciation, of \$175,858. Unrestricted net position increased \$89,497 from 2019 to 2020.

**City of Dundas
Financial Analysis**

Sewer Utility Fund

Sewer Utility Fund

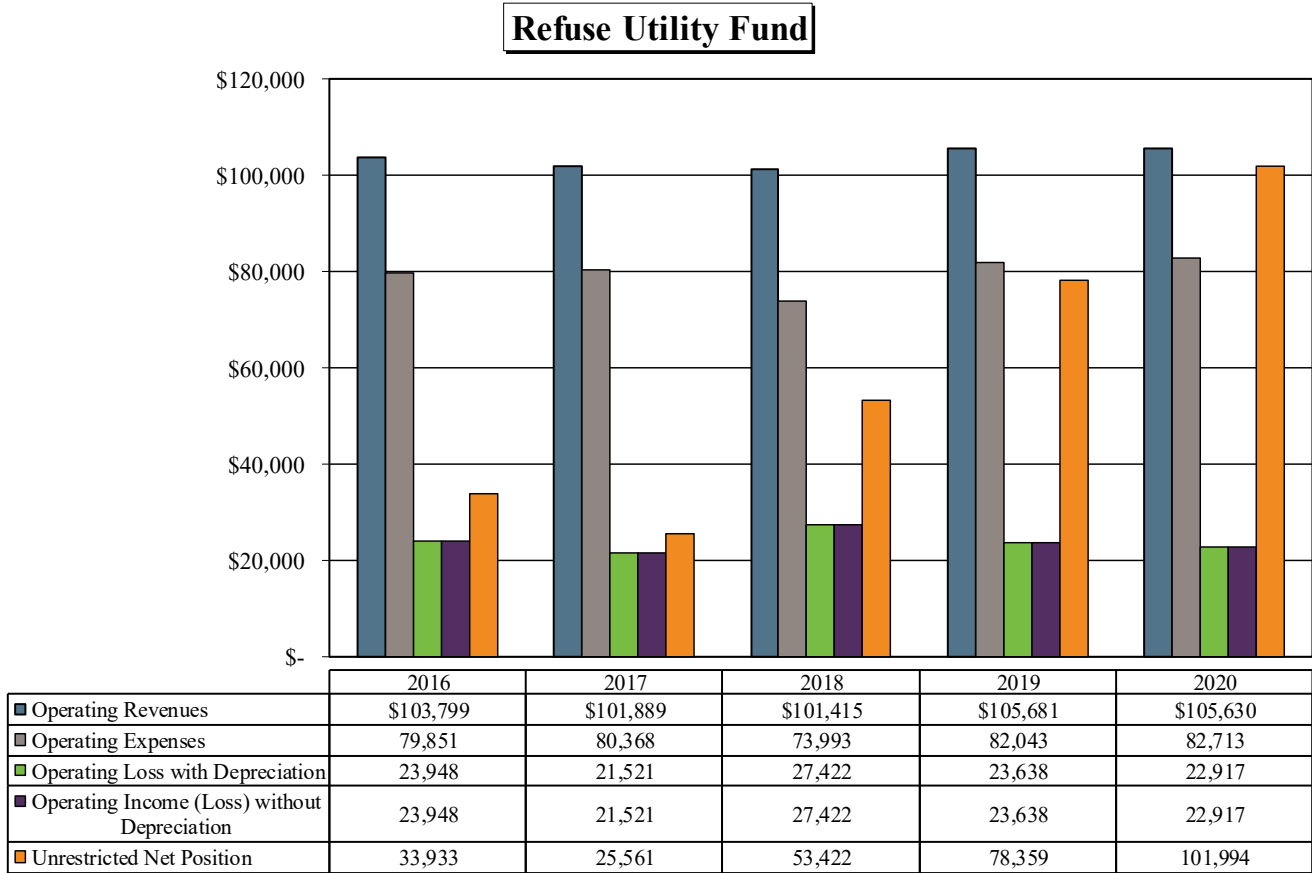


	2016	2017	2018	2019	2020
■ Operating Revenues	\$444,305	\$399,162	\$435,778	\$381,613	\$417,479
■ Operating Expenses	420,876	529,477	500,807	548,552	547,940
■ Operating Loss with Depreciation	23,429	(130,315)	(65,029)	(166,939)	(130,461)
■ Operating Income (Loss) without Depreciation	231,228	85,810	185,664	83,755	120,233
■ Unrestricted Net Position	776,919	717,483	724,553	726,922	785,338

In 2020, operating revenues increased \$35,866 due primarily to increases in customers and usage. Expenses decreased \$612 from 2019 to 2020. The result of 2020 activity was operating income, without depreciation, of \$120,233. Unrestricted net position increased \$58,416 from 2019 to 2020.

**City of Dundas
Financial Analysis**

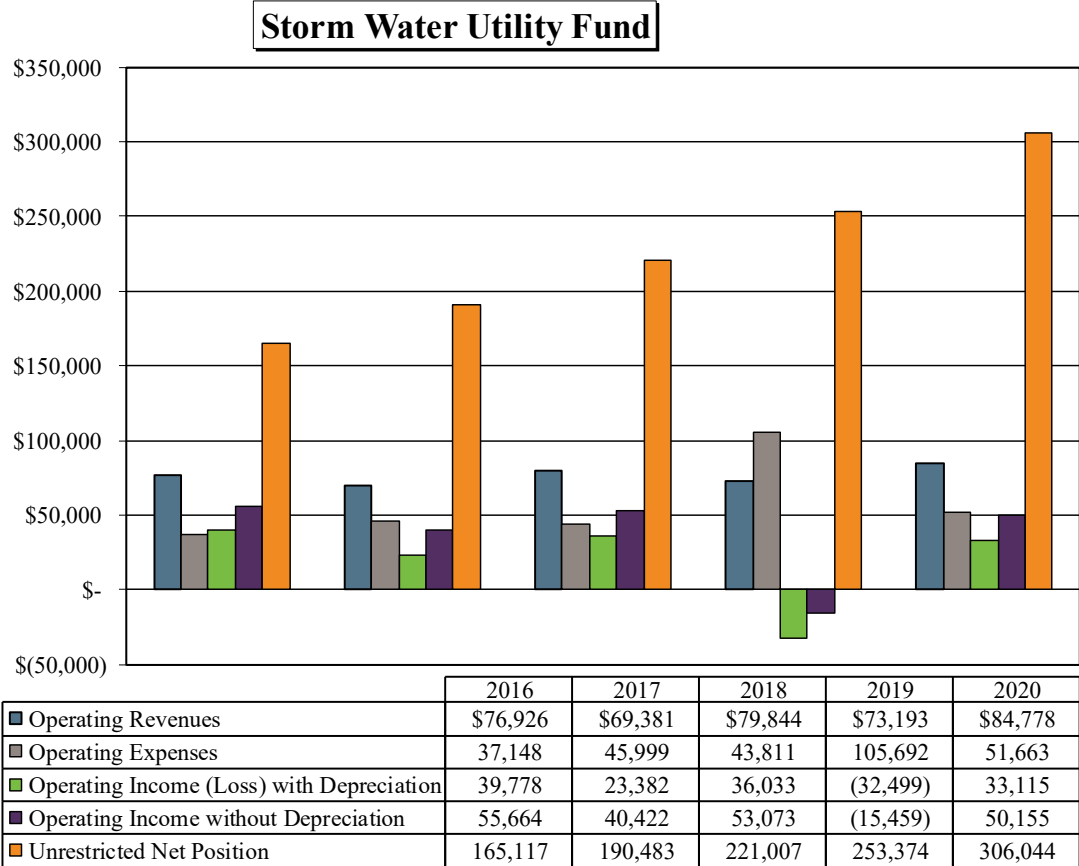
Refuse Utility Fund



Refuse utility operating revenues decreased \$51 while expenses increased \$671 from 2019 to 2020. The result of 2020 activity was operating income of \$22,917. Unrestricted net position increased \$23,635 from 2019 to 2020.

**City of Dundas
Financial Analysis**

Storm Water Utility Fund



In 2020, operating revenues increased \$11,585 based on usage. Expenses decreased \$54,029 from 2019 to 2020. This is due to a significant decrease in repairs and maintenance compared to 2019 along with a decrease in engineering fees. The result of 2020 activity was operating income, without depreciation, of \$50,155. Unrestricted net position increased \$52,670 from 2019 to 2020.

City of Dundas Emerging Issue

Executive Summary

The following is an executive summary of financial and business related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant update includes:

- **Accounting Standard Update – GASB Statement No. 87 – Leases** – GASB has issued GASB Statement No. 87 relating to accounting and financial reporting for leases. This new statement establishes a single model for lease accounting based on the principle that leases are financing of the right to use an underlying asset.

The following are extensive summaries of the current updates. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss these issues with you further and their applicability to your City.

Accounting Standard Update – GASB Statement No. 87 – *Leases*

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

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

A short-term lease is defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract.

City of Dundas
Emerging Issue

Accounting Standard Update – GASB Statement No. 87 – *Leases* (Continued)

A lessee should recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. A lessee should reduce the lease liability as payments are made and recognize an outflow of resources (for example, expense) for interest on the liability. The lessee should amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The notes to financial statements should include a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made.

A lessor should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. The lease receivable should be measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. A lessor should recognize interest revenue on the lease receivable and an inflow of resources (for example, revenue) from the deferred inflows of resources in a systematic and rational manner over the term of the lease. The notes to financial statements should include a description of leasing arrangements and the total amount of inflows of resources recognized from leases.

GASB Statement No. 87 is effective for reporting periods beginning after June 15, 2021.

Information provided above was obtained from www.gasb.org.

**City of Dundas
Rice County, Minnesota**

Financial Statements

December 31, 2020

**City of Dundas
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**City of Dundas
Elected Officials and Administration
December 31, 2020**

<u>Elected Officials</u>	<u>Position</u>	<u>Term Expires</u>
Glenn Switzer	Mayor	December 31, 2022
Larry Fowler	Council Member	December 31, 2022
John Cruz	Council Member	December 31, 2020
Chad Pribyl	Council Member	December 31, 2020
Grant Modory	Council Member	December 31, 2022
<u>Administration</u>		
Jenelle Teppen	City Administrator	
AEM Financial Solutions, LLC	Consulting Finance Manager	

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Dundas
Dundas, Minnesota

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dundas's basic financial statements. The Supplementary Information as identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2021, on our consideration of the City of Dundas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Dundas's internal control over financial reporting and compliance.

BerganKDV, Ltd.

Minneapolis, Minnesota
March 30, 2021

City of Dundas Management's Discussion and Analysis

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

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$13,218,298 (net position). Of this amount, \$3,483,357 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- There was an increase in the City's total net position of \$120,081. The increase is attributable to the governmental activities and business-type activities, increasing net position by \$128,629 and decreasing net position by \$8,548, respectively. The main contributor to the increase was an increase in General Fund charges for services and an increase in intergovernmental revenues.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,824,550, an increase of \$1,036,045 in comparison with the prior year. Approximately 84.1% of this total amount, \$1,534,000, is unassigned and available for spending at the City's discretion. An additional 8.5 percent of this total amount, \$155,049 is restricted for specific purposes. An additional 7.3 percent of this amount, \$113,952, is assigned by management to show the intent of the funds but is also available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,739,076, which is 135.5% of total General Fund expenditures or 119.5% of next year's General Fund budget.
- The City's total debt decreased \$394,577, during the current fiscal year. The decrease can be attributed to scheduled debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

**City of Dundas
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

**Figure 1
Required Components of the
City's Annual Financial Report**

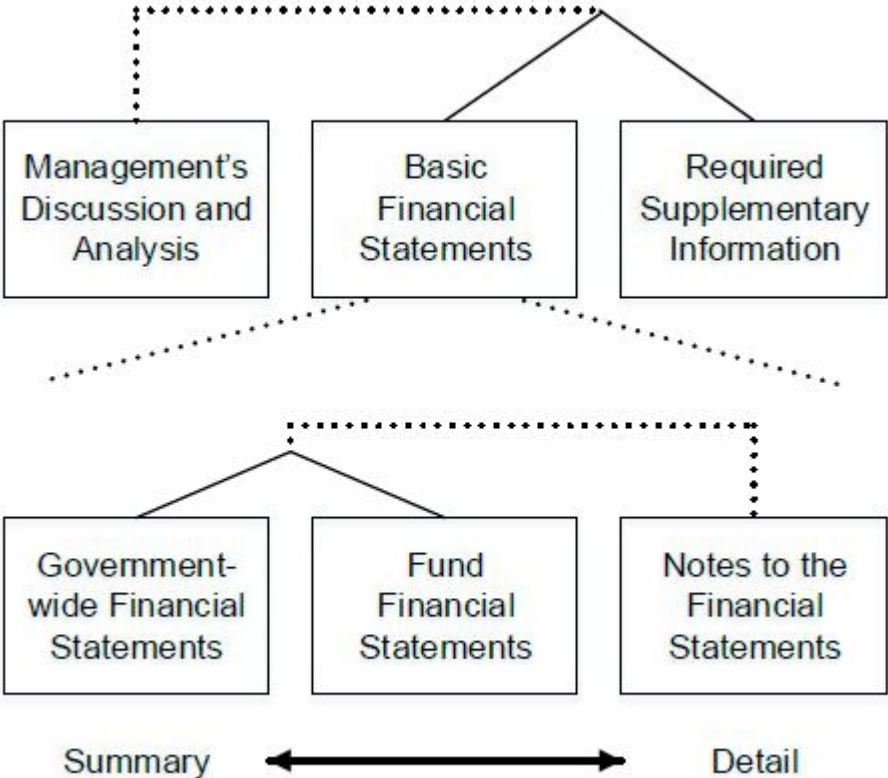


Figure 2 on the following page, summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**City of Dundas
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

**Figure 2
Major Features of the Government-wide and Fund Financial Statements**

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

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

City of Dundas Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-wide Financial Statements (Continued). The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *Net Position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

The government-wide financial statements start on page 20 of this report.

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

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

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

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

City of Dundas Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

The basic governmental fund financial statements start on page 22 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds. The Water Utility, Sewer Utility, Refuse Utility and Storm Water Utility funds are considered to be major enterprise funds.

The basic proprietary fund financial statements start on page 27 of this report.

Fiduciary Funds. Fiduciary funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The City's Custodial fund is used to account for assets that the City holds for others in an agency capacity.

The basic fiduciary fund financial statement can be found on page 32 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 33 of this report.

Required Supplementary Information. Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 5 and the Schedules of City's Proportionate Share of Net Pension Liability, the Schedules of City Contributions and the notes to the Required Supplementary Information starting on page 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**City of Dundas
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining fund financial statements and schedules start on page 70 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$13,218,298 at the close of the most recent fiscal year.

The largest part of the City's net position (72.8%) is the investment in capital assets. The investment in capital assets (e.g., land, buildings, machinery and equipment) is reduced by any related debt used to acquire those assets that is still outstanding to arrive at capital assets net of related debt. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Dundas' Summary of Net Position

	Governmental Activities			Business-type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Assets						
Current and other assets	\$ 2,290,743	\$ 1,715,443	\$ 575,300	\$ 2,214,880	\$ 2,002,987	\$ 211,893
Capital assets	6,436,158	5,240,824	1,195,334	9,491,654	9,991,010	(499,356)
Total assets	<u>8,726,901</u>	<u>6,956,267</u>	<u>1,770,634</u>	<u>11,706,534</u>	<u>11,993,997</u>	<u>(287,463)</u>
Deferred Outflows of Resources						
Deferred outflows of resources related to pensions	122,369	196,980	(74,611)	7,941	9,312	(1,371)
Liabilities						
Noncurrent liabilities outstanding	4,045,034	2,043,384	2,001,650	2,284,301	2,565,789	(281,488)
Other liabilities	465,393	803,201	(337,808)	361,627	351,253	10,374
Total liabilities	<u>4,510,427</u>	<u>2,846,585</u>	<u>1,663,842</u>	<u>2,645,928</u>	<u>2,917,042</u>	<u>(271,114)</u>
Deferred Inflows of Resources						
Deferred inflows of resources related to pensions	182,687	279,135	(96,448)	6,405	15,577	(9,172)
Net Position						
Net investment in capital assets	2,603,173	3,428,846	(825,673)	7,022,743	7,255,509	(232,766)
Restricted for debt service	54,345	75,764	(21,419)	-	-	-
Unrestricted	1,498,638	522,917	975,721	2,039,399	1,815,181	224,218
Total net position	<u>\$ 4,156,156</u>	<u>\$ 4,027,527</u>	<u>\$ 128,629</u>	<u>\$ 9,062,142</u>	<u>\$ 9,070,690</u>	<u>\$ (8,548)</u>

**City of Dundas
Management's Discussion and Analysis**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

An additional portion of the City's net position (0.4 %) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$3,483,357) may be used to meet the City's ongoing obligations to citizens and creditors.

