

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)**  
**JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING**  
**MINUTES**  
**July 11, 2019**  
**Little Crow Golf Resort, Spicer**

Present: Art Benson, Rollie Boll, Donna Boonstra, Jesse Gislason, Les Heitke and Kerry Johnson

Ex Officio: Roger Imdieke and Dave Ramstad, Ph.D., Director, Planning and Development Services, City of Willmar

Excused: Kelly TerWisscha

Guest: Bill Gossman, New London Mayor

Staff: Aaron Backman, Executive Director and Connie Schmoll, Business Development Specialist

Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc. (LAA)

Vice President Kerry Johnson called the meeting to order at approximately 11:04 a.m. and introduced New London Mayor Bill Gossman. Mayor Gossman welcomed the board to the Little Crow Golf Resort and provided information on the facility to be built in New London by Bethesda. The facility will have 72 beds—36 of which are apartments, 18 assisted living and 18 memory care units. Construction will start this fall and 60 new jobs are anticipated. Bethesda also hopes to have a daycare in the new facility. Mayor Gossman also stated New London is planning to build a new library.

[Gossman was excused from the meeting.]

As to membership in WORKUP, Aaron Backman informed the board that last year the Joint Powers Board restored full membership support in WORKUP for the 2019 budget.

**AGENDA—**

IT WAS MOVED BY Rollie Boll, SECONDED BY Donna Boonstra, to approve the Agenda and following Consent Agenda. MOTION CARRIED.

**CONSENT AGENDA—**

- Approve:
1. Minutes of June 13, 2019 meeting
  2. Financial reports as of June 30, 2019
  3. Payment of bills over \$1,000:
    - a. WORKUP invoice for \$1,350 as budgeted
    - b. Bolton and Menk invoice for \$2,720 from the Engineering Services line on the budget

4. Committee additions/removals:
  - a. Removal of Kim Augeson from the Marketing and Public Relations Committee at her request
  - b. Addition of Glenn Otteson to the Broadband and Advanced Technology Committee

Accept: Committee/Subcommittee Minutes

1. Ag Industrial Hemp Subcommittee 5/13/2019
2. Broadband and Advanced Technology 6/3/2019
3. Marketing and Public Relations 5/28/2019
4. Leisure Travel 6/3/2019

## **UNFINISHED BUSINESS**

**Conference Call or Electronic Meetings of the EDC Boards.** Backman presented information on members attending board meetings via telephone or interactive television. Attorney Brad Schmidt stated the EDC is considered a unit of government and is subject to open meeting laws and notice. More information as to the requirements for offsite attendance is in his June 12, 2019 email (see attached). Nancy Birkeland informed the board that she publishes special and annual meeting notices in the newspaper, as well as any meeting location changes for the Joint Powers Board. Media receives notification of each board meeting via email.

**USDA Intermediary Relending Program.** Backman gave an update on discussions between the U.S. Department of Agriculture (USDA) and the Kandiyohi County Housing and Redevelopment Authority (HRA), about the EDC taking over the USDA Intermediary Relending Program (IRP) from the Kandiyohi County HRA. Backman reported he spoke with an HRA board member, who is in favor of the EDC taking over the IRP. Backman attended the HRA board meeting yesterday where additional discussion was held on transferring the IRP. At that meeting, Jill Bengtson reported she identified an HRA staff person who could oversee the program and administer the program in-house. Backman's main concern is that the IRP is used. Backman believes there are some HRA board members who are in favor of expanding the program to more than downtown Willmar, but he does not know if a majority is in favor. Roger Imdieke questioned why the county HRA would not be in favor of including the entire county in the IRP.

**Auditor Responses.** Backman informed the board that letters were sent to four accounting firms to request estimates for doing the EDC's financial audit for three years. Quotes were received from Conway, Deuth & Schmiesing and Westberg Eischens (see attached). Backman, Vice President Johnson and Birkeland will interview the two firms in the next two weeks. A recommendation will be brought to the Joint Powers Board.

## **NEW BUSINESS**

**New Value Proposition for Membership in WORKUP.** Backman reported he spoke with Betsy Bonnema relative to this board's concerns and decision as to membership in WORKUP. Bonnema responded with a new proposal for annual membership in WORKUP at \$5,400. The proposition includes two key cards, unlimited meeting room hours and four 50% off credits for entrepreneurs in

Startup Bootcamp, at the EDC's discretion. Connie Schmoll stated the EDC has referred entrepreneurs to Startup Bootcamp, but the EDC has not financially supported their attendance. Southwest Initiative Foundation has paid for some fees. Startup Bootcamp was started in 2016 to provide marketing support for entrepreneurs. It is held 6 to 10 times each year for three to four businesses each time for 16 hours. As of June, over 50 business throughout the region have participated in Startup Bootcamp. Board members voiced concerns about supporting a private business with an annual membership fee., but voiced approval for assisting entrepreneurs with the Startup Bootcamp fee.