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

Governmental Activities. Governmental activities increased the City's net position by \$128,629. Key elements of the changes are as follows:

City of Dundas' Changes in Net Position

	Governmental Activities			Business-type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 313,749	\$ 135,827	\$ 177,922	\$ 1,205,391	\$ 1,117,863	\$ 87,528
Operating grants and contributions	21,760	27,019	(5,259)	-	-	-
Capital grants and contributions	1,616	2,244	(628)	-	-	-
General Revenues						
Taxes	1,120,766	1,075,649	45,117	-	-	-
Intergovernmental revenues not restricted to specific programs	311,714	184,736	126,978	-	-	-
Interest and investment income	14,377	52,126	(37,749)	17,693	21,438	(3,745)
Miscellaneous	15,807	36,570	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	(3,084)	-	(3,084)
Total revenues	<u>1,799,789</u>	<u>1,514,171</u>	<u>306,381</u>	<u>1,220,000</u>	<u>1,139,301</u>	<u>80,699</u>
Expenses						
General government	643,510	488,761	154,749	-	-	-
Public safety	417,881	472,095	(54,214)	-	-	-
Public works	329,085	301,751	27,334	-	-	-
Culture and recreation	147,066	197,374	(50,308)	-	-	-
Interest and fiscal charges	133,618	58,503	75,115	-	-	-
Water	-	-	-	516,934	469,334	47,600
Sewer	-	-	-	577,238	586,439	(9,201)
Refuse	-	-	-	82,713	82,043	670
Storm sewer	-	-	-	51,663	105,692	(54,029)
Total expenses	<u>1,671,160</u>	<u>1,518,484</u>	<u>152,676</u>	<u>1,228,548</u>	<u>1,243,508</u>	<u>(14,960)</u>
Change in Net Position	128,629	(4,313)	132,942	(8,548)	(104,207)	95,659
Net Position, January 1	<u>4,027,527</u>	<u>4,031,840</u>	<u>(4,313)</u>	<u>9,070,690</u>	<u>9,174,897</u>	<u>(104,207)</u>
Net Position, December 31	<u>\$ 4,156,156</u>	<u>\$ 4,027,527</u>	<u>\$ 128,629</u>	<u>\$ 9,062,142</u>	<u>\$ 9,070,690</u>	<u>\$ (8,548)</u>

**City of Dundas
Management's Discussion and Analysis**

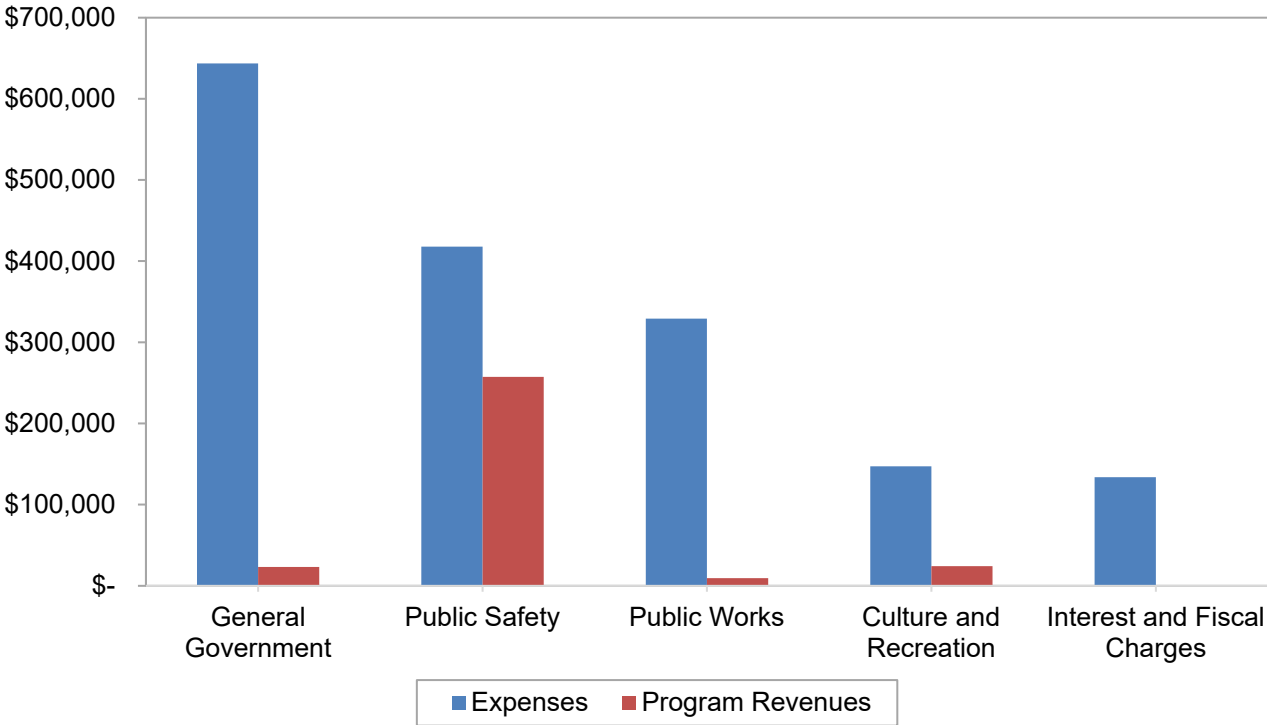
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities (Continued).

There were increases in property tax revenue, charges for services and intergovernmental revenues that outpaced the increases in operating expenses in the governmental funds, resulting in an increase in the net position. Increases in charges for service in the business-type activities were offset by increases in operating expenses. Notably, there was an increase in tax revenue due to an increase in taxes levied by the City and an increase in charges for services revenue due to an increase in public safety revenues. Expenses increased in the governmental activities and decreased in the business type activities. Notably, there was an increase in general government expenses and a decrease in public safety and culture and recreation expenses. Also, there was a large increase in storm sewer expenses mainly due to maintenance and operation costs.

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

Expenses and Program Revenues - Governmental Activities

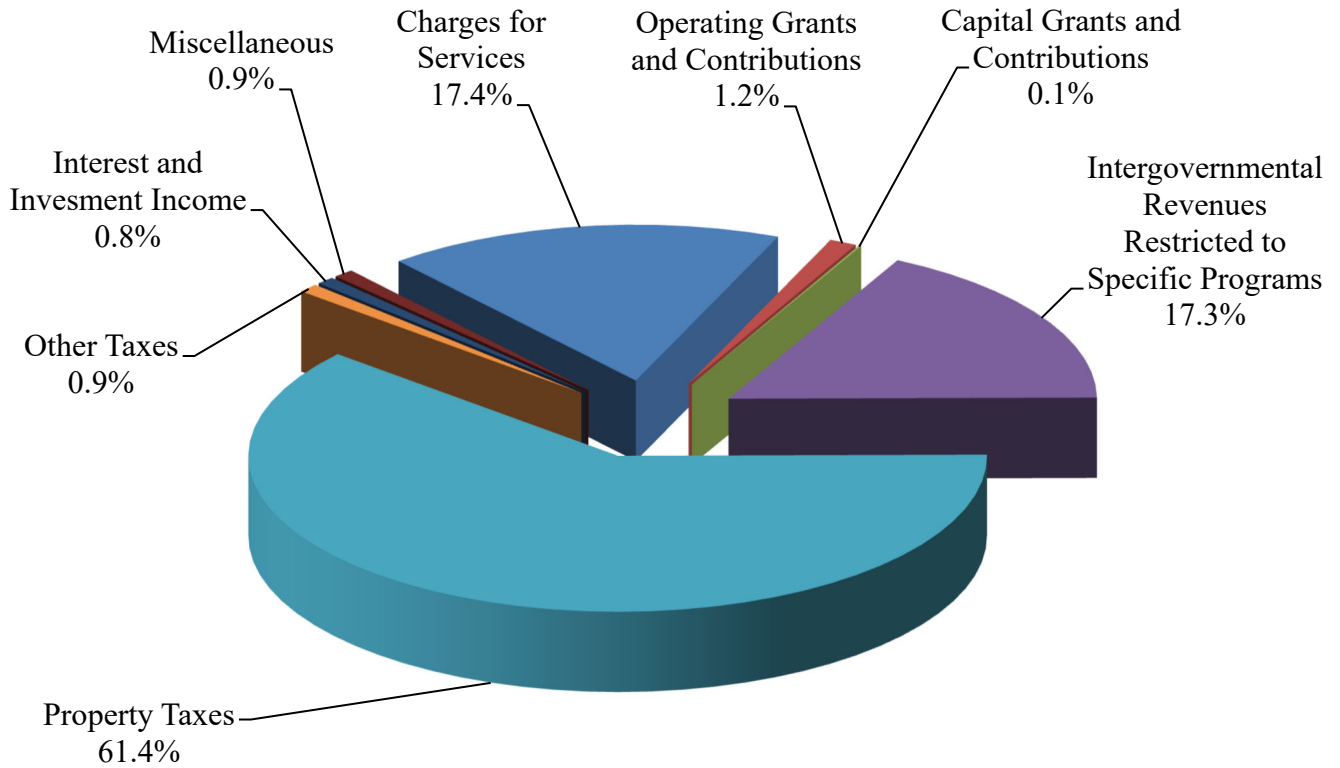


**City of Dundas
Management's Discussion and Analysis**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities (Continued).

Revenues by Source - Governmental Activities

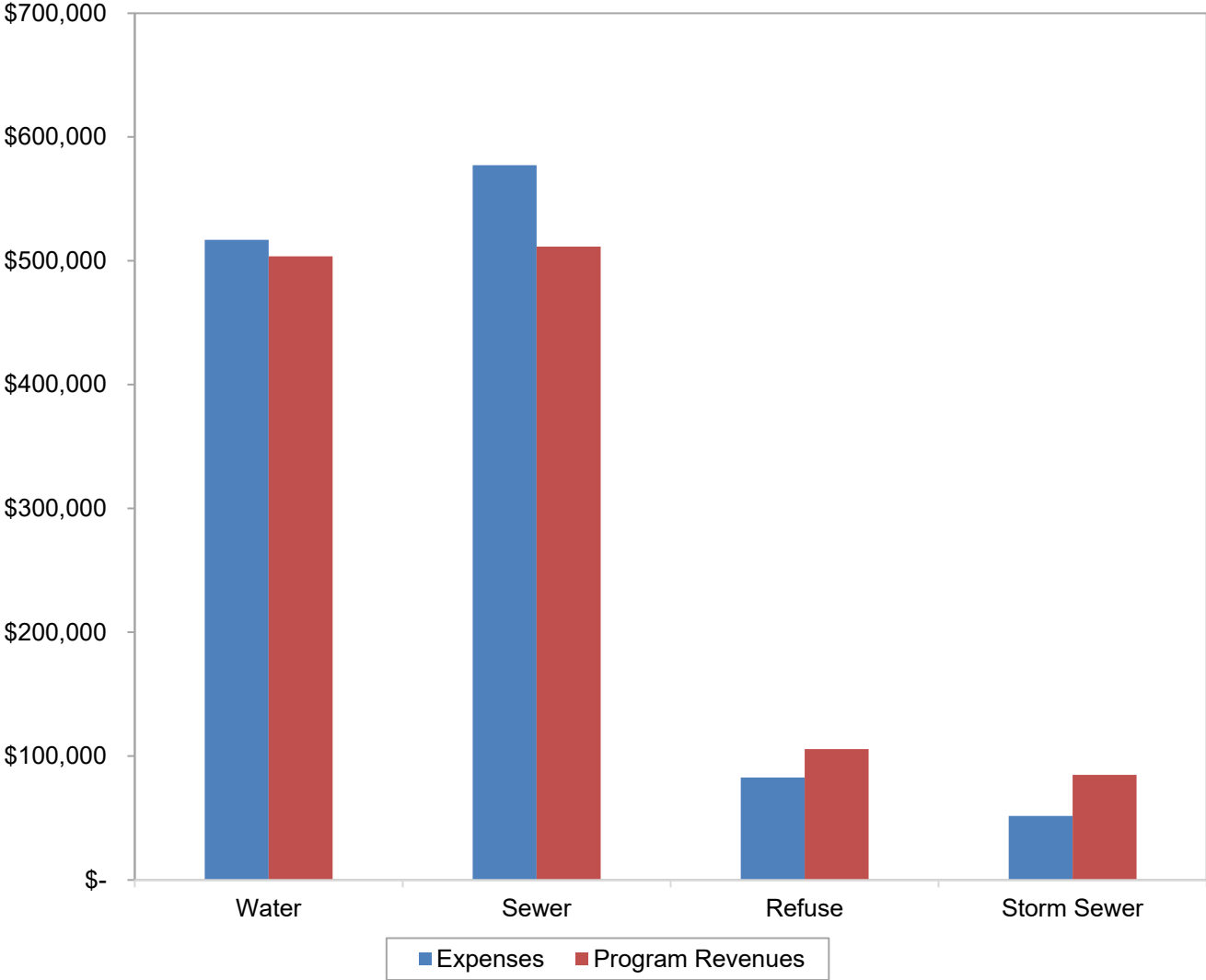


**City of Dundas
Management's Discussion and Analysis**

Business-type Activities. Business-type activities decreased the City's net position by \$8,548.

- Operating loss in both the Water Utility and Sewer Utility funds of \$52,680 and \$130,461, respectively accounts for the majority of the decrease.

Expenses and Program Revenues - Business-type Activities

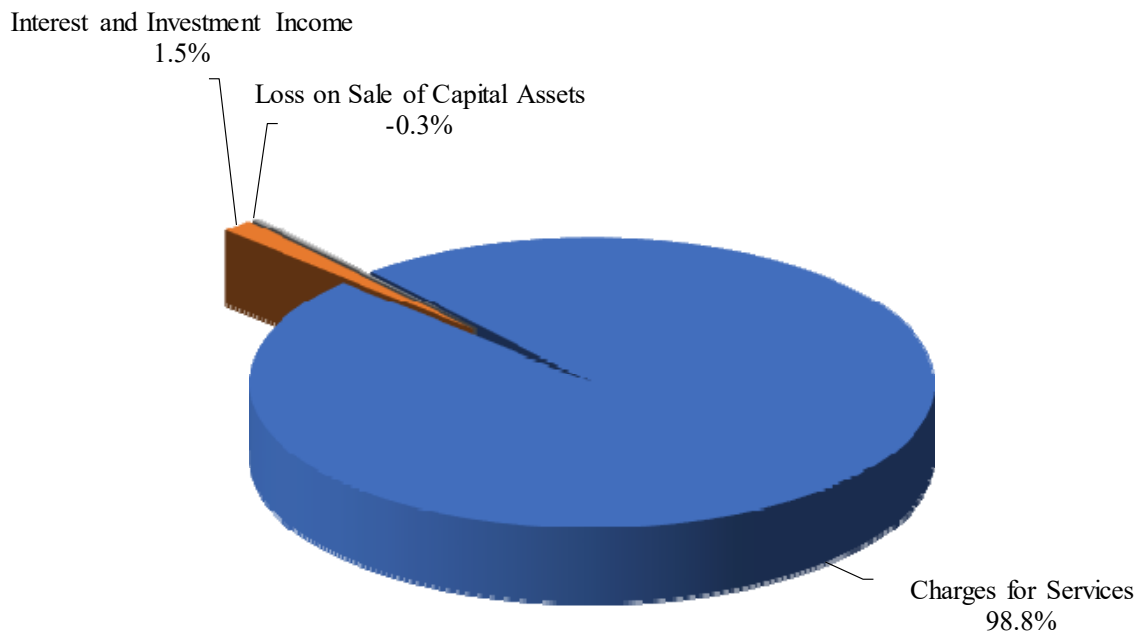


**City of Dundas
Management's Discussion and Analysis**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-type Activities (Continued).

Revenues by Source - Business-type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

The *General Fund* is the chief operating fund of the City. At the end of the current year, the fund balance of the General Fund was \$1,760,625. The City's General Fund balance increased \$292,952 during the current fiscal year. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total budgeted expenditures. Total unassigned fund balance represents 135.5 % of total 2020 expenditures.

The *City Hall Project Fund* had a deficit balance of \$151,700 at year end. The increase in fund balance during the current year was \$733,261 and was solely due to City Hall project costs decreasing in 2020.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

**City of Dundas
Management's Discussion and Analysis**

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's General Fund budget was not amended during the year. The budget called for a \$316,205 increase. Fund balance actually increased \$292,952, from the prior year.

Overall revenues were under budget by \$378,612. The most significant positive revenue variance was from licenses and permits which was \$133,712 over budget. The most significant negative revenue variance was from fines and forfeitures which were less than budget by \$7,121.

Overall expenditures were under budget by \$182,624. The most significant positive expenditure variance was from culture and recreation which was \$15,277 under budget. The most significant negative expenditure variance was from the general government program which was more than budget by \$63,028.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2020, amounts to \$6,436,158 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, vehicles, land improvements, and infrastructure.

Major capital asset events during the current fiscal year included completion of the New City Hall, Sidewalk and Utility Improvements and the purchase of a bobcat.

Additional information on the City's capital assets can be found in Note 5 starts on page 46 of this report.

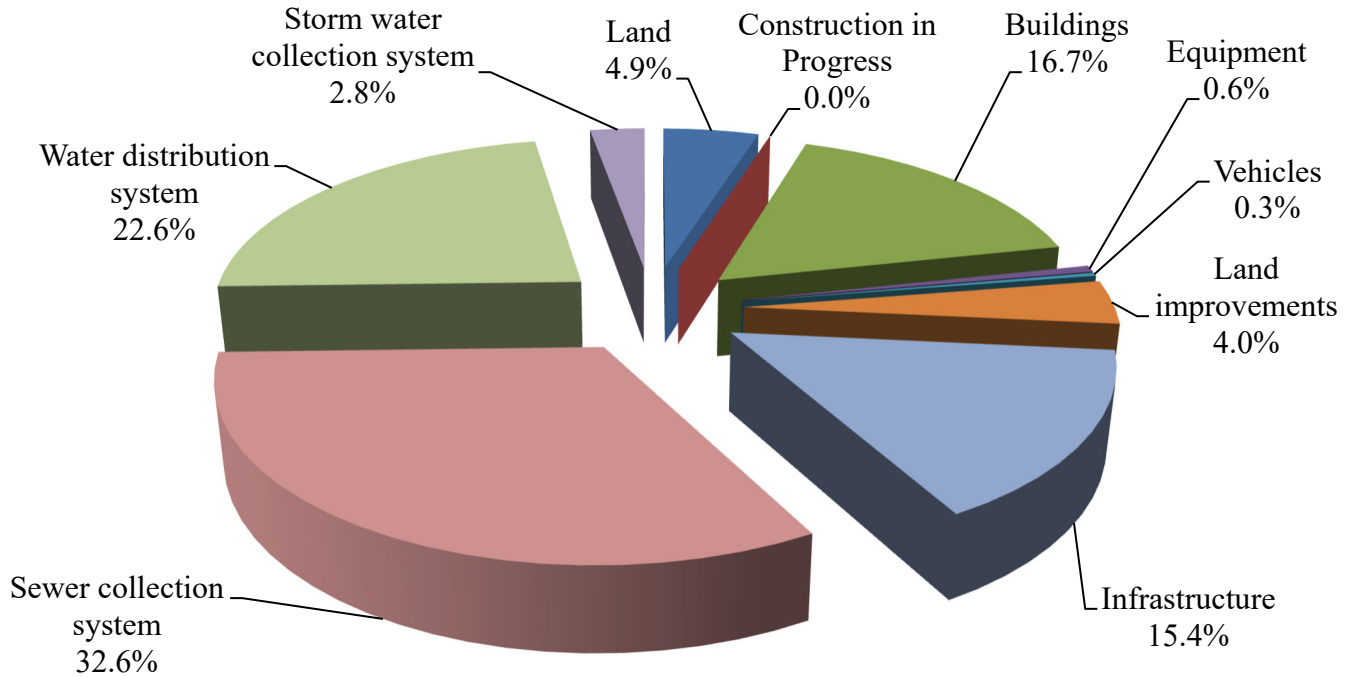
**City of Dundas' Capital Assets
(Net of Depreciation)**

	Governmental Activities			Business-type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Land	\$ 559,674	\$ 559,674	\$ -	\$ 223,396	\$ 223,396	\$ -
Construction in Progress	-	827,478	(827,478)	-	-	-
Buildings	2,664,605	862,707	1,801,898	-	-	-
Equipment	70,586	73,660	(3,074)	20,434	27,431	(6,997)
Vehicles	55,334	33,014	22,320	-	-	-
Land improvements	631,992	234,711	397,281	-	-	-
Infrastructure	2,453,967	2,649,580	(195,613)	-	-	-
Sewer collection system	-	-	-	5,197,942	5,446,381	(248,439)
Water distribution system	-	-	-	3,606,842	3,833,722	(226,880)
Storm water collection system	-	-	-	443,040	460,080	(17,040)
Total	\$ 6,436,158	\$ 5,240,824	\$ 1,195,334	\$ 9,491,654	\$ 9,991,010	\$ (499,356)

**City of Dundas
Management's Discussion and Analysis**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued).



Long-term Debt. At the end of the current fiscal year, the City had total debt outstanding of \$6,302,985. While all of the City's bonds have revenue streams, they are also backed by the full faith and credit of the City.

City of Dundas' Outstanding Debt

	Governmental Activities			Business-type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
General Obligation Improvement Bonds	\$ 3,785,000	\$ 1,740,000	\$ 2,045,000	\$ -	\$ -	\$ -
General Obligation Revenue Bonds	-	-	-	2,470,000	2,735,000	(265,000)
Other long term debt	47,985	71,978	(23,993)	-	-	-
Bond discounts	(17,369)	(18,754)	1,385	(11,271)	(13,442)	2,171
Bond premium	78,895	33,028	45,867	10,182	13,943	(3,761)
Total	\$ 3,894,511	\$ 1,826,252	\$ 2,068,259	\$ 2,468,911	\$ 2,735,501	\$ (266,590)

The City's total debt increased during the current fiscal year.

Additional information on the City's long-term debt can be found in Note 6 starting on page 48 of this report.

**City of Dundas
Management's Discussion and Analysis**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Dundas has a comprehensive budgeting process which includes review by department heads and the City Council. The City considers factors such as state aid, county aid, and fees when reviewing revenues. Expenses are monitored based on any potential staffing or equipment needs and changes in resources such as fuel. The City Council also strives to increase and diversify the tax base.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator, City of Dundas, 100 Railway Street North, Post Office Box 70, Dundas, Minnesota, 55019.

BASIC FINANCIAL STATEMENTS

City of Dundas
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments (including cash equivalents)	\$ 1,961,938	\$ 2,079,225	\$ 4,041,163
Receivables			
Accounts	9,599	80,589	90,188
Interest	4,281	-	4,281
Delinquent property taxes	15,070	-	15,070
Delinquent special assessments	-	8,402	8,402
Deferred special assessments	38,960	42,455	81,415
Due from other governments	3,916	-	3,916
Prepaid items	21,549	4,209	25,758
Equity interest in joint venture	235,430	-	235,430
Capital assets (net of accumulated depreciation)			
Capital assets not being depreciated	559,674	223,396	783,070
Capital assets being depreciated	5,876,484	9,268,258	15,144,742
Total assets	<u>8,726,901</u>	<u>11,706,534</u>	<u>20,433,435</u>
Deferred Outflows of Resources			
Deferred outflows of resources related to pensions	122,369	7,941	130,310
	<u>122,369</u>	<u>7,941</u>	<u>130,310</u>
Total assets and deferred outflows of resources	<u>\$ 8,849,270</u>	<u>\$ 11,714,475</u>	<u>\$ 20,563,745</u>
Liabilities			
Accounts payable	\$ 117,288	\$ 27,765	\$ 145,053
Due to other governments	5,240	18,515	23,755
Salaries and benefits payable	6,209	1,981	8,190
Deposits payable	45,353	-	45,353
Other accrued liabilities	1,643	-	1,643
Unearned revenue	1,000	-	1,000
Interest payable	46,357	19,427	65,784
Current portion of compensated absences	23,310	13,939	37,248
Noncurrent portion of compensated absences	34,964	20,908	55,873
Current portion of long-term debt	218,993	280,000	498,993
Noncurrent portion of long-term debt	3,675,518	2,188,911	5,864,429
Net pension liability	334,552	74,482	409,034
Total liabilities	<u>4,510,427</u>	<u>2,645,928</u>	<u>7,156,355</u>
Deferred Inflows of Resources			
Deferred inflows of resources related to pensions	182,687	6,405	189,092
	<u>182,687</u>	<u>6,405</u>	<u>189,092</u>
Net Position			
Net investment in capital assets	2,603,173	7,022,743	9,625,916
Restricted for debt service	54,345	-	54,345
Restricted for other purposes	54,680	-	54,680
Unrestricted	1,443,958	2,039,399	3,483,357
Total net position	<u>4,156,156</u>	<u>9,062,142</u>	<u>13,218,298</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,849,270</u>	<u>\$ 11,714,475</u>	<u>\$ 20,563,745</u>

City of Dundas
Statement of Activities
Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Governmental activities							
General government	\$ 643,510	\$ 23,040	\$ -	\$ -	\$ (620,470)	\$ -	\$ (620,470)
Public safety	417,881	257,240	21,760	-	(138,881)	-	(138,881)
Public works	329,085	9,296	-	-	(319,789)	-	(319,789)
Cultural and recreation	147,066	24,173	-	1,616	(121,277)	-	(121,277)
Interest and fiscal charges	133,618	-	-	-	(133,618)	-	(133,618)
Total governmental activities	<u>1,671,160</u>	<u>313,749</u>	<u>21,760</u>	<u>1,616</u>	<u>(1,334,035)</u>	<u>-</u>	<u>(1,334,035)</u>
Business-type activities							
Water	516,934	503,584	-	-	-	(13,350)	(13,350)
Sewer	577,238	511,399	-	-	-	(65,839)	(65,839)
Refuse	82,713	105,630	-	-	-	22,917	22,917
Storm sewer	51,663	84,778	-	-	-	33,115	33,115
Total business-type activities	<u>1,228,548</u>	<u>1,205,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,157)</u>	<u>(23,157)</u>
 Total governmental and business-type activities	 <u>\$ 2,899,708</u>	 <u>\$ 1,519,140</u>	 <u>\$ 21,760</u>	 <u>\$ 1,616</u>	 <u>(1,334,035)</u>	 <u>(23,157)</u>	 <u>(1,357,192)</u>
General revenues							
Property taxes					1,105,245	-	1,105,245
Franchise taxes					15,521	-	15,521
Intergovernmental revenues not restricted to specific programs					311,714	-	311,714
Interest and investment income					14,377	17,693	32,070
Miscellaneous					15,807	-	15,807
Gain (loss) on sale of capital assets					-	(3,084)	(3,084)
Total general revenues					<u>1,462,664</u>	<u>14,609</u>	<u>1,477,273</u>
Change in net position					128,629	(8,548)	120,081
Net position - beginning					<u>4,027,527</u>	<u>9,070,690</u>	<u>13,098,217</u>
Net position - ending					<u>\$ 4,156,156</u>	<u>\$ 9,062,142</u>	<u>\$ 13,218,298</u>

City of Dundas
Balance Sheet - Governmental Funds
December 31, 2020

	<u>Capital Projects</u>			Total Governmental Funds
	General Fund (101)	City Hall Project (408)	Nonmajor Governmental Funds	
Assets				
Cash and investments	\$ 1,698,124	\$ -	\$ 263,814	\$ 1,961,938
Receivables				
Accounts	4,044	-	5,555	9,599
Interest	4,281	-	-	4,281
Due from other funds	194,597	-	-	194,597
Delinquent property taxes	15,070	-	-	15,070
Deferred special assessments	38,960	-	-	38,960
Due from other governments	3,916	-	-	3,916
Prepaid items	21,549	-	-	21,549
Total assets	<u>\$ 1,980,541</u>	<u>\$ -</u>	<u>\$ 269,369</u>	<u>\$ 2,249,910</u>
Liabilities				
Accounts payable	\$ 106,441	\$ 10,847	\$ -	\$ 117,288
Due to other governments	5,240	-	-	5,240
Salaries and benefits payable	6,209	-	-	6,209
Deposits payable	45,353	-	-	45,353
Other accrued liabilities	1,643	-	-	1,643
Due to other funds	-	140,853	53,744	194,597
Unearned revenue	1,000	-	-	1,000
Total liabilities	<u>165,886</u>	<u>151,700</u>	<u>53,744</u>	<u>371,330</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	15,070	-	-	15,070
Unavailable revenue - special assessments	38,960	-	-	38,960
Total deferred inflows of resources	<u>54,030</u>	<u>-</u>	<u>-</u>	<u>54,030</u>
Fund Balances				
Nonspendable	21,549	-	-	21,549
Restricted	-	-	155,049	155,049
Assigned	-	-	113,952	113,952
Unassigned	1,739,076	(151,700)	(53,376)	1,534,000
Total fund balances	<u>1,760,625</u>	<u>(151,700)</u>	<u>215,625</u>	<u>1,824,550</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 1,980,541</u>	 <u>\$ -</u>	 <u>\$ 269,369</u>	 <u>\$ 2,249,910</u>

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

Total fund balances - governmental funds	\$ 1,824,550
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	
Capital assets	9,394,953
Less accumulated depreciation	(2,958,795)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of:	
Principal payable on bonds and note from direct borrowing	(3,832,985)
Unamortized bond premiums and discounts	(61,526)
Compensated absences payable	(58,274)
Net pension liability	(334,552)
Deferred outflows of resources and deferred Inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.	
Deferred inflows of resources related to pensions	(182,687)
Deferred outflows of resources related to pensions	122,369
Governmental funds do not report an asset for equity interest in joint ventures.	235,430
Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	
Property taxes	15,070
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Deferred special assessments	38,960
Governmental funds do not report a liability for accrued interest until due and payable.	(46,357)
Total net position - governmental activities	<u>\$ 4,156,156</u>

City of Dundas
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2020

	<u>Capital Projects</u>		Nonmajor Governmental Funds	Total Governmental Funds
	General Fund (101)	City Hall Project (408)		
Revenues				
Taxes	\$ 1,144,650	\$ -	\$ -	\$ 1,144,650
Licenses and permits	184,064	-	-	184,064
Intergovernmental	330,430	-	-	330,430
Charges for services	96,765	-	23,400	120,165
Fines and forfeitures	11,329	-	-	11,329
Miscellaneous				
Investment income	8,336	3,967	2,074	14,377
Other	20,341	-	5,187	25,528
Total revenues	<u>1,795,915</u>	<u>3,967</u>	<u>30,661</u>	<u>1,830,543</u>
Expenditures				
Current				
General government	379,953	-	-	379,953
Public safety	432,953	-	-	432,953
Public works	227,070	-	-	227,070
Cultural and recreation	84,166	-	-	84,166
Debt service				
Principal	23,993	-	100,000	123,993
Interest	1,440	27,669	86,695	115,804
Capital outlay				
General government	71,234	1,439,283	-	1,510,517
Public safety	1,072	-	-	1,072
Public works	61,501	-	53,375	114,876
Parks and recreation	340	-	-	340
Total expenditures	<u>1,283,722</u>	<u>1,466,952</u>	<u>240,070</u>	<u>2,990,744</u>
Excess of revenues over (under) expenditures	512,193	(1,462,985)	(209,409)	(1,160,201)
Other Financing Sources (Uses)				
Issuance of long-term debt	-	2,145,000	-	2,145,000
Premium on long-term debt	-	51,246	-	51,246
Transfers in	103,300	-	322,541	425,841
Transfers out	(322,541)	-	(103,300)	(425,841)
Total other financing sources (uses)	<u>(219,241)</u>	<u>2,196,246</u>	<u>219,241</u>	<u>2,196,246</u>
Net change in fund balances	292,952	733,261	9,832	1,036,045
Fund Balances				
Beginning of year	<u>1,467,673</u>	<u>(884,961)</u>	<u>205,793</u>	<u>788,505</u>
End of year	<u>\$ 1,760,625</u>	<u>\$ (151,700)</u>	<u>\$ 215,625</u>	<u>\$ 1,824,550</u>

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

Net change in fund balances - total governmental funds: \$ 1,036,045

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlay	1,541,650
Depreciation expense	(283,579)
Loss on Disposal	(62,737)

Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities. (17,728)

Governmental funds recognize pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.
Pension expense 4,082

Governmental funds do not report income or loss in a joint venture. 34,761

Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no impact on net position in the Statement of Activities. 123,993

Interest on long-term debt in the Statement of Activities differs from the amount report in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (21,808)

Proceeds from long-term debt are recognized as an other financing source in the governmental funds but as a decrease in net assets in the Statement of Activities.
Bonds payable (2,145,000)

The governmental funds report the effect of bond premiums, discounts, and other similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.
Premium on new bond issuances (51,246)
Amortization of bond premiums and discounts 3,994

Certain revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.
Deferred special assessments (4,727)

Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are not revenues in the funds.
Delinquent property taxes (29,071)

Change in net position of governmental activities \$ 128,629

City of Dundas
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original and Final			
Revenues				
Property taxes	\$ 1,112,547		\$ 1,144,650	\$ 32,103
Licenses and permits	50,352		184,064	133,712
Intergovernmental	215,964		330,430	114,466
Charges for services	4,650		96,765	92,115
Fines and forfeitures	18,450		11,329	(7,121)
Miscellaneous				
Investment income	13,500		8,336	(5,164)
Other	1,840		20,341	18,501
Total revenues	1,417,303		1,795,915	378,612
Expenditures				
Current				
General government	336,536		379,953	43,417
Public safety	442,449		432,953	(9,496)
Public works	202,540		227,070	24,530
Cultural and recreation	68,499		84,166	15,667
Debt service				
Principal	-		23,993	23,993
Interest and other charges	-		1,440	1,440
Capital outlay				
General government	8,206		71,234	63,028
Public safety	15,912		1,072	(14,840)
Public works	11,339		61,501	50,162
Culture and recreation	15,617		340	(15,277)
Total expenditures	1,101,098		1,283,722	182,624
Excess of revenues over expenditures				
	316,205		512,193	195,988
Other financing sources (uses)				
Transfers in	-		103,300	103,300
Transfers out	-		(322,541)	(322,541)
Total other financing sources (uses)	-		(219,241)	(219,241)
Net change in fund balance	\$ 316,205		292,952	\$ (23,253)
Fund Balance				
Beginning of year			1,467,673	
End of year			\$ 1,760,625	

City of Dundas
Statement of Net Position - Proprietary Funds
December 31, 2020

	Water Utility Fund (601)	Sewer Utility Fund (602)	Refuse Utility Fund (603)	Storm Water Utility Fund (225)	Total Proprietary Funds
Assets					
Current assets					
Cash and cash equivalents	\$ 891,570	\$ 787,191	\$ 91,978	\$ 308,486	\$ 2,079,225
Accounts receivable	27,347	39,904	10,740	2,598	80,589
Special assessment receivable					
Delinquent	2,837	3,833	1,405	327	8,402
Deferred	13,822	17,357	5,517	5,759	42,455
Prepaid items	2,354	1,855	-	-	4,209
Total current assets	<u>937,930</u>	<u>850,140</u>	<u>109,640</u>	<u>317,170</u>	<u>2,214,880</u>
Noncurrent assets					
Capital assets					
Land	147,273	76,123	-	-	223,396
Machinery and equipment	55,361	27,080	-	-	82,441
Infrastructure	7,544,461	9,542,531	-	670,060	17,757,052
Total capital assets	<u>7,747,095</u>	<u>9,645,734</u>	<u>-</u>	<u>670,060</u>	<u>18,062,889</u>
Less accumulated depreciation	<u>(3,982,347)</u>	<u>(4,361,868)</u>	<u>-</u>	<u>(227,020)</u>	<u>(8,571,235)</u>
Net capital assets	<u>3,764,748</u>	<u>5,283,866</u>	<u>-</u>	<u>443,040</u>	<u>9,491,654</u>
Deferred Outflows of Resources					
Deferred outflows of resources related to pension activity	<u>4,301</u>	<u>3,045</u>	<u>-</u>	<u>595</u>	<u>7,941</u>
Total assets and deferred outflows of resources	<u>\$ 4,706,979</u>	<u>\$ 6,137,051</u>	<u>\$ 109,640</u>	<u>\$ 760,805</u>	<u>\$ 11,714,475</u>
Liabilities					
Current liabilities					
Accounts payable	\$ 15,351	\$ 567	\$ 6,871	\$ 4,976	\$ 27,765
Due to other governments	346	17,394	775	-	18,515
Salaries and benefits payable	1,080	759	-	142	1,981
Interest payable	15,231	4,196	-	-	19,427
Current portion of compensated absences	8,156	5,566	-	217	13,939
Current portion of long-term debt	140,000	140,000	-	-	280,000
Total current liabilities	<u>180,164</u>	<u>168,482</u>	<u>7,646</u>	<u>5,335</u>	<u>361,627</u>
Noncurrent liabilities					
Noncurrent portion of compensated absences	12,234	8,349	-	325	20,908
Noncurrent portion of long-term debt	1,016,926	1,171,985	-	-	2,188,911
Net pension liability	40,341	28,560	-	5,581	74,482
Total noncurrent liabilities	<u>1,069,501</u>	<u>1,208,894</u>	<u>-</u>	<u>5,906</u>	<u>2,284,301</u>
Total liabilities	<u>1,249,665</u>	<u>1,377,376</u>	<u>7,646</u>	<u>11,241</u>	<u>2,645,928</u>
Deferred Inflows of Resources					
Deferred inflows of resources related to pension activity	<u>3,469</u>	<u>2,456</u>	<u>-</u>	<u>480</u>	<u>6,405</u>
Net Position					
Net investment in capital assets	2,607,822	3,971,881	-	443,040	7,022,743
Unrestricted	846,023	785,338	101,994	306,044	2,039,399
Total net position	<u>3,453,845</u>	<u>4,757,219</u>	<u>101,994</u>	<u>749,084</u>	<u>9,062,142</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 4,706,979</u>	<u>\$ 6,137,051</u>	<u>\$ 109,640</u>	<u>\$ 760,805</u>	<u>\$ 11,714,475</u>