IT WAS MOVED BY Donna Boonstra, SECONDED BY Art Benson, to accept the offer by Betsy Bonnema for membership in WORKUP at the annual rate of \$5,400 to include four 50% credits for Startup Bootcamp. MOTION FAILED.

IT WAS MOVED BY Art Benson, SECONDED BY Rollie Boll, to approve \$3,600 for membership in WORKUP for the Kandiyohi County and City of Willmar Economic Development Commission's 2020 budget and reserve in the budget \$1,800 for scholarships for entrepreneurs to attend Startup Bootcamp. MOTION CARRIED.

## **PROGRESS REPORTS**

**Willmar/Willmar Industrial Park.** Backman reported the groundbreaking for the Willmar Wye was held Tuesday with dignitaries from federal highway, federal rail, Senator Tina Smith's office, Congressman Collin Peterson's office, Minnesota Department of Transportation Commissioner Margaret Anderson Kelliher and local legislators. Boonstra noted the train ride and lunch provided by the BNSF cook car and chef were fabulous. The event was great exposure for Willmar. Heitke stated the Wye project is now over \$50 million. Imdieke noted the \$48 million does not cover the entire project area, such as the bridge being done by the county and the new roundabout at Highway 12 and County Road 5. Backman reported he and Dave Ramstad are in the early states of interacting with Innovative Systems, a utility bill printing company that is considering a location in the Third Addition of the Willmar Industrial Park. It is looking to construct a 17,000 sq. ft. building, which would be the first new construction in the Third Addition since it was established. Backman, Schmoll and Ramstad have been in discussions with EpiTopix about extending the Willmar sewer system to its facility south of Highway 12 and west of 45<sup>th</sup> Street NW in order to expand the business. They also need access to a water main. Backman has looked into possible funding options. A letter of support from EpiTopix would be needed if the EDC applies for a grant, as well as a resolution of support from the City of Willmar.

Ramstad would like EpiTopix to contribute a percentage rather than a specific dollar amount and annex the business into the city. Annexation would affect approximately seven lots some of which includes farm land. Ramstad will be researching how to move forward with possible annexation. Ramstad will require the city building inspector to inspect the building as it does not have sprinklers. Ramstad is also looking at discounting the lots in the Willmar Industrial Park to make it competitive as there has been no new construction in the Third Addition for over 10 years. Because of the Willmar Wye project, this is a good time to discuss annexation. Ramstad stated the final agreements for the sale to Herzog Development are being signed. There is potential for possible outdoor patio space and a dog park with the project. The county will be doing public infrastructure changes. Ramstad stated

\$32 million in construction is happening across the city of Willmar according to the building inspector. Backman stated the elevator is being installed in Midtown Plaza and 15<sup>th</sup> Street Flats is nearing completion.

## **STRATEGIC PRIORITY AREAS**

**Ag Innovation.** Schmoll reported the Partners in Ag Innovation conference will be held August 1<sup>st</sup>. There are currently 80 registrants. Schmoll has free registrations for any board members who wish to attend.

**Broadband.** Schmoll reported three townships passed resolutions to participate in an engineering survey, but noted it will be difficult to apply for a state broadband grant this year.

**Business Support and Workforce Development.** Backman reported the Business Retention and Expansion/Recruitment Committee is working on a community video. The Chancellor for Minnesota State Colleges was in Willmar and announced a workforce scholarship program that targets high-demand areas. Schmoll stated the Minnesota legislature added early childcare to its agenda this year.

**Rural Child Care Innovation Program.** Schmoll attended a meeting of the core group Tuesday. The EDC contributed money toward scholarships for early childcare classes at Ridgewater College. Sally Calvin assisted in creating Successful Willmar Area Providers for childcare providers. The YMCA reached its \$500,000 goal by July 4<sup>th</sup> for the Spicer daycare center and has raised \$565,000 as of this week. Parent Care Aware is working on an appreciation event for childcare providers. Jennie-O Turkey Store would like to provide funds for emergency needs and would like to know about any other childcare needs. First Children's Finance wants to work with childcare providers that have open spaces.