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City of Dundas
Statement of Revenues, Expenses, and Changes
in Net Position - Proprietary Funds
Year Ended December 31, 2020

	Water Utility Fund (601)	Sewer Utility Fund (602)	Refuse Utility Fund (603)	Storm Water Utility Fund (225)	Total Proprietary Funds
Operating revenues					
Charges for services	\$ 380,704	\$ 412,339	\$ 105,630	\$ 84,778	\$ 983,451
Permits, hookup fees and penalties	-	5,140	-	-	5,140
Miscellaneous operating revenues	49,175	-	-	-	49,175
Total operating revenues	<u>429,879</u>	<u>417,479</u>	<u>105,630</u>	<u>84,778</u>	<u>1,037,766</u>
Operating expenses					
Administrative	30,414	14,864	(2,146)	10,090	53,222
Maintenance and operations	223,607	282,382	84,859	24,533	615,381
Depreciation	228,538	250,694	-	17,040	496,272
Total operating expenses	<u>482,559</u>	<u>547,940</u>	<u>82,713</u>	<u>51,663</u>	<u>1,164,875</u>
Operating income (loss)	(52,680)	(130,461)	22,917	33,115	(127,109)
Nonoperating revenues (expenses)					
Investment income	6,985	7,475	718	2,515	17,693
Gain (loss) on sale of asset	(1,992)	(1,092)	-	-	(3,084)
Refunds and reimbursements	195	-	-	-	195
Connection charges	73,510	93,920	-	-	167,430
Interest expense	(34,375)	(29,298)	-	-	(63,673)
Total nonoperating revenues (expenses)	<u>44,323</u>	<u>71,005</u>	<u>718</u>	<u>2,515</u>	<u>118,561</u>
Change in net position	(8,357)	(59,456)	23,635	35,630	(8,548)
Net position					
Beginning of year	<u>3,462,202</u>	<u>4,816,675</u>	<u>78,359</u>	<u>713,454</u>	<u>9,070,690</u>
End of year	<u>\$ 3,453,845</u>	<u>\$ 4,757,219</u>	<u>\$ 101,994</u>	<u>\$ 749,084</u>	<u>\$ 9,062,142</u>

City of Dundas
Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2020

	Water Utility Fund (601)	Sewer Utility Fund (602)
Cash Flows - Operating Activities		
Receipts from customers and users	\$ 429,379	\$ 414,326
Payments to suppliers	(168,921)	(259,877)
Payments to employees	(75,124)	(53,250)
Net cash flows - operating activities	185,334	101,199
Cash Flows - Noncapital Financing Activities		
Refunds and reimbursements	195	-
Cash Flows - Capital and Related Financing Activities		
Principal paid on debt	(130,000)	(135,000)
Interest paid on debt	(38,697)	(32,043)
Special assessments	561	1,648
Connection charges	73,510	93,920
Net cash flows - capital and related financing activities	(94,626)	(71,475)
Cash Flows - Investing Activities		
Interest and dividends received	6,985	7,475
Net change in cash and cash equivalents	97,888	37,199
Cash and Cash Equivalents		
January 1	793,682	749,992
December 31	\$ 891,570	\$ 787,191
Reconciliation of Operating Gain (Loss) to Net Cash Flows - Operating Activities		
Operating income (loss)	\$ (52,680)	\$ (130,461)
Adjustments to reconcile operating gain (loss) to net cash flows		
Depreciation expense	228,538	250,694
Pension related activity	(5,614)	(5,244)
Accounts receivable	(500)	(3,153)
Prepaid items	919	(207)
Accounts payable	7,222	138
Due to other governmental units	74	(15,269)
Salaries payable	(1,587)	(1,097)
Compensated absences payable	8,962	5,798
Total adjustments	238,014	231,660
Net cash flows - operating activities	\$ 185,334	\$ 101,199

Refuse Utility Fund (603)	Storm Water Utility Fund	Total Proprietary Funds
\$ 105,694	\$ 84,380	\$ 1,033,779
(83,605)	(9,648)	(522,051)
(140)	(24,174)	(152,688)
<u>21,949</u>	<u>50,558</u>	<u>359,040</u>
-	-	195
-	-	(265,000)
-	2,515	(68,225)
564	415	3,188
-	-	167,430
<u>564</u>	<u>2,930</u>	<u>(162,607)</u>
718	-	15,178
23,231	53,488	211,806
<u>68,747</u>	<u>254,998</u>	<u>1,867,419</u>
<u>\$ 91,978</u>	<u>\$ 308,486</u>	<u>\$ 2,079,225</u>
\$ 22,917	\$ 33,115	\$ (127,109)
-	17,040	496,272
(1,951)	(3,278)	(16,087)
64	(398)	(3,987)
-	-	712
479	4,829	12,668
775	-	(14,420)
(140)	(165)	(2,989)
(195)	(585)	13,980
<u>(968)</u>	<u>17,443</u>	<u>486,149</u>
<u>\$ 21,949</u>	<u>\$ 50,558</u>	<u>\$ 359,040</u>

**City of Dundas
Statement of Fiduciary Net Position
December 31, 2020**

	Custodial Fund
	Dundas Baseball Association Activity Fund (801)
Assets	
Cash and investments	\$ 10,036
Liabilities	
Accounts payable	\$ 216
Net Position	
Restricted net position	\$ 9,820

**Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2020**

	Dundas Baseball Association Activity Fund (801)
Additions	
Refunds and reimbursements	\$ 35,887
Deductions	
Program expenditures	37,272
Change in net position	(1,385)
Net Position	
Beginning of year	11,205
End of year	\$ 9,820

City of Dundas
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Dundas (the "City") is a statutory city governed by an elected mayor and four council members. The accompanying financial statements present the government entities for which the government is considered to be financially accountable.

The financial statements present the City and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations have been defined and are presented in this report as follows:

Joint Ventures and Jointly Governed Organizations – The relationship of the City with the entity is disclosed.

For each of the categories above, the specific entities are identified as follows:

Joint Ventures and Jointly Governed Organizations

The Northfield Area Fire and Rescue Service

The City has a joint powers agreement with the City of Northfield and the Northfield Rural Fire Protection District for fire protection, suppression, prevention, technical rescue and non-transport emergency medical services. The Northfield Area Fire and Rescue Service Joint Powers Board is a legal entity separate from the City. A funding percentage of 5.76% is provided by the City of Dundas for the Northfield Area Fire and Rescue Service for the 2020 year, and an equity interest in the same percentage is reported on the City's financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City. The fiduciary funds are only reported in the statement of fiduciary net position and the statement of changes in fiduciary net position at the fund financial statement level. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

City of Dundas
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated revenues are reported as general revenues rather than program revenues.

Separate financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Aggregate information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

Custodial Funds are presented in the fiduciary fund financial statements. Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the City, these Funds are not incorporated into the government-wide statements.

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

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

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

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

City of Dundas
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue. On the modified accrual basis, receivables that will not be collected within the available period have been reported as deferred inflow of resources.

Description of Funds:

Major Governmental Funds:

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

City Hall Project Fund – This fund is a capital project fund type and accounts for capital improvements to the new City Hall using proceeds of long term debt.

Proprietary Funds:

Water Utility Fund – This fund is used to account for the activities related to the operation of the water distribution system.

Sewer Utility Fund – This fund is used to account for the activities related to the operation of the sanitary sewer collection and treatment system.

Refuse Utility Fund – This fund is used to account for the activities related to the operation of the refuse utility system.

Storm Water Utility Fund – This fund is used to account for the activities related to the operation of the storm water utility system.

City of Dundas
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Description of Funds: (Continued)

Fiduciary Fund:

Dundas Baseball Association Activity Fund – This fund accounts for the amounts related to this program held by the City in a strictly custodial capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures, or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City as well as charges between the City's utility functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer, Refuse and Storm Water Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Deposits and Investments

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Minnesota Statutes authorizes the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

City of Dundas
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

1. Deposits and Investments (Continued)

Certain investments for the City are reported at fair value as disclosed in Note 3. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

2. Property Taxes

The City Council annually adopts a tax levy and certifies it to Rice County (the "County") in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local school district, and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and available. Rice County is the collecting agency for the levy and remits the collections to the City three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Taxes not collected as of December 31 each year are shown as delinquent taxes receivable. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

The City recognizes property tax revenue in the period for which the taxes were levied. The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and state credits received by the City in July, December, and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the City the following January) and taxes and credits not received at year end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the City in January is fully offset by deferred inflows of resources because they are not available to finance current expenditures.

3. Special Assessments

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with *Minnesota Statutes*. These assessments are collectible by the City over a term usually consistent with the terms of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

City of Dundas
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

3. Special Assessments (Continued)

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with *Minnesota Statutes*. These assessments are collectible by the City over a term usually consistent with the terms of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City.

If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale. Proceeds of sales from tax forfeit properties are remitted to the City in payment of delinquent special assessments. Pursuant to *Minnesota Statutes*, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural, or seasonal recreational land in which event the property is subject to such sale after five years.

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council.

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. All remaining delinquent and deferred assessments receivable in governmental funds are offset by deferred inflows of resources. In the proprietary funds all special assessment receivables are shown as revenue in the year they are recorded.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

5. Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, construction in progress, machinery and equipment, vehicles, infrastructure, easements, works of art and historical treasures acquired by the City for use in providing services to its citizens, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost as noted on the table below and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

City of Dundas
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

5. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

<u>Assets</u>	<u>Threshold</u>
Land and land improvements	\$1 - 25,000
Buildings and improvements	25,000
Other improvements	25,000
Machinery and equipment	5,000
Vehicles	5,000
Infrastructure	50,000

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	10-40
Other improvements	10-40
Machinery and equipment	5-15
Vehicles	10-15
Infrastructure	20-50

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has one item that qualifies for reporting in this category. The City presents deferred outflows of resources on the Statement of Net Position for deferred outflows of resources related to pensions for various estimate differences that will be amortized and recognized over future years.

City of Dundas
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

6. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The City presents deferred inflows of resources on the Governmental Fund Balance Sheet as unavailable revenue. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City presents deferred inflows of resources on the Statement of Net Position for deferred inflows of resources related to pensions for various estimate differences that will be amortized and recognized over future years.

7. Pensions

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

8. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay accumulates and vests and sick pay accumulates and vests with certain limitations. Upon retirement or death, one-half of an employee's sick leave, up to a maximum of 120 days, is paid to the retiree or the employee's spouse or estate, and one-half is used to pay for health and dental insurance.

Accumulated unpaid vacation and sick leave for employees is recorded as an expense and liability in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

9. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bond issuance costs are reported as an expense in the year the bond is issued. Bonds payable are reported net of the applicable bond premium or discount.

City of Dundas
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

9. Long-Term Obligations (Continued)

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

10. Fund Balance

a. Classification

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

- Nonspendable Fund Balances – These are amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted Fund Balances – These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through enabling legislation.
- Committed Fund Balances – These are amounts comprised of unrestricted funds used for a specific purpose pursuant to constraints imposed by formal action of the City Council and that remain binding unless removed by the City Council by subsequent formal action.
- Assigned Fund Balances – These are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed and include all remaining amounts (except for negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted, or committed. The City Council has delegated authority to assign and remove fund balance assignments to the Finance Director.
- Unassigned Fund Balance – These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

b. Minimum Fund Balance

The City's target General Fund balance is to maintain an unassigned fund balance of an amount not less than 55% of the next year's budgeted expenditures of the General Fund.

City of Dundas
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

11. Net Position

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

13. Budgetary Information

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund. Budgeted expenditure appropriations lapse at year-end. Financial controls for debt service funds are achieved through bond indenture provisions.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City's Administrator submits to the City Council a proposed operating budget, which includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The preliminary property tax levy is legally enacted through passage of a resolution and certified to the County by September 15 of each year.
4. The final budget is legally adopted through the passage of a resolution by December 20 of each year.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. The City Council may authorize the transfer of budgeted amounts between funds.

**City of Dundas
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

13. Budgetary Information (Continued)

7. The legal level of budgetary control (i.e., the level at which expenditures may not exceed appropriations) is the fund level. For management purposes, budgetary control is maintained within the department level. Also, inherent in this controlling function is the management philosophy that the existence of a particular item or appropriation in the approved budget does not automatically mean it will be spent. The budget process is flexible in that, where the need has been properly demonstrated, the City Administrator can make an adjustment within the department budget. Therefore, there is a constant review process, and expenditures are not approved until it has been determined that 1) adequate funds were appropriated, 2) the expenditure is still necessary, and 3) funds are available.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balance

The City Hall Project major fund had a deficit fund balance of \$151,700 at December 31, 2020. The Capital Improvements nonmajor fund had a deficit fund balance of \$53,376 at December 31, 2020.

NOTE 3 – DEPOSITS AND INVESTMENTS

Cash balances of the City's funds are combined (pooled) and invested to the extent available in various investments authorized by *Minnesota Statutes*. Each fund's portion of this pool (or pools) is displayed in the financial statements as "cash and cash equivalents" or "investments". For purposes of identifying risk of investing public funds, the balances and related restrictions are summarized on the following page.

A. Deposits

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a policy that requires the District's deposits be collateralized as required by *Minnesota Statutes* for an amount exceeding FDIC, SAIF, BIF, or FCUA coverage. As of December 31, 2020, the City's bank balances of \$2,046,478 was not exposed to custodial credit risk because it was insured and fully collateralized with securities held by the pledging financial institution's trust department or agent and in the City's name. The book balance as of December 31, 2020, was as follows:

Checking accounts	\$	1,610,668
Certificates of deposit		420,932
		420,932
Total		\$ 2,031,600

City of Dundas
Notes to Financial Statements

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

Investment Type	Fair Value	Investment Maturities		
		Less than 1 Year	1-5 Years	6-10 Years
Money market mutual funds	\$ 1,125,111	\$ 1,125,111	\$ -	\$ -
Brokered certificates of deposit	399,300	399,300	-	-
Municipal securities	495,188	495,188	-	-
Total	<u>\$ 2,019,599</u>	<u>\$ 2,019,599</u>	<u>\$ -</u>	<u>\$ -</u>

Concentration of Credit Risk: The City's investment policy states the City will diversify its investment to avoid incurring unreasonable risks inherent in over investing in specific maturities, issuers, institutions, or class of securities. The City was exposed to this risk as the following brokered certificate of deposit and brokered security exceeded 5% of total investments; 4M-Western Alliance Bank CD and 4M- Richmond Dev. security.

Interest Rate Risk: This is the risk that market values of securities in a portfolio would decrease due to changes in market value interest rates. The City's objective relating to interest rate risk is to mitigate declines in market value of investments due to changes in interest rates. The policy states that the City will provide for liquidity by reviewing cash flow requirements and make investments to meet the shorter cash flow needs, thereby avoiding the need to sell securities in the open market prior to maturity. The City will also manage the average maturity of the overall portfolio to be consistent with the risk profile of the City not to exceed five years.

Custodial Credit Risk – Investments: For an investment, this is the risk in the event of the failure of the counterparty the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's policy states the City will limit investments to investment types allowed by statutes and policy and only use per-qualifying financial institutions, brokers/dealers, intermediaries, and advisors. The City will also diversify the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. Insurance or collateral may be required to ensure return of principal.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fully fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized rating service. The City's investment policy limits investments to those with a credit rating allowed by state statutes.

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

- \$495,188 of \$2,019,599 are valued using various market and industry inputs (Level 2 inputs)

Remaining investments are presented at Net Asset Value.

**City of Dundas
Notes to Financial Statements**

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Deposits and Investments

Summary of cash deposits and investments as of December 31, 2020, were as follows:

Deposits (Note 3.A.)	\$ 2,031,600
Investments (Note 3.B.)	<u>2,019,599</u>
Total	<u><u>\$ 4,051,199</u></u>

Deposits and investments are presented in the December 31, 2020 basic financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 4,041,163
Statement of Fiduciary Net Position	
Cash and investments	<u>10,036</u>
Total deposits and investments	<u><u>\$ 4,051,199</u></u>

NOTE 4 – INTERFUND ACTIVITY

A. Interfund Receivables and Payables

At December 31, 2020, the composition of interfund balances was as follows:

Fund Type and Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 194,597	\$ -
City Hall Project	-	140,853
Other nonmajor governmental funds	<u>-</u>	<u>53,744</u>
Total	<u><u>\$ 194,597</u></u>	<u><u>\$ 194,597</u></u>

The due to/due from balances payable are short-term borrowings to cover negative cash balances at the end of the year.