**Highway 23 Coalition Update.** Boonstra reported on the Coalition's trip to Washington, D.C., which included meetings with the Federal Highway Administration and Minnesota legislators. The Coalition is seeking support for Highway 23 to receive designation as a Federal Rural Freight Corridor. The group attended a walking meeting with Rep. Pete Stauber, who is very supportive. Stauber recommended the Coalition garner memberships by Superior, Wisconsin and Sioux Falls, South Dakota. The group also met with a lobbyist, who sat in on the meeting with the Federal Highway Administration and complimented the group for what was presented. Imdieke stated everyone was appreciative of the Coalition making the effort to come to D.C. It was a very rewarding trip.

**Business Visits and Meetings.** Backman reported he presented to the Willmar Lakes Area Chamber of Commerce Board for its midyear review. One question he was asked was how many prospects he has visited with. EDC staff has worked with 13 prospects and 64 local businesses over the past 18 months (see report attached). Backman chaired the Minnesota Association of Professional County Economic Developers meeting in June. Schmoll reported yesterday she met with Woodland Centers, which is redoing its parking lot. They are in need of 15 psychologists and an individual who works with Medicare. Followup of the Retail Business Design Workshops is being looked at; she closed on the EDC's loan to K-Traps and continues to work with new businesses.

## COMMITTEE REPORTS

**Agriculture and Renewable Energy Development.** Rollie Boll reported the Industrial Hemp Exploratory Subcommittee has been busy. Schmoll reported the subcommittee met this past Monday and heard from a speaker relative to hempcrete; the individual was interviewed by Dick Hagen of *The Land*, who was at the meeting. Harold Stanislawski of the Agriculture Utilization Research Institute is looking for industrial hemp-related companies to come to Minnesota and, specifically, this area.

**Finance.** The Finance Committee did not meet, but Schmoll is working with new businesses for potential loans.

**Marketing and Public Relations.** Schmoll used the EDC's marketing material at conferences she recently attended.


**Leisure Travel.** Art Benson reported the events calendar was reviewed.

**NEXT MEETING**—The next board meeting is **11:00 a.m., Thursday, August 8, 2019**, at the EDC Office, Willmar.

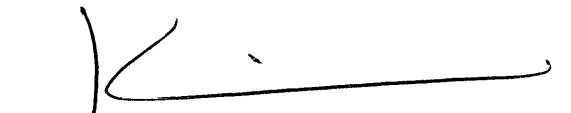
## ADJOURNMENT—

IT WAS MOVED BY Art Benson, SECONDED BY Les Heitke, to adjourn the meeting.

The meeting was adjourned at approximately 12:46 p.m.

  
Art Benson, Secretary

APPROVED: 8/8/2019:

  
Kelly TerWisscha, President

**From:** Brad Schmidt [<mailto:BradSchmidt@jmsklaw.com>]

**Sent:** Wednesday, June 12, 2019 4:43 PM

**To:** Aaron Backman <[aaron@Kandiyohi.com](mailto:aaron@Kandiyohi.com)>

**Subject:** RE: EDC Questions

Aaron:

Because the EDC is considered a unit of government, it is subject to open meeting laws and notice, just as any government unit. Even though it has no taxing authority, the EDC needs to follow the same law as all units of government. The following information describes the requirements for electronic meetings, and notice requirements.

#### Meetings by interactive television

A public meeting may be conducted by interactive television if all four of the following requirements are met:

- At least one member is physically present at the regular meeting location.
- All members must be able to hear and see each other and all discussion and testimony presented at any location at which at least one member is present.
- All members of the public at the regular meeting location must be able to hear and see all discussion, testimony, and votes of all members.
- Each location at which a member is present must be open and accessible to the public.

If possible, a member of the public should be able to monitor the meeting electronically from a remote location.

If interactive television is used to conduct a regular, special, or emergency meeting, the public body shall provide notice of the regular meeting location and notice of any site where a member of the public body will be participating by interactive television. The timing and method of providing notice will depend on whether the meeting is a regular, special, or emergency meeting. The open meeting law does not define the term "interactive television." Therefore, it is not clear what technology is authorized to be used under this authority.

#### Telephone or electronic meetings

Meetings may be conducted by telephone or other electronic means if all of the following conditions are met:

- The presiding officer, chief legal counsel, or chief administrative officer for the affected governing body determines an in-person meeting or a meeting conducted through interactive television is not practical or prudent because of a health pandemic or an emergency declared under chapter 12 of the Minnesota Statutes.
- All members of the governing body participating in the meeting can hear each other and can hear all discussion and testimony.
- Members of the public present at the regular meeting location can hear all discussion, testimony, and votes of the members of the body, unless attendance at the regular meeting location is not feasible due to the health pandemic or emergency declaration.
- At least one member of the governing body, chief legal counsel, or chief administrative officer is physically present at the regular meeting location, unless unfeasible due to the health pandemic or emergency declaration.
- All votes are conducted by roll call so that each member's vote on each issue can be identified and recorded.

Each member of the governing body participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

If telephone or another electronic means is used to conduct a meeting, to the extent practical, the governing body shall allow a person to monitor the meeting electronically from a remote location. The governing body may require the person making a connection to pay for the documented additional cost incurred as a result of the additional connection.

If telephone or another electronic means is used to conduct a regular, special, or emergency meeting, the public body shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and, if practical, of the option of connecting to the meeting remotely. The timing and method of providing notice will depend on whether the meeting is a regular, special, or emergency meeting.

It appears that telephone or electronic meetings will not happen very often due to the requirement that they are only allowed because of a health pandemic or declared emergency.

#### Notice to public

##### Regular meetings:

A schedule of the regular meetings of a public body shall be kept on file at its primary offices. If a public body decides to hold a regular meeting at a time or place different from the time or place stated in its schedule of regular meetings, it shall give the same notice of the meeting that is provided in this section for a special meeting.

##### Special meetings:

(a) For a special meeting, except an emergency meeting or a special meeting for which a notice requirement is otherwise expressly established by statute, the public body shall post written notice of the date, time, place, and purpose of the meeting on the principal bulletin board of the public body, or if the public body has no principal bulletin board, on the door of its usual meeting room. The law does not require posting in any other remote locations.

(b) The notice shall also be mailed or otherwise delivered to each person who has filed a written request for notice of special meetings with the public body. This notice shall be posted and mailed or delivered at least three days before the date of the meeting.

(c) As an alternative to mailing or otherwise delivering notice to persons who have filed a written request for notice of special meetings, the public body may publish the notice once, at least three days before the meeting, in the official newspaper of the public body or, if there is none, in a qualified newspaper of general circulation within the area of the public body's authority.

(d) A person filing a request for notice of special meetings may limit the request to notification of meetings concerning particular subjects, in which case the public body is required to send notice to that person only concerning special meetings involving those subjects.

(e) A public body may establish an expiration date for requests for notices of special meetings pursuant to this subdivision and require refiling of the request once each year.

(f) Not more than 60 days before the expiration date of a request for notice, the public body shall send notice of the refiling requirement to each person who filed during the preceding year.

Once you review this information, please be in contact with further questions.

[Bradley J. Schmidt](#)  
[Johnson, Moody, Schmidt & Kleinhuizen, P.A.](#)



## CPAS & ADVISORS

### Proposal for Professional Auditing Services

Kandiyohi County and  
City of Willmar Economic  
Development Commission  
Willmar, MN

## Your Audit Experts

FOR YEARS ENDING  
DECEMBER 31, 2018-2020

Date Submitted: June 26, 2019

#### Contact Person

Jim Gilman, CPA

Retired Partner

**Direct** (320) 214-2927

**Main** (320) 235-3311

**Fax** (320) 214-7071

**Toll-free** (888) 388-1040

[jgilman@cdscpa.com](mailto:jgilman@cdscpa.com)

#### Conway, Deuth & Schmiesing, PLLP

CPAS & CONSULTANTS

331 3<sup>rd</sup> St SW, Ste 2

PO Box 570

Willmar, Minnesota 56201



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June 26, 2019

Aaron Backman, Executive Director  
Kandiyohi County and City of Willmar Economic Development Commission  
222 20<sup>th</sup> St SE  
Willmar, MN 56201

Dear Mr. Backman:

In response to your request for a proposal for the Kandiyohi County and City of Willmar Economic Development Commission's annual audit, we are submitting the following proposal for the years ending December 31, 2018, 2019, and 2020. We appreciate the opportunity to bid these services, and your consideration of our firm.

The attached proposal addresses the information you requested, including the qualifications of our firm, the depth and breadth of the services we will provide the Commission, and our commitment to meet the deadlines while providing the highest quality work through a process that is both efficient and effective.

We are best qualified to perform the engagement for the Kandiyohi County and City of Willmar Economic Development Commission based on our core values which are at the foundation of our firm: integrity, quality, collaboration, innovation, and kindness.

If you have any questions regarding our proposal, please feel free to call me at (320) 214-2927.