City of Dundas
Notes to Financial Statements

NOTE 4 – INTERFUND ACTIVITY

B. Interfund Transfers

Transfers during the year ended December 31, 2020, were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Other nonmajor governmental fund	\$ 103,300
Other nonmajor governmental fund	General Fund	322,541
	Total transfers	<u>\$ 425,841</u>

The transfer in to the General Fund was made to close the Annexation Tax Rebate Fund since an annexation agreement is in place with Bridgewater Township. The transfers out made from the General Fund were made to help cover debt service expenditures and cash deficits.

NOTE 5 – CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 559,674	\$ -	\$ -	\$ 559,674
Construction in progress	827,478	1,456,162	(2,283,640)	-
Total capital assets not being depreciated	<u>1,387,152</u>	<u>1,456,162</u>	<u>(2,283,640)</u>	<u>559,674</u>
Capital assets being depreciated				
Buildings	1,555,443	1,881,279	(140,973)	3,295,749
Equipment	302,376	59,651	(41,542)	320,485
Vehicles	147,924	-	-	147,924
Land improvements	419,070	428,198	(8,150)	839,118
Infrastructure	4,343,186	-	(111,183)	4,232,003
Total capital assets being depreciated	<u>6,767,999</u>	<u>2,369,128</u>	<u>(301,848)</u>	<u>8,835,279</u>
Less accumulated depreciation for				
Buildings	692,736	59,011	(120,603)	631,144
Equipment	228,716	21,183	-	249,899
Vehicles	114,910	16,481	(38,801)	92,590
Land improvements	184,359	29,357	(6,590)	207,126
Infrastructure	1,693,606	157,547	(73,117)	1,778,036
Total accumulated depreciation	<u>2,914,327</u>	<u>283,579</u>	<u>(239,111)</u>	<u>2,958,795</u>
Total capital assets being depreciated, net	<u>3,853,672</u>	<u>2,085,549</u>	<u>(62,737)</u>	<u>5,876,484</u>
Governmental activities capital assets, net	<u>\$ 5,240,824</u>	<u>\$ 3,541,711</u>	<u>\$ (2,346,377)</u>	<u>\$ 6,436,158</u>

City of Dundas
Notes to Financial Statements

NOTE 5 – CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets not being depreciated				
Land	\$ 223,396	\$ -	\$ -	\$ 223,396
Capital assets being depreciated				
Sewer collection system	9,542,531	-	-	9,542,531
Water distribution system	7,556,549	-	(12,088)	7,544,461
Storm water collection system	670,060	-	-	670,060
Equipment	76,227	-	(14,246)	61,981
Software	20,460	-	-	20,460
Total capital assets being depreciated	<u>17,865,827</u>	<u>-</u>	<u>(26,334)</u>	<u>17,839,493</u>
Less accumulated depreciation for				
Sewer collection system	4,096,150	248,439	-	4,344,589
Water distribution system	3,722,827	225,299	(10,507)	3,937,619
Storm water collection system	209,980	17,040	-	227,020
Equipment	48,796	5,494	(12,743)	41,547
Software	20,460	-	-	20,460
Total accumulated depreciation	<u>8,098,213</u>	<u>496,272</u>	<u>(23,250)</u>	<u>8,571,235</u>
Total capital assets being depreciated, net	<u>9,767,614</u>	<u>(496,272)</u>	<u>(3,084)</u>	<u>9,268,258</u>
Business-type activities capital assets, net	<u>\$ 9,991,010</u>	<u>\$ (496,272)</u>	<u>\$ (3,084)</u>	<u>\$ 9,491,654</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities	
General government	\$ 190,100
Public safety	11,409
Public works	41,566
Cultural and recreation	40,504
Total depreciation expense - governmental activities	<u>\$ 283,579</u>
Business-type activities	
Water	\$ 228,538
Sewer	250,694
Storm water	17,040
Total depreciation expense - governmental activities	<u>\$ 496,272</u>

City of Dundas
Notes to Financial Statements

NOTE 6 – LONG-TERM DEBT

A. General Obligation Bonds

The City issues General Obligation (G.O.) bonds to provide for financing tax increment projects and street improvements. Debt service is covered respectively by tax increments and special assessments against benefited properties with any shortfalls being paid from general taxes.

G.O. bonds are direct obligations and pledge the full faith and credit of the City.

NOTE 6 – LONG-TERM DEBT

B. Components of Long-Term Liabilities

	Issue Date	Interest Rates	Original Issue	Final Maturity	12/31/20 Balance	Due Within One Year
Governmental activities						
General obligation improvement bonds						
2013A CIP Bonds	9/4/2013	2.00-3.70%	\$ 750,000	2/1/2029	\$ 490,000	\$ 50,000
2013A Street Reconstruction Bonds	9/4/2013	2.00-3.00%	545,000	2/1/2029	360,000	35,000
2018A Bonds	8/9/2018	3.00-4.00%	810,000	2/1/2039	790,000	30,000
2020A CIP Bonds	1/16/2020	2.00-3.00%	2,145,000	2/1/2040	2,145,000	80,000
Note from Direct borrowing						
East Cannon River Trail Note	4/5/2016	2.00%	119,964	12/1/2022	47,985	23,993
Bond discounts					(17,369)	-
Bond premium					78,895	-
Compensated absences					58,274	23,310
Total governmental activities					<u>\$3,952,785</u>	<u>\$ 242,303</u>
Business-Type Activities						
General obligation revenue bonds						
2013A Refunding Bonds	9/1/2013	2.00-3.25%	\$2,355,000	2/1/2026	\$ 830,000	\$ 130,000
2014A Refunding Bonds	12/11/2014	0.40-3.25%	845,000	12/1/2024	360,000	90,000
2016A Sewer Revenue Bonds	9/4/2013	0.90-2.85%	1,100,000	11/1/2037	960,000	50,000
2018A Bonds	8/9/2018	3.00-4.00%	810,000	2/1/2039	320,000	10,000
Bond discounts					(11,271)	-
Bond premium					10,182	-
Compensated absences					34,847	13,939
Total business-type activities					<u>\$2,503,758</u>	<u>\$ 293,939</u>
Total long-term liabilities					<u>\$6,456,543</u>	<u>\$ 536,241</u>

City of Dundas
Notes to Financial Statements

NOTE 6 – LONG-TERM DEBT (CONTINUED)

C. Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
General obligation improvement bonds				
2013A CIP Bonds	\$ 535,000	\$ -	\$ (45,000)	\$ 490,000
2013A Street Reconstruction Bonds	395,000	-	(35,000)	360,000
2018A Bonds	810,000	-	(20,000)	790,000
2020A CIP Bonds	-	2,145,000	-	2,145,000
Note from direct borrowing				
East Cannon River Trail Note	71,978	-	(23,993)	47,985
Bond discounts	(18,754)	-	1,385	(17,369)
Bond premium	33,028	51,246	(5,379)	78,895
Compensated absences	40,546	26,813	(9,085)	58,274
Total governmental activities	<u>1,866,798</u>	<u>2,223,059</u>	<u>(137,072)</u>	<u>3,952,785</u>
General obligation revenue bonds				
2013A Refunding Bonds	955,000	-	(125,000)	830,000
2014A Refunding Bonds	445,000	-	(85,000)	360,000
2016A Sewer Revenue Bonds	1,010,000	-	(50,000)	960,000
2018A Bonds	325,000	-	(5,000)	320,000
Bond discounts	(13,442)	-	2,171	(11,271)
Bond premium	13,943	-	(3,761)	10,182
Compensated absences	20,867	19,148	(5,168)	34,847
Total business-type activities	<u>2,756,368</u>	<u>19,148</u>	<u>(271,758)</u>	<u>2,503,758</u>
Total long-term liabilities	<u>\$ 4,623,166</u>	<u>\$ 2,242,207</u>	<u>\$ (408,830)</u>	<u>\$ 6,456,543</u>

The General Fund and Proprietary Funds typically liquidate the liability related to compensated absences.

D. Minimum Debt Payments

Minimum annual principal and interest payments required to retire long-term liabilities:

Year Ending December 31,	Governmental Activities		Business-Type Activities	
	G.O. Bonds		G.O. Revenue Bonds	
	Note from direct borrowing Principal	Interest	Principal	Interest
2021	\$ 218,993	\$ 107,221	\$ 280,000	\$ 63,810
2022	223,992	100,516	285,000	56,780
2023	205,000	93,661	290,000	49,575
2024	215,000	87,036	295,000	41,800
2025	225,000	80,086	210,000	33,875
2026-2030	1,110,000	284,498	495,000	113,600
2031-2035	800,000	157,563	400,000	65,470
2036-2040	835,000	51,800	215,000	11,273
Total	<u>\$ 3,832,985</u>	<u>\$ 962,381</u>	<u>\$ 2,470,000</u>	<u>\$ 436,183</u>

City of Dundas
Notes to Financial Statements

NOTE 7 – FUND BALANCES/NET POSITION

A. Fund Balances

Fund balances are classified as listed below to reflect the limitations and restrictions of the respective funds.

	General Fund	City Hall Project Fund	Nonmajor Governmental Funds	Total
Nonspendable				
Prepaid items	\$ 21,549	\$ -	\$ -	\$ 21,549
Restricted				
Debt service	-	-	100,369	100,369
Capital asset purchases	-	-	54,680	54,680
Assigned				
Public safety capital asset acquisition	-	-	83,641	83,641
Public works capital asset acquisition	-	-	30,311	30,311
Unassigned	<u>1,739,076</u>	<u>(151,700)</u>	<u>(53,376)</u>	<u>1,534,000</u>
Total fund balance	<u>\$ 1,760,625</u>	<u>\$ (151,700)</u>	<u>\$ 215,625</u>	<u>\$ 1,824,550</u>

B. Net Position

Restricted net position is comprised of the total restricted fund balances in the governmental funds plus the effect of the conversion to the government-wide net position.

NOTE 8 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City purchases commercial insurance coverage through the League of Minnesota Cities Insurance Trust (LMCIT) with other cities in the state which is a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through commercial companies for excess claims. The City is covered through the pool for any claims incurred but unreported, however, retains risk for the deductible portion of its insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

City of Dundas
Notes to Financial Statements

NOTE 8 – RISK MANAGEMENT (CONTINUED)

The City's workers' compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

At December 31, 2020, there were no other claims liabilities reported in the fund based on the requirements of GASB Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 9 – PENSION PLANS

The City participates in various pension plans, total pension expense for the year ended December 31, 2020 was \$33,778. The components of pension expense are noted in the following plan summaries.

The General Fund and Proprietary Funds typically liquidates the liability related to the pensions.

Public Employees' Retirement Association

A. Plan Description

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

General Employees Retirement Plan

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

Public Employees Police and Fire Plan

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

B. Benefits Provided

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

City of Dundas
Notes to Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

B. Benefits Provided (Continued)

General Employees Plan Benefits

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

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

Police and Fire Plan Benefits

Benefits for the Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after 10 years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years up to 100% after 20 years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

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

C. Contributions

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

**City of Dundas
Notes to Financial Statements**

NOTE 9 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

C. Contributions (Continued)

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5%, of their annual covered salary in fiscal year 2020 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2020, were \$24,723. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 11.3% of pay to 11.8% and employer rates increased from 16.95% to 17.7% on January 1, 2020. The City's contributions to the Police and Fire Fund for the year ended December 31, 2020, were \$25,983. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2020, the City reported a liability of \$221,832 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$6,815. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0037% at the end of the measurement period and 0.0039% for the beginning of the period.

City's proportionate share of net pension liability	\$ 221,832
State of Minnesota's proportionate share of the net pension liability associated with the City	6,815
	6,815
Total	\$ 228,647

City of Dundas
Notes to Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

For the year ended December 31, 2020, the City recognized pension expense of \$10,627 for its proportionate share of General Employees Plan's pension expense. Included in the amount, the City recognized \$593 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,127	\$ 840
Net collective difference between projected and actual investment earnings	3,616	-
Changes in proportion	5,548	9,888
Changes in actuarial assumptions	-	8,346
Contributions paid to PERA subsequent to the measurement date	12,362	-
Total	\$ 23,653	\$ 19,074

The \$12,362 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2021	\$ (14,426)
2022	(188)
2023	1,471
2024	5,360
Total	\$ (7,783)

City of Dundas
Notes to Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

Police and Fire Fund Pension Costs

At December 31, 2020, the City reported a liability of \$187,202 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the City's proportionate share was 0.0143% at the end of the measurement period and 0.0175% for the beginning of the period.

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

As a result, the State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the City recognized pension expense of \$23,151 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City recognized \$1,363 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$4.5 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in fire state aid. The City also recognized \$1,287 for the year ended December 31, 2020 as revenue and an offsetting reduction of the net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

City of Dundas
Notes to Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

Police and Fire Fund Pension Costs (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 9,153	\$ 10,015
Net collective difference between projected and actual investment earnings	1,674	-
Changes in proportion	12,163	28,390
Changes in actuarial assumptions	70,676	131,612
Contributions paid to PERA subsequent to the measurement date	12,992	-
Total	\$ 106,658	\$ 170,017

The \$12,992 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2021	\$ (17,108)
2022	(62,526)
2023	5,659
2024	3,170
2025	(5,546)
Total	\$ (76,351)

**City of Dundas
Notes to Financial Statements**

NOTE 9 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

E. Actuarial Assumptions

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

Inflation	2.50 % Per year
Active member payroll growth	3.25 % Per year
Investment rate of return	7.50 %

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

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

The following changes in actuarial assumptions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.

City of Dundas
Notes to Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

E. Actuarial Assumptions (Continued)

General Employees Fund (Continued)

Changes in Actuarial Assumptions: (Continued)

- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

City of Dundas
Notes to Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

E. Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term</u>
Domestic stocks	35.5 %	5.10 %
International stocks	17.5	5.30
Bonds (fixed income)	20.0	0.75
Alternative assets (private markets)	25.0	5.90
Cash	2.0	0.00
Total	<u>100 %</u>	

Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

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

**City of Dundas
Notes to Financial Statements**

NOTE 9 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

F. Pension Liability Sensitivity (Continued)

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City's proportionate share of the General Employees Fund net pension liability	\$ 355,520	\$ 221,832	\$ 111,550
	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City's proportionate share of the Police and Fire Fund net pension liability (asset)	\$ 374,399	\$ 187,202	\$ 32,330

H. Pension Plan Fiduciary Net Position

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

NOTE 10 – CONTINGENCIES

On March 13, 2020, a national emergency was declared for the COVID-19 outbreak in the United States of America. This event affects the economy and financial markets. The extent of the impact on the City may be both direct and indirect and will vary based on the duration of the outbreak and various other factors. An estimate of the financial effect on the City's financial statements at December 31, 2020, cannot be determined at this time.

NOTE 11 – NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 87, Leases establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement will be effective for the year ending December 31, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

City of Dundas
Schedule of City's Proportionate Share
of Net Pension Liability - General Employees Retirement Fund
Last Ten Years*

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0040%	\$ 307,301	\$ -	\$ 307,301	\$ 235,811	130.32%	78.19%
2016	0.0038%	308,541	4,082	312,623	242,335	127.32%	68.91%
2017	0.0380%	242,589	3,052	245,641	244,996	99.02%	75.90%
2018	0.0037%	205,261	6,695	211,956	250,027	82.10%	79.53%
2019	0.0039%	215,622	6,666	222,288	273,080	78.96%	80.23%
2020	0.0037%	221,832	6,815	228,647	264,760	83.79%	79.06%

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

Schedule of City's Proportionate Share
of Net Pension Liability - Public Employees Police and Fire Retirement Fund
Last Ten Years*

For Fiscal Year Ended June 30,	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0150%	\$ 170,435	\$ -	\$ 170,435	\$ 137,542	123.91%	86.61%
2016	0.0160%	642,108	-	642,108	162,187	395.91%	63.88%
2017	0.0160%	216,019	-	216,019	164,639	131.21%	85.43%
2018	0.0171%	182,268	-	182,268	180,506	100.98%	88.84%
2019	0.0175%	183,943	-	183,943	184,505	99.70%	89.26%
2020	0.0143%	187,202	4,429	191,631	176,520	106.05%	87.19%

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

**City of Dundas
Schedule of City Contributions -
General Employees Retirement Fund
Last Ten Years***

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 17,689	\$ 17,689	\$ -	\$ 235,853	7.50%
2016	18,175	18,175	-	242,333	7.50%
2017	18,372	18,372	-	244,960	7.50%
2018	18,752	18,752	-	250,027	7.50%
2019	20,083	20,083	-	267,773	7.50%
2020	24,723	24,723	-	329,640	7.50%

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

**Schedule of City Contributions -
Public Employees Police and Fire Retirement Fund
Last Ten Years***

Fiscal Year Ending December 31,	Statutorily Required Contribution	in Relation to the Statutorily Required	Contribution Deficiency (Excess)	City's Covered Payroll	as a Percentage of Covered Payroll
2015	\$ 22,282	\$ 22,282	\$ -	\$ 137,543	16.20%
2016	26,365	26,365	-	162,747	16.20%
2017	26,723	26,723	-	164,957	16.20%
2018	29,242	29,242	-	180,506	16.20%
2019	31,725	31,725	-	187,168	16.95%
2020	25,983	25,983	-	146,797	17.70%

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

City of Dundas
Notes to Required Supplementary Information

GENERAL EMPLOYEES FUND

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

City of Dundas
Notes to Required Supplementary Information

GENERAL EMPLOYEES FUND (CONTINUED)

2018 Changes Continued)

Changes in Plan Provisions

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

2017 Changes

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

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

2016 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

City of Dundas
Notes to Required Supplementary Information

GENERAL EMPLOYEES FUND (CONTINUED)

2015 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

City of Dundas
Notes to Required Supplementary Information

POLICE AND FIRE FUND

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019 and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.

City of Dundas
Notes to Required Supplementary Information

POLICE AND FIRE FUND (CONTINUED)

Changes in Actuarial Assumptions (Continued)

- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

SUPPLEMENTARY INFORMATION

**City of Dundas
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2020**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
		GO		
	Gambling Fund (201)	Improvement Bonds 2013A Fund (300)	Public Safety Capital Outlay Fund (425)	Public Works Capital Outlay Fund (410)
Assets				
Cash and investments	\$ 49,493	\$ 100,369	\$ 83,641	\$ 30,311
Accounts receivable	5,187	-	-	-
Total assets	<u>\$ 54,680</u>	<u>\$ 100,369</u>	<u>\$ 83,641</u>	<u>\$ 30,311</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Fund Balances				
Restricted	54,680	100,369	-	-
Assigned	-	-	83,641	30,311
Unassigned	-	-	-	-
Total fund balances	<u>54,680</u>	<u>100,369</u>	<u>83,641</u>	<u>30,311</u>
Total liabilities and fund balances	<u>\$ 54,680</u>	<u>\$ 100,369</u>	<u>\$ 83,641</u>	<u>\$ 30,311</u>

Capital Projects

Capital Improvements Fund (246,401)	Escrow Deposits (430)	Total Capital Project Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 113,952	\$ 263,814
-	368	368	5,555
<u>\$ -</u>	<u>\$ 368</u>	<u>\$ 114,320</u>	<u>\$ 269,369</u>
<u>\$ 53,376</u>	<u>\$ 368</u>	<u>\$ 53,744</u>	<u>\$ 53,744</u>
-	-	-	155,049
-	-	113,952	113,952
<u>(53,376)</u>	-	<u>(53,376)</u>	<u>(53,376)</u>
<u>(53,376)</u>	-	<u>60,576</u>	<u>215,625</u>
<u>\$ -</u>	<u>\$ 368</u>	<u>\$ 114,320</u>	<u>\$ 269,369</u>

City of Dundas
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2020

	Special Revenue			Debt Service
	Annexation Tax Rebate Fund (260)	Gambling Fund (201)	Total Special Revenue Funds	GO Improvement Bonds 2013A Fund (300)
Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Miscellaneous				
Investment income	416	447	863	389
Other	-	5,187	5,187	-
Total revenues	416	5,634	6,050	389
Expenditures				
Debt service				
Principal	-	-	-	80,000
Interest and other charges	-	-	-	29,441
Capital outlay				
Public works	-	-	-	-
Total expenditures	-	-	-	109,441
Excess of revenues over (under) expenditures	416	5,634	6,050	(109,052)
Other Financing Sources (Uses)				
Transfers in	-	-	-	109,108
Transfers out	(103,300)	-	(103,300)	-
Total other financing sources (uses)	(103,300)	-	(103,300)	109,108
Net change in fund balances	(102,884)	5,634	(97,250)	56
Fund Balances				
Beginning of year	102,884	49,046	151,930	100,313
End of year	\$ -	\$ 54,680	\$ 54,680	\$ 100,369

Debt Service			Capital Projects				Nonmajor Governmental Funds
GO Improvement Bonds 2018A (304)	GO Improvement Bonds 2020A (305)	Total Debt Service Funds	Public Safety Capital Outlay Fund (425)	Public Works Capital Outlay Fund (410)	Capital Improvements Fund (246,401)	Total Capital Project Funds	
\$ -	\$ -	\$ -	\$ -	\$ 23,400	\$ -	\$ 23,400	\$ 23,400
-	-	389	759	63	-	822	2,074
-	-	-	-	-	-	-	5,187
-	-	389	759	23,463	-	24,222	30,661
20,000	-	100,000	-	-	-	-	100,000
28,210	29,044	86,695	-	-	-	-	86,695
-	-	-	-	-	53,375	53,375	53,375
48,210	29,044	186,695	-	-	53,375	53,375	240,070
(48,210)	(29,044)	(186,306)	759	23,463	(53,375)	(29,153)	(209,409)
48,210	29,044	186,362	-	-	136,179	136,179	322,541
-	-	-	-	-	-	-	(103,300)
48,210	29,044	186,362	-	-	136,179	136,179	219,241
-	-	56	759	23,463	82,804	107,026	9,832
-	-	100,313	82,882	6,848	(136,180)	(46,450)	205,793
\$ -	\$ -	\$ 100,369	\$ 83,641	\$ 30,311	\$ (53,376)	\$ 60,576	\$ 215,625

City of Dundas
Detailed Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget - Over (Under)
	Original and Final	Actual Amounts	
Revenues			
Taxes			
Property taxes	\$ 1,099,198	\$ 1,129,129	\$ 29,931
Franchise fees	13,349	15,521	2,172
Total taxes	<u>1,112,547</u>	<u>1,144,650</u>	<u>32,103</u>
Licenses and permits			
Building and plan fees	39,852	168,130	128,278
Alcoholic beverages	8,300	10,783	2,483
Other	2,200	5,151	2,951
Total licenses and permits	<u>50,352</u>	<u>184,064</u>	<u>133,712</u>
Intergovernmental revenue			
Local government aids	189,116	189,869	753
Market value credit	-	441	441
Police grants	26,744	140,120	113,376
PERA aid	104	-	(104)
Total intergovernmental revenue	<u>215,964</u>	<u>330,430</u>	<u>114,466</u>
Charges for services			
Park	2,000	773	(1,227)
Zoning and subdivision	1,000	80,203	79,203
Rents	-	4,550	4,550
Other	1,650	11,239	9,589
Total charges for services	<u>4,650</u>	<u>96,765</u>	<u>92,115</u>
Fines and forfeitures	18,450	11,329	(7,121)
Miscellaneous revenues			
Investment income	13,500	8,336	(5,164)
Contributions and donations	1,840	1,616	(224)
Other	-	18,725	18,725
Total miscellaneous revenues	<u>15,340</u>	<u>28,677</u>	<u>13,337</u>
Total revenues	<u>1,417,303</u>	<u>1,795,915</u>	<u>751,008</u>
Expenditures			
General government			
Administration			
Current	246,925	257,168	10,243
Capital outlay	7,906	25,165	17,259
Total administrative	<u>254,831</u>	<u>282,333</u>	<u>27,502</u>
Council and elections			
Current	31,122	33,673	2,551
Capital outlay	300	-	(300)
Total council and elections	<u>31,422</u>	<u>33,673</u>	<u>2,251</u>
Planning and zoning			
Current	<u>58,489</u>	<u>89,112</u>	<u>30,623</u>

City of Dundas
Detailed Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget - Over (Under)
	Original and Final	Actual Amounts	
Expenditures (Continued)			
General government (continued)			
Other general government			
Capital outlay	\$ -	\$ 46,069	\$ 46,069
Total general government	<u>344,742</u>	<u>451,187</u>	<u>106,445</u>
Public safety			
Police			
Current	\$ 349,318	\$ 280,209	\$ (69,109)
Capital outlay	15,712	1,072	(14,640)
Total police	<u>365,030</u>	<u>281,281</u>	<u>(83,749)</u>
Fire			
Current	57,604	48,908	(8,696)
Animal control			
Current	500	-	(500)
Building and inspections			
Current	34,336	101,702	67,366
Capital outlay	200	-	(200)
Total building and inspections	<u>34,536</u>	<u>101,702</u>	<u>67,166</u>
Civil defense			
Current	691	2,134	1,443
Total public safety	<u>458,361</u>	<u>434,025</u>	<u>(24,336)</u>
Public works			
Streets and highways			
Current	202,540	227,070	24,530
Capital outlay	11,339	61,501	50,162
Total public works	<u>213,879</u>	<u>288,571</u>	<u>74,692</u>
Cultural and recreation			
Current	68,499	84,166	15,667
Capital outlay	15,617	340	(15,277)
Total cultural and recreation	<u>84,116</u>	<u>84,506</u>	<u>390</u>
Debt service			
Principal	-	23,993	23,993
Interest and other charges	-	1,440	1,440
Total debt service	<u>-</u>	<u>25,433</u>	<u>25,433</u>
Total expenditures	<u>1,101,098</u>	<u>1,283,722</u>	<u>182,624</u>
Excess of revenues over expenditures	316,205	512,193	568,384
Other financing sources (uses)			
Transfers in	\$ -	\$ 103,300	\$ 103,300
Transfers out	-	(322,541)	(322,541)
Total other financing sources (uses)	<u>-</u>	<u>(219,241)</u>	<u>(219,241)</u>
Net change in fund balance	<u>\$ 316,205</u>	<u>292,952</u>	<u>\$ (255,269)</u>
Fund Balance			
Beginning of year		<u>1,467,673</u>	
End of year		<u>\$ 1,760,625</u>	

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**Report on Internal Control over Financial
Reporting and on Compliance and other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Dundas
Dundas, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dundas, Minnesota, as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 30, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

BerganKDV, Ltd.

Minneapolis, Minnesota
March 30, 2021

Minnesota Legal Compliance

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Dundas

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dundas, Minnesota, as of and for the year ended December 31, 2020, and the related notes to financial statements, and have issued our report thereon dated March 30, 2021.

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

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

BerganKDV, Ltd.

Minneapolis, Minnesota
March 30, 2021

City of Dundas
Schedule of Findings and Responses on
Legal Compliance and Internal Control

PRIOR YEAR LEGAL COMPLIANCE FINDING:

Audit Finding 2019-002 – Sufficient Collateral and Collateral Assignment

Minnesota Statutes 118A.03 requires all deposits with financial institutions to be collateralized in an amount equal to 110% of deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance. If irrevocable standby letters of credit from federal home loan banks are used, the collateral amount must be equal to the amount of the excess deposit plus interest at the close of the banking day. *Minnesota Statutes* 118A.03, subd. 4, requires the City's written collateral assignment shall recite that, upon default, the financial institution shall release to the government entity on demand, free of exchange or any other charges, the collateral pledged.

During our legal compliance testing, it was noted the City's deposits were not sufficiently collateralized and the collateral assignment agreement did not require the release of collateral upon default.

Corrective Action Taken:

The City's collateral and collateral assignment agreements were in compliance with *Minnesota Statutes* for the 2020 audit engagement.



MEMORANDUM

To: Honorable Mayor and City Council
Dundas, Minnesota

From: John M. Powell, P.E.
City Engineer

Date: April 12, 2021

Re: Receive the Quote and Award a Contract for the 2021 and 2022 Street Sweeping

Introduction

City Staff has obtained a quote for the 2021 and 2022 Street Sweeping.

Background

The City was not required to publish an advertisement for this work. Instead, on March 22, 2021, a request for quotes was forwarded to three contractors capable of providing these types of services. Quotes were due by 4:30 p.m. on March 31, 2021. One contractor submitted a quote, Sanford Services LLC, their quote is attached as is the Request for Quotes. City staff recommends award of the contract to Sanford Services LLC. This contractor has successfully completed the sweeping work for the City of Dundas in the recent past, including the contract for 2019 and 2020.

Fiscal Impact

The 2021 price per citywide sweeping of \$2,540 is an increase of 5.1% over the 2020 price; the proposed increase from 2021 to 2022 is about 2.6%. The street sweeping work is included as a line item in the Storm Sewer Enterprise Fund budget.

Alternatives

1. Motion to Receive the Quote and Award a Contract for the 2021 and 2022 Street Sweeping to Sanford Services LLC.
2. Deny the request.

Staff Recommendation

Alternative No. 1: Motion to Receive the Quote and Award a Contract for the 2021 and 2022 Street Sweeping to Sanford Services LLC.

Attachments

1. Street Sweeping RFQ
2. Sanford Services Quote

**CITY OF DUNDAS STREET SWEEPING
QUOTE FORM FOR 2021 and 2022**

2021

2021 STREET SWEEPING
per RFQ - Lump Sum

Spring \$2,540
July \$2,540 (if needed)
\$ Oct \$2,540

2021 ALTERNATIVE #1
Hourly Rate for Sweeping
Boulevards - See RFQ

Done by City now:
If excessive debris put into
roadways there will be an hourly
\$ charge of \$150 for sweeping & disposal.

2021 ALTERNATIVE #2
Unit Price per 500' of Additional
Sweeping - See RFQ

\$150 per 500 ft
\$250 special request (incl. 1 hrs sweep)
\$150/hr after minimum

** if diesel fuel prices rise significantly
prices may need to be adjusted
accordingly. Discussed with City
prior to any changes **

2022

2022 STREET SWEEPING
per RFQ - Lump Sum

Spring \$2,605
July \$2,605 (if needed)
\$ Oct. \$2,605

2022 ALTERNATIVE #1
Hourly Rate for Sweeping
Boulevards - See RFQ

\$ same as above

2022 ALTERNATIVE #2
Unit Price per 500' of Additional
Sweeping - See RFQ

\$ same as above

Submitted By:

Sanford
(signature)

3/31/21
(date)

Business Information:

Sanford Services, LLC
(company)

PO Box 456
(address)

Castle Rock, MN
(city/state)

651-485-6820
(phone)

sanfordservices@gmail.com
(email)

City Only

Received on: March 31, 2021 Staff: Stephan Action: _____

CITY OF DUNDAS

REQUEST FOR QUOTES (RFQ) FOR 2021 AND 2022 STREET SWEEPING

The City of Dundas is requesting proposals for 2021 and 2022 Street Sweeping services. A map of the City of Dundas (Exhibit A) is enclosed with County roads and City streets identified. The quote should reflect the following requirements:

- Rice County sweeps the County roads within Dundas once in the spring. This usually occurs between April 20 and May 10. The City will have all City streets swept during the same time period.
- In addition to the spring sweeping, the City will sweep **both** County roads and City streets two (2) additional times during the year. The additional dates will be within two (2) weeks before or after July 30 and October 30.
- All streets are swept curb to curb. Removal of dirt and debris shall be accomplished with self-propelled street sweeping equipment with a pick-up broom and of sufficient size for the purpose intended, to the satisfaction of the City. All materials shall be collected and retained within the sweeping equipment as they are swept. Disposal of the swept material shall be in accordance with MnDOT 2104.3.D. Cost of disposal is to be included as part of the bid.
- The primary contact will be Duane Meliza, Public Works Director. City Hall is open to provide assistance, if needed, Monday through Thursday 8:00 a.m. to 4:30 p.m. and Friday 9 a.m. to 1 p.m.
- The City will contact the contractor to schedule sweeping and will make every effort to provide reasonable notice and will expect a prompt reply.
- The Contractor will need to verify the mileage for the work proposed.
- Include two (2) references/customers with the names and phone numbers of the primary contact person.
- The successful contractor will be required to furnish a Certificate of Insurance for liability and worker's compensation.
- ALTERNATIVE #1 - please include, for an hourly rate, the option to sweep debris from the City right-of-way from the curb face back approximately four feet, which will include some grassy boulevards. This would occur early in the spring, prior to the spring street sweeping.
- ALTERNATIVE #2 – provides a unit price for every additional 500 linear feet of street sweeping as a separate process.

With the exception of Rice County's sweeping, the City will commit to have one party do all sweeping for both the 2021 and 2022 season. The City reserves the right to terminate this commitment if quality and service problems cannot be resolved promptly. **The selected bidder will be required to enter into the attached agreement.**

Contact Jenelle Teppen, City Administrator, at Dundas City Hall at (507) 645-2852 or email jteppen@dundas.us for additional information or questions.

All proposals must be signed/received at Dundas City Hall by **4:30 p.m., Wednesday March 31, 2021**; e-mail cityhall@dundas.us is acceptable if received by the deadline.

City of Dundas – 100 Railway Street N - PO Box 70 – Dundas, MN 55019-0070

**2021/2022 AGREEMENT
FOR STREET SWEEPING SERVICES
CITY OF DUNDAS**

This Agreement is made effective as of **April __, 2021**, by and between the CITY OF DUNDAS (hereinafter referred to as the "City") and _____ (hereinafter referred to as the "Contractor").

The parties agree as follows:

1. **DESCRIPTION OF SERVICES.** Contractor will provide the City with street sweeping services in accordance with the RFQ and proposal form (attached). Contractor will coordinate services with the City's Public Works Director and provide adequate workers, equipment, and supervision to complete the services in a timely and efficient manner. The Public Works Director or designee shall call Contractor each time street sweeping services are desired to schedule services. Contractor will not be paid for services provided if prior authorization has not been obtained from the City.
2. **EQUIPMENT.** Contractor represents that he owns or has available to him the equipment necessary to complete the service described.
3. **PAYMENT FOR SERVICES.** Contractor shall be paid based on completion of the required services. Contractor will be paid within 30 days of submitting a detailed invoice to the City requesting payment.
4. **TERM/TERMINATION.** This Agreement is for a term of twenty (20) months, with the contract term beginning on April 15, 2021 and ending on December 14, 2022
5. **RELATIONSHIP OF PARTIES.** It is understood by the parties that Contractor is an independent contractor. The City will not be liable for worker's compensation benefits and will not provide Contractor or its employees, sub-contractors or agents any other fringe benefits including, but not limited to health insurance, vacation, PERA or any other benefits.
6. **CONTRACTOR'S EMPLOYEES AND SUB-CONTRACTORS.** Contractor employees, sub-contractors or other personnel, if any, who perform services for the City under this Agreement are also bound by the provisions of this Agreement.
7. **INSURANCE.** Contractor must maintain and provide proof of insurance coverage to the City. Before providing services under this Agreement, Contractor will provide to the City an insurance certificate showing compliance with the insurance requirements and which names the City as an additional insured. The certificate and the required insurance policies shall contain a provision that the coverage afforded under the contract will not be canceled or allowed to expire until at least 30 days prior written notice has been given to the City.

Contractor shall maintain commercial general liability (CGL), and if necessary commercial umbrella insurance, with a limit of not less than \$1,000,000 each occurrence. If such CGL insurance contains a general aggregate limit, the general aggregate limit shall be not less than \$2,000,000 and the aggregate limit shall apply on a per-project basis. The CGL insurance shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and contractually-assumed liability. The City shall be named as an additional insured under the CGL.