Sincerely,

CONWAY, DEUTH & SCHMIESING, PLLP

Jim Gilman  
Certified Public Accountant  
Retired Partner

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**Willmar Office**  
331 Third St SW, Ste 2  
PO Box 570  
Willmar, MN 56201  
(320) 235-3311  
(888) 388-1040

**Benson Office**  
1209 Pacific Ave, Ste 3  
Benson, MN 56215  
(320) 843-2302

**Morris Office**  
401 Atlantic Ave  
Morris, MN 56267  
(320) 589-2602

[www.cdscpa.com](http://www.cdscpa.com)

**Litchfield Office**  
820 Sibley Ave N  
Litchfield, MN 55355  
(320) 693-7975

**Sartell Office**  
Ste 110  
2351 Connecticut Ave  
Sartell, MN 56377  
(320) 252-7565  
(800) 862-1337

# INDEPENDENCE STATEMENT AND LICENSED TO PRACTICE

## **INDEPENDENCE STATEMENT**

We confirm that CDS is independent with regard to the Kandiyohi County and City of Willmar Economic Development Commission as defined by AICPA standards.

## **LICENSED TO PRACTICE IN STATE OF MINNESOTA**

All of our Certified Public Accountants are licensed to practice in Minnesota and meet the continuing education requirements. This is achieved by using various resources available, including conferences, continuing education classes and self-study continuing education.

# OUR SERVICES FOR KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION

Our services would include the following:

- » Performing an audit of your financial statements for the fiscal years ending December 31, 2018, 2019, and 2020, in accordance with generally accepted auditing standards; *Government Auditing Standards*; and the provisions of the Federal Single Audit Act and U.S. Office of Management and Budget (OMB) Uniform Guidance, and other federal, state, and local requirements, as applicable.
- » Issuing a report on the fair presentation of the financial statements and an “in-relation to” report on the supporting schedules in conformity with generally accepted accounting principles.
- » Providing separate reports required by *Government Auditing Standards*, the Single Audit Act (as applicable), and the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*.
- » Preparing and submitting the Federal Audit Clearinghouse Form, if applicable.
- » Providing information on upcoming GASB Statements.
- » Issuing a report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
- » Ongoing access throughout the year to answer your questions.



## A Dedicated Team of Experts

### FIRM QUALIFICATIONS AND EXPERIENCE

CDS is a local, multi-office firm with offices in Willmar, Benson, Morris, Litchfield, and St. Cloud-Sartell, Minnesota. Our staff includes ten partners, fifty-five staff accountants (a total of thirty-three Certified Public Accountants), and thirteen support staff members.

We have a dedicated audit team that is aware of and committed to meeting your Organization's needs and the reporting deadlines. The proposed audit engagement for Kandiyohi County and City of Willmar Economic Development Commission would be served by staff from our Willmar and Litchfield offices. Jim Gilman, CPA, (retired partner) would be in charge of your engagement. Additionally, one Manager, one Senior Accountant, one Staff Accountant, and one Quality Technical Review Manager will also be assigned to the engagement.



## ENGAGEMENT TEAM MEMBERS

Our experienced team will provide you with the highest standard of excellence throughout your engagement. The following staff from our Willmar and Litchfield offices would be assigned to work on your engagement.



**In Charge of Engagement – Jim Gilman, CPA (retired partner)** – Jim established his own accounting practice in Willmar in September of 1981 after working for McGladrey and Pullen for four years. In 1995, he merged his practice with CDS and was admitted as a Partner. Jim graduated from Mankato State University in Mankato, MN with a Bachelor of Science degree in Mathematics and Physics, and later returned to receive a degree in Accounting. He received his CPA certification from the Minnesota Board of Accountancy in 1979. After Jim's retirement from the CDS partnership in 2017, he continues to remain a trusted advisor to our clients. We are excited to have his expertise and knowledge with our firm in the years to come. Jim practices in a variety of accounting and tax areas, but specializes in tax planning and preparation, and governmental and retirement plan auditing and consulting. Jim is current with his CPE requirements, including the governmental standards for auditors. Jim is a member of the AICPA and the MNCPA.



**Quality Technical Review Manager – Justin McGraw, CPA** – Justin joined CDS in 2014. Prior to CDS, he worked in auditing for over two years. He graduated from University of North Dakota in Grand Forks, ND with a Bachelor of Accountancy degree. Justin received his CPA certification from the Minnesota Board of Accountancy in 2014. In 2015, Justin was promoted to Senior Accountant and in 2017, he was promoted to Manager. His focus