Contractor shall maintain automobile liability insurance, and if necessary, umbrella liability insurance with a limit of not less than \$1,000,000 each accident. If such insurance contains a general aggregate limit, the general aggregate limit shall be not less than \$2,000,000. The insurance shall cover liability arising out of any auto, including owned, hired, and non-owned autos.

8. **PROPERTY DAMAGE.** Contractor is responsible for damage to mailboxes, vehicles, signs, utility structures, sod, or other property caused by street sweeping equipment during street sweeping operations for the City and must repair, replace, or reimburse for such damage.

9. **INDEMNIFICATION.** Contractor agrees to indemnify and hold the City, its employees or agents harmless from any and all claims, losses, expenses, fees, including reasonable attorney fees, costs and judgments that may be asserted against the City and or its agents that result from the acts or omissions of Contractor and its employees and agents, if any.

10. **ASSIGNMENT.** Contractor obligations under this Agreement may not be assigned or transferred to any other person, firm, corporation or other entity without the prior written consent of the City.

11. **NOTICES.** All notices under this Agreement shall be in writing and shall be deemed delivered when delivered in person or deposited in the United States mail, postage prepaid, addressed as follows:

CITY OF DUNDAS
100 N. Railway Street
PO Box 70
Dundas, MN 55019-0070

CONTRACTOR

12. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement, whether oral or written. This Agreement supersedes any prior oral or written agreement between the parties.

13. **AMENDMENT.** This Agreement may only be amended or modified if the amendment is in writing signed by both parties.

14. **TERMINATION.** This contract may be terminated immediately upon the breach of any material term or provision of this contract by either party. Material terms and provisions of the contract include, but are not limited to: failure of the City to pay Contractor for services rendered; any failure by Contractor to provide annual Certification of Liability Insurance or maintain proper licensing or certification under state or local law; any conduct by Contractor which constitutes an actual conflict of interest, or which compromises the City's interest; any act of dishonesty by either party.

15. **SEVERABILITY.** If any provision of this Agreement is held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid and unenforceable, but that by limiting such provision it would become valid or unenforceable, then such provision shall be deemed to be written, construed and enforced as so limited.

16. **WAIVER.** The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce strict compliance with every provision of this Agreement.

17. **MINNESOTA LAW.** This Agreement shall be governed by the laws of the State of Minnesota.

CITY OF DUNDAS BY:

Glenn Switzer, Mayor

Date

Jenelle Teppen, City Administrator/Clerk

Date

CONTRACTOR BY:

NAME

Date

Federal Tax ID #



MEMORANDUM

To: Honorable Mayor and City Council
Dundas, Minnesota

From: John M. Powell, P.E.
City Engineer

Date: April 12, 2021

Re: Receive the Quotes and Award a Contract for the 2021 Sanitary Sewer Cleaning and
Televising

Introduction

City Staff has obtained quotes for the 2021 Sanitary Sewer Cleaning and Televising, attached is a map of the project area.

Background

Based on the estimated cost of this contract, the City was not required to publish an advertisement for bids. Instead, on March 11, 2021, a request for quotes was forwarded to five contractors that have completed similar work in the past.

Quotes were due via e-mail by 3:00 p.m. on March 25, 2021. A total of five (5) contractors submitted quotes as shown on the attached tabulation and summarized below:

Contractor	Quote Amount
Underground Technologies	\$ 15,183.10
Hydro-Vac	\$ 17,137.40
Hydro-Klean	\$ 24,079.40
Visu Sewer	\$ 27,438.50
American Environmental	\$ 40,938.75

City staff recommends award of the contract to Underground Technologies.

Fiscal Impact

The low unit prices bid are comparable to recent bids in other communities. Sanitary sewer cleaning and televising is included as a repairs and maintenance line item in the sanitary Sewer Enterprise Fund budget.

Alternatives

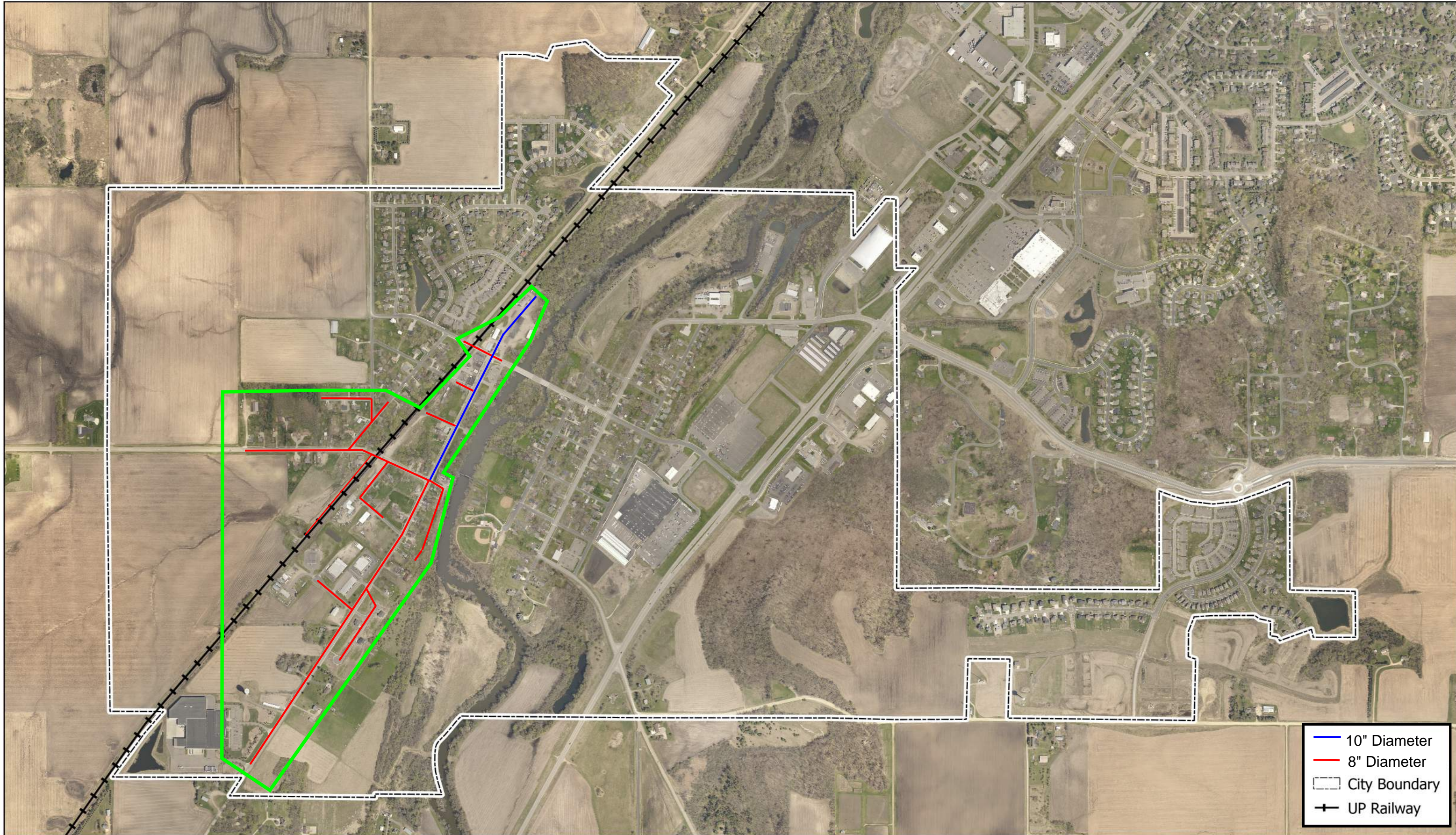
1. Motion to Receive the Quotes and Award a Contract for the 2021 Sanitary Sewer Cleaning and Televising to Underground Technologies for the quoted amount of \$15,183.10
2. Deny the request.

Staff Recommendation

Alternative No. 1: Motion to Receive the Quotes and Award a Contract for the 2021 Sanitary Sewer Cleaning and Televising to Underground Technologies. for the quoted amount of \$15,183.10

Attachments

1. Map of project area.
2. Quote Tabulation



- 10" Diameter
- 8" Diameter
- City Boundary
- UP Railway



QUOTE TABULATION

Project: 2021 Sanitary Sewer Cleaning and Televising

Owner: City of Dundas, MN

WSB Project No. 010169-000

Quotes Due: March 25, 2021 at 3:00 p.m.

No.	Item	Units	Contract Quantity	Bidder No. 1 Underground Technologies		Bidder No. 2 Hydro-vac		Bidder No. 3 Hydro-Klean		Bidder No. 4 Visu Sewer		Bidder No. 5 American Environmental	
				Unit Price	Bid Amount	Unit Price	Bid Amount	Unit Price	Bid Amount	Unit Price	Bid Amount	Unit Price	Bid Amount
1	TRAFFIC CONTROL	LS	1	\$ 300.00	\$ 300.00	\$ -	\$ -	\$ 500.00	\$ 500.00	\$ 800.00	\$ 800.00	\$ 1,200.00	\$ 1,200.00
2	SANITARY SEWER 8" PVC	LF	11,695	\$ 1.02	\$ 11,928.90	\$ 1.08	\$ 12,630.60	\$ 1.48	\$ 17,308.60	\$ 1.70	\$ 19,881.50	\$ 2.75	\$ 32,161.25
3	SANITARY SEWER 10" PVC	LF	2,210	\$ 1.02	\$ 2,254.20	\$ 1.08	\$ 2,386.80	\$ 1.48	\$ 3,270.80	\$ 1.70	\$ 3,757.00	\$ 2.75	\$ 6,077.50
4	SANITARY LIFT STATION (CLEANING ONLY)	EA	2	\$ 350.00	\$ 700.00	\$ 1,060.00	\$ 2,120.00	\$ 1,500.00	\$ 3,000.00	\$ 1,500.00	\$ 3,000.00	\$ 750.00	\$ 1,500.00
TOTAL BID AMOUNT					\$ 15,183.10		\$ 17,137.40		\$ 24,079.40		\$ 27,438.50		\$ 40,938.75

MEMORANDUM

To: Honorable Mayor and City Council
Dundas, Minnesota

From: John M. Powell, P.E.
City Engineer

Date: April 12, 2021

Re: Water Meter Replacement Program

Introduction

The City of Dundas uses water meters to measure and record the amount of water consumed at each property so the property owner may be accurately billed for water use. As presented and discussed at the City Council Work Session held on March 22, 2021; staff is recommending the Citywide replacement of the water meters.

Background

The typical life expectancy for residential water meters is 15 to 20 years; much of the City's meter fleet is near this age or beyond. The existing water meters are mechanical devices, like any mechanical device they can wear out over time which can lead to inaccurate meter data. Typically, when a water meter experiences wear, it underreads the quantity of flow going through the meter, and the property owner is undercharged for water use. This leads to lost revenue for the City. In addition, batteries used to transmit readings are at or near the end of their useful life after 15-20 years.

Staff is recommending the existing meters be replaced with Badger Ultrasonic Meters with the ORION Cellular LTE-M endpoints. Features of this equipment include the following:

- Drive by data gathering is no longer necessary,
- 20-year meter warranty
- 20-year battery warranty
- The water use data is gathered via cellular antennas. A study has been completed for Dundas to verify signal coverage; the signal is warranted for 20 years.
- The meters are able to measure water use with electronics which are less prone to loss of accuracy over time.
- Using Badger's *EyeOnWater* application, customers will have direct access to their water use data via a smart phone or other devices.

- The meters can provide notifications regarding leaks, tampering, reverse flow, temperature, and battery life for example.
- A separate trip to a property in ownership transition is not necessary to obtain a “final read”.

Implementation of the water meter transition:

- Staff proposes that the transition be completed over a maximum of two years; the meters would be delivered as needed for installation to avoid prematurely commencing the warranty period.
- Replacement of the commercial and 1” meters would be completed early on in the program.
- The City would complete a routine check of the sump pump discharge connections at the same time as the water meter installation.
- Staff is recommending that the meter replacement be completed by qualified current seasonal Public Works staff; with full time staff as the back-up. If the meter replacement is completed by a vendor, City staff still needs to inspect the installation.
- Water meter replacement appointments would be scheduled via City Hall.
- Assuming a total of 923 meters and an average of one hour of staff time per meter; the workload is roughly equivalent to one person working full time for six months focused solely on replacing water meters. To avoid impacting existing Public Works tasks and projects; hiring an additional seasonal will likely be needed.

Costs:

As detailed on the attached price quotes from Metering and Technology Solutions; the initial capital cost for the new metering system includes the meters (\$277,456) as well as the reading software and handheld device (\$11,199). The City needs the ability to read the older meters until the entire water meter fleet has been transitioned over to the new system. There would be an ongoing charge of \$0.89 per meter per month; using 923 meters this would total \$9,857.64. Please keep in mind that the total number of meters is changing on a regular basis as new customers connect to the City’s water system. There will also be a one-time staffing cost to install the new meters.

Fiscal Impact

Operation of the water system, including the metering process, is funded via the Water Enterprise Fund; the cash balance in this fund is currently about \$780,000. The primary revenue source for this fund is water sales to customers.

The Capital Improvement Plan estimated the initial year’s implementation cost to be \$200,000; the full cost was not known until recently.

Alternatives

1. Motion to Approve the Water Meter Replacement Program as presented.
2. Motion to Approve a revised Water Meter Replacement Program.
3. Deny the Request.

Staff Recommendation

Alternative No. 1: Motion to Approve the Water Meter Replacement Program as presented.

Attachments

1. Metering and Technology Solutions Price Quotations

PRICE QUOTATION



METERING AND TECHNOLOGY SOLUTIONS

Date 3/5/21

MTS is your authorized Badger Meter Distributor

FOR:

12016 Riverwood Dr
Burnsville, MN 55337

Lee: (763) 443-8250
Office: (952) 242-1960
Toll Free: (877) 398-0450
Fax: (952) 882-6350

City of Dundas
Duane Meliza
(507) 645-8062
dmeliza@dundas.us

RE: Badger Ultrasonic Meters w/ORION Cellular LTE-M

Line	Quantity	Product Description	Unit Price	Total
A	640	5/8x3/4" <u>Inside Meters</u> - Ultrasonic E-Series Polymer Meter w/10ft Twist Tight Connector and LTE-M Cellular Endpoint	\$290.00	\$ 185,600.00
B	250	5/8x3/4" <u>Outside Meters</u> - Ultrasonic E-Series Polymer Meter w/10ft Twist Tight Connector and LTE-M Cellular Endpoint	\$290.00	\$ 72,500.00
C		<u>1" Meter Locations</u>		
D		Kwik Trip, Chapel Brewing, Aldi, EPIC, Rice Co Shop, Hosanna Church, Pine Meadows, MGM		
E	18	1" Ultrasonic E-Series Polymer Meter w/10ft Twist Tight Connector and LTE-M Cellular Endpoint	\$371.00	\$ 6,678.00
F		<u>1x1/2" Meter Locations</u>		
G		8 Villas and College City Beverage		
H	9	1" Ultrasonic E-Series Polymer Meter w/10ft Twist Tight Connector and LTE-M Cellular Endpoint	\$762.00	\$ 6,858.00
I		<u>2" Meter Locations</u>		
J		Menards, Theatre, CarTime		
K	6	2" Ultrasonic E-Series Stainless Steel Meter w/10ft Twist Tight Connector and LTE-M Cellular Endpoint	\$970.00	\$ 5,820.00
L				
M		**Total Meter Count - 923		
N				
O				

Estimated Delivery: 4-6 weeks ARO	Payment Terms: Net 30 with approved credit	FOB: Factory / Burnsville
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MTS Contact: Lee Martin

All quotes are good for 30 days from the above date unless otherwise noted.

PRICE QUOTATION



**METERING AND
TECHNOLOGY
SOLUTIONS**

Date

3/1/21

MTS is your authorized



Badger Meter Distributor

FOR:

12016 Riverwood Dr
Burnsville, MN 55337

Lee: (763) 443-8250
Office: (952) 242-1960
Toll Free: (877) 398-0450
Fax: (952) 882-6350

City of Dundas
Duane Meliza
(507) 645-8062
dmeliza@dundas.us

RE: Badger Software with YUMA Handheld

Line	Quantity	Product Description	Unit Price	Total
A	1	Beacon AMA Software Includes (one-time fee)	\$5,000.00	
B		- BEACON Engagement Fee		
C		- Start-up and Activation		
D		- Onsite Training by MTS (optional 2 days)		
E		No monthly or annual fees		\$ 5,000.00
F		<u>Handheld to Read ORION CE meters</u>		
G	1	YUMA Tablet for BEACON w/Windows 10 Pro and ORION CE Transceiver Antenna	\$6,199.00	\$ 6,199.00
H		<u>Fees</u>		
I	1	YUMA Tablet Annual Fee for Mobile & User Licensing	\$1,200.00	
J		Monthly fee per meter charge for Cellular \$0.89 & For ORION CE \$0.06		
K				
L				
M				
N				
O				

Estimated Delivery: 4-6 weeks ARO

Payment Terms: Net 30 with approved credit

FOB: Factory / Burnsville

MTS Contact: Lee Martin

All quotes are good for 30 days from the above date unless otherwise noted.



REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Jenelle Teppen, City Administrator

SUBJECT: Consider Approving Dominic Milne as Part-Time Police Officer

DATE: For the City Council Meeting of April 12, 2021

PURPOSE/ACTION REQUESTED

Consider approving Dominic Milne as part-time Police Officer.

SUMMARY

As the Council will recall, staff has advertised, interviewed and made a contingent offer of employment to a candidate for the position of part-time Police Officer.

That offer was contingent upon the completion of the background investigation, medical and psychological screening and City Council approval.

The background investigation and the psychological and medical evaluations have been successfully completed.

RECOMMENDATION

Motion to approve appointing Dominic Milne to the position of part-time Police Officer.



REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council
FROM: Jenelle Teppen, City Administrator
SUBJECT: Consider Waiving Liquor License Fees for 2021 Renewals
DATE: For the City Council Meeting of April 12, 2021

PURPOSE/ACTION REQUESTED

Consider waiving liquor license fees for 2021 renewals.

SUMMARY

Due to the COVID-19 pandemic, Minnesota Governor Walz issued several executive orders that have impacted local businesses. One option for helping these impacted businesses is to waive or reduce fees.

Liquor license fees are meant to pay for license issuance, inspection, monitoring, compliance checks and enforcement. With the effects of the pandemic allowing most businesses to only be open to full capacity about 10 weeks of 2020, staff feels that waiving the following renewal fees for 2021 would have a positive impact on these businesses and help them recoup some of the missed revenue from the pandemic.

The City of Dundas issues liquor licenses from July 1 to June 30. Dundas currently has licenses issued in the following categories:

Type	Fees	Permitted to Sell
Combination On-sale and off-sale and special Sunday on-sale intoxicating	\$2760	All types of liquor
On-Sale Wine and 3.2% malt liquor	\$810	Wine, malt liquor. (strong beer, hard seltzer, cider)
Brewery Taproom, Special Sunday, off-sale malt liquor	\$625	Only products that they produce. Fee covers on and off sale
On-sale Intoxicating Liquor and Special Sunday on-sale	\$325	All types of liquor

Staff recommends waiving renewal liquor license fees for 2021 for on-sale intoxicating, on-sale wine/3.2% malt liquor, Brewery, Sunday and off-sale 3.2% licenses, the background investigation fee.

The estimated impact for waiving these fees is \$7,280. I imagine that there will be flexibility within the Coronavirus Local Fiscal Recovery Fund from which the City could reimburse itself for these funds.

The City of Northfield and Rice County have waived all fees for their 2021 renewals and Faribault has reduced their fees by 50%.

RECOMMENDATION

Motion to approve waiving liquor license renewal fees for 2021 for businesses impacted by the shutdowns related to the Coronavirus pandemic.

MEMORANDUM

To: Dundas City Council
From: Jared Shepherd, City Attorney
Date: 4/7/2021
Re: City Council Motion Process

This brief memorandum addresses some procedural tweaks that might allow City Council discussion and voting to be proceed with more clarity.

Currently, City staff assembles the agenda packet prior to the meeting and the agenda is accepted, unless a motion is made to amend it at the meeting. As the Council proceeds through the agenda, the Mayor moves through each agenda item by asking for a motion and a second. After receiving both, the Mayor turns the matter over to staff for a presentation and ultimately a discussion. This process is not inconsistent with *Robert's Rules of Order*, but, because the motion comes before any presentation by staff, in my observation, it has created some confusion as to the appropriate motion or decision and has resulted in unnecessary amendments. *Robert's Rules of Order* contemplates a motion may follow upon the presentation of a report or other communication. See ROBERT'S RULES OF ORDER (11th Ed.) § 3, 27:14.

Furthermore, Dundas City Code does not require conformity with *Robert's Rules of Order* exclusively. City Code § 30.02(B) *Procedure*, provides, "The presiding officer shall preserve order, enforce any rules adopted by the City Council, and determine without debate, subject to the final decision of the City Council on appeal, all questions of procedure and order. In all procedural points, not covered by this chapter, the Council proceedings shall be governed by *Robert's Rules of Order*." In sum, with the exception of an appeal, the Mayor is the final arbiter of appropriate procedure under Section 30.02(B), with the potential reference to *Robert's Rules of Order* as need arises.

Going forward, I believe that Council should establish the following procedure for taking up agenda items:

1. Staff Presentation of the Issue
2. Council Inquiry/Discussion
3. Motion and 2nd
4. Further discussion (if any)
5. Vote

Additionally, both staff reports and the City Administrator's memorandum will include recommended language for staff for any motions. Obviously, these can be modified by the Council pursuant to any discussion.

City of Dundas
Public Works Staff Meeting / City Engineer Update 4/8/21

March 16, 2021
Agenda

The City Administrator, Public Works Director, and City Engineer meet at least monthly to plan and review projects and tasks, and to discuss public works matters of all types. The agenda used for the most recent Public Works staff meeting forms the basis for the updates that are provided to the City Council. Following is the most recent Public Works staff meeting agenda with notes added.

1. 2019 Storm Pond Maintenance
 - Two-year warranty inspection in 2021.

2. 2021 Street Maintenance
 - \$75,000 budgeted for Road Maintenance which includes annual road repairs, patching, crack filling, seal coat, etc. in 2021.
 - Staff will solicit quotes to complete an edge mill and full width overlay of Hester Street, from CSAH 78 to Depot Street for completion in 2021.
 - **Staff will solicit quotes to complete the Bridge Street/2nd repairs and other patching. Potential patching areas will be identified in the next week.**
 - On 3/22/21 the City Council **awarded the contract** for the 2021 Seal Coat; three quotes were received with the low quote submitted by Pearson Bros. Inc.

3. 2021 Sidewalk/Trail Improvements
 - \$121,900 capital expenditure budgeted in 2021.
 - ECRT North-south connection along 1st Street North.
 - WSB has prepared a preliminary alignment for the west side.
 - Replacement tree(s) will be offered if existing trees are impacted.
 - Pursue striping of a crossing of Hester Street at 1st Avenue with Rice County.
 - **The trail work will include placement of aggregate base for parking at the ECRT on the NE corner of 1st Street N / Everett Street.**
 - **Storm sewer options will be considered for draining the roadway low point.**
 - Ped ramps on Bluff Lane at Miller Lane and Granite Way

4. 2021 Storm Sewer Maintenance
 - Hester Street
 - On the south side of Hester Street between the Menard and City ponds; the storm sewer outlet from 3rd Street will be extended, and the pond side slopes flattened in this area. This work is to be combined with other minor storm sewer work and contracted.
 - Staff will coordinate with Menard to obtain a right of entry onto their property to complete this work.
 - NE corner of Hester Street W. and Depot Street N. options are being considered for a new storm sewer structure at east side of the culvert under Depot Street.

- The culvert on the SE corner of Schilling Drive N. and CSAH 1 is also under review for possible maintenance.
 - Minor modification work to the catch basin near the Dundas Dome driveway to lower the inlet elevation.
5. 2023 Street Lighting
- On Railway Street down to West Avenue; and including lights at each end of the pedestrian bridge over the Cannon River.
 - \$120,000 capital levy over three years, 2021-2023, construction will occur in 2023. Some of the lighting materials may be purchased in advance to avoid price increases.
6. 2021 and 2022 Street Sweeping
- A draft Request for ***Quotes was issued*** for Citywide street sweeping in 2021 and 2022. ***One quote was received from Sanford Services***, it will be brought to the City Council for consideration on 4/12/21.
7. 2021 Sanitary Sewer Cleaning and Televising
- Citywide cleaning/televising will be completed on a 4-year rotation; 25% each year.
 - 3/11/21 a Request for Quotes was issued for the 2021 area.
 - ***Quotes will be brought to the City Council for consideration on 4/12/21.***
8. 2021 Water Meter Replacement Program
- 3/3/21 a meeting with the expected supplier was held to review estimated costs, equipment, software, and functionality.
 - 3/22/21 the proposed citywide water meter replacement program ***was*** presented by staff to the City Council at a work session; ***formal action will be requested at the 4/12/21 City Council meeting.***
 - The CIP had a cost estimate of \$200,000 to begin implementation of the program.
 - ***A routine check of sump pump connections will occur at the same time.***
9. Cannon Road
- Two-year warranty inspection in 2021.
10. City Hall
- Parking lot light poles and heads which were ordered from TSR Lighting / Border States Electric ***and were delivered to Guth Electric on 4/2/21, installation will take place in the near future.***
 - 10/12/22 Two Year Maintenance Bond expires on the site work.
11. Comprehensive Plan Update
- The Comprehensive Plan was approved, with minor changes, at the 7/27/20 City Council meeting.
 - ***Staff was directed to prepare an alignment study for the reconstruction of 115th Street between CSAH 20 and CSAH 22 to facilitate corridor safety; a preliminary design and construction schedule will also be prepared. Rice County will be used as a resource such that alignment options are developed consistent with the County's long range vision for the intersections.***

12. CSAH 1/TH 3 Pedestrian Crossing

- Crossing of CSAH 1 connecting the existing trail near the PRV to the sidewalk on Stafford Road North. The estimated project cost is \$137,000 including Accessible Pedestrian Signals at all corners.
- WSB is proceeding with a more detailed concept development to include concepts for the pedestrian connections west along the south side of CSAH 1.
- A portion of the \$121,900 capital expenditure budgeted for Sidewalk/Trail in 2021 will be to further design of these crossing concepts.
- ***WSB will meet on site with the owner of the self-storage on the SW corner.***

13. Forest Avenue

- Extensive pavement repair has been included in the CIP for 2022 construction.
- Soil borings have been completed to determine the scope of the repairs.

13. Memorial Park

- ***WSB modeled the incorporation of berm protection for the stadium area while trying to achieve a “no rise” condition for the floodplain. A berm configuration was developed that is high and long enough to prevent the 100-year flood from reaching the field. However, this berm would have only 0.4 feet of freeboard on the southeast side; the standard goal for earthen berms is usually 1.0 feet of freeboard as a factor of safety against overtopping. Further, this berm configuration did not meet a no-rise condition. The water surface elevation with the berm would cause a rise in water surface elevation both upstream and downstream of the stadium and would affect at least six residential parcels on the bank of the Cannon River.***
- ***As a no rise condition was not achieved, in order to construct a berm for the 100-year flood the City would need to pursue a Letter Of Map Revision (LOMR) with the Federal Emergency Management Agency (FEMA).***
 - ***The FEMA permit fees alone for these applications are about \$16,000.***
 - ***The City would also need to get resident approval for any rise on properties not owned by the City.***
 - ***Extensive hydraulic model updates would be needed, engineering costs for this effort could run another \$15,000-\$20,000.***

The berm protection will not be pursued any further. Staff will meet and update Mike Ludwig of the Dundas Dukes.

- The play structure RFP has been prepared; \$53,000 capital expenditure budgeted. The proposed RFP was approved by the City Council on 2/8/21. Proposals are due back on 3/19/21.
- Schedule for paving the entry in early 2022; \$106,000 capital expenditure budgeted in 2021 for trail and entrance work.
- Dukes are hosting the State Baseball Tournament in 2022.

15. Mill Town Trail Head

- WSB has prepared 50% plans and an update construction cost.
- The sculpture will be re-set then cleaned in the spring of 2021.
- ***WSB was directed to carry the plan preparation to 100%; the final plans will then be reviewed with the sculpture area committee.***

16. Northfield Wastewater Treatment

- The City continues to experience variable BOD and TSS levels; a draft update for Northfield was submitted to City staff on 3/8/21.
- ***An update on the City's effluent as it compares to Wastewater Agreement was forwarded to Northfield staff on 3/16/21.***

17. Public Works Future Tasks

- Dundas falls within MnDOT's Southeast frost zone. MnDOT started spring load restrictions in the South, Southeast, and Metro frost zones on 3/4/21 at 12:01 AM.
- The CIP identifies the need for a cold storage structure in the next 1-2 years; staff is preparing more detailed cost estimates for this work.
- Bridgewater Township will place aggregate base on 115th in 2021; the City will cost share proportional to road ownership.
- Around the Stoneridge Hill, Millstone, and Schilling Park storm ponds; PW staff will install small permanent signs in the spring of 2021 at the drainage easement/City property limits for future reference. WSB will provide surveying as needed.
- Review the code section support for public vs. private service repairs and frozen water services.
- The storm water code and fees are under review, including sump pump connection requirements. Staff met with Andrew Albers to discuss his concerns regarding the amount of City fees he pays and research he has done on fee options.
- Consideration of a permanent signal Hester Street/TH 3 Intersection is to be identified in MnDOT's long term planning.
- A pavement management document will be prepared based on past actions and bituminous pavement conditions.
- WSB is setting up a spreadsheet and file for tracking Letters of Credit for new developments.
- Northfield contacted the City about utility connection availability for 5500 110th St E.
- The City received an inquiry about creating a vegetative buffer along the river in Mill Park; the City has no plans for native plantings in this area.
- ***Hester Street, east of TH 3, will be re-striped to better align with the new lane configuration on the west side.***
- ***Available concept planning for the area north of Bluestone Drive will be reviewed in anticipation of future development inquiries.***
- ***Utility easement needs SE of 7 Cannon Street will be reviewed to determine if site expansion can be accommodated.***
- ***Rice County held a meeting at City Hall on 4/1/21 to discuss Decker Avenue and the potential for a County roadway corridor from TH 19 to CSAH 1 along this alignment. A resolution in support of an alignment study by the County will be brought to the City Council on 4/12/21.***

18. Regional Storm Water and Wetland

- This is the next storm water pond cleaning project; the focus for 2021 work at the regional pond will be clearing trees/brush and removing sediment. This work will be completed in the fall of this year or next winter; there may be cost savings to allow the contractor more time to complete the work.
- A study will be needed to quantify the treatment capacity and service area for the pond located between Hester Street and CSAH 1, east of 3rd Street North.

19. Stafford Road

- Two-year warranty inspection in 2021.

20. UPRR/Hester Street sidewalk crossing

- Retaining wall relocation at 236 Railway Street to be completed under a separate contract in the future; coordination with UPRR and cost estimating will occur before then.

21. Water Supply Plan

- Implementation deadlines to be checked quarterly.

22. Water Towers

- Suez agreement to be reviewed/reconsidered but will likely be continued based on the City's recent experience.
- At the east tank, some interior repairs will be needed in 2021; Suez has been contacted. Work to be completed in early spring or late fall when water demand is lower.

23. Wellhead Protection Plan (WHP)

- ***On 3/24//21 a WHPP implementation kickoff meeting was held with MRWA.***

24. Xcel Energy Feeder Line R/W permit

- Additional turf restoration work is needed.

25. A&J Storage

- The owner has been contacted about containing snow storage to their own property.

26. AT&T East tower antenna modification

- 8/24/20 AT&T's proposed 4th Amendment to the antenna lease was approved by the City Council.
- 12/3/20 AT&T submitted revised construction drawings for review; on 12/10/20 review comments were provided to AT&T.

27. Bridgewater Heights PUD

- A final punch list for the project will be prepared in 2021.

28. Bridgewater Heights Third Addition

- 3/8/21 the City Council approved a Comprehensive Plan Amendment, a PUD Amendment, and the Preliminary Plat with conditions.
- ***Final Plat application has been received and is under review.***

29. Bridgewater Heights Annexation Area Concept Plan

- 2/18/21 the Planning Commission considered the concept plan and provided feedback.
- 3/11/21 the City received a letter from the Bridgewater Township attorney objecting to the annexation.

30. Cannon River Valley Estates

- Punch list to be prepared after all work has been completed.
- The developer plans to complete the improvements in 2021.

31. Dundas Dome Site

- A request for an extension of the completion date for parking lot work was approved by the City Council on 10/12/20.

32. Johnson-Reiland Commercial

- 1/5/21 pre- and post-development drainage calculations were received related to the Grading/Fill Permit application for 399 Stafford Road N.

33. Menards Gate Expansion

- 5/11/20 the City Council approved a Planned Unit Development Amendment, a Site and Building plan, and a lot line adjustment for this project. The City has received building plans for this work.

34. Stoneridge Hills

- ***A potential developer has requested background information on prior approvals and infrastructure related to the area north of Bluestone Drive (Outlot C).***

35. West Avenue Apartments

- 6/8/20 the City Council approved the Comprehensive Plan Amendment, Preliminary and Final Plat; the PUD Preliminary and Final Plan; Building and Site Plan; a Planned Unit Overlay District; and the Development Agreement.
- 8/4/20 the developer signed the Development Agreement and the storm water agreement.
- On 3/1/21 the developer was reminded of tasks he needs to complete prior to site grading.



NOTICE OF PUBLIC HEARING
City of Dundas – Rice County

NOTICE IS HEREBY GIVEN that the Dundas Planning Commission will conduct a Public Hearing on Thursday, April 15, 2021 at 7:00 p.m. or soon thereafter as possible at Dundas City Hall, 216 Railway St N, Dundas, MN to consider an ordinance amendment related to the review process for final plat applications. The amendment would change the Subdivision Ordinance to no longer require Planning Commission review of final plat applications.

The Planning Commission will consider both oral and written comments. If you desire to be heard in reference to this matter you may attend the Public Hearing, submit a letter to the City Administrator/Clerk at City of Dundas, PO Box 70, Dundas, MN 55019-0070, or email jteppen@dundas.us. Letters and emails must be received by 4:30 PM, Thursday, April 15, 2021. A copy of the amendment is available for inspection at Dundas City Hall during normal business hours.

Jenelle Teppen, Administrator/Clerk
Published *Faribault Daily News*: April 3, 2021



NOTICE OF PUBLIC HEARING
City of Dundas – Rice County

NOTICE IS HEREBY GIVEN that the Dundas City Council will conduct a Public Hearing on Monday, April 26, 2021 at 7:00 p.m. or soon thereafter as possible at Dundas City Hall, 216 Railway St N, Dundas, MN to consider public easement vacations related to the replatting of a portion of Bridgewater Heights into Tower Heights associated with an approved preliminary plat. The easements are located in Outlots H and I and Blocks 16-24.

The City Council will consider both oral and written comments. If you desire to be heard in reference to this matter you may attend the Public Hearing, submit a letter to the City Administrator/Clerk at City of Dundas, PO Box 70, Dundas, MN 55019-0070, or email jteppen@dundas.us. Letters and emails must be received by 4:30 PM, Thursday, April 26, 2021. A copy of the vacation is available for inspection at Dundas City Hall during normal business hours.

Jenelle Teppen, Administrator/Clerk
Published *Faribault Daily News*: April 3, 2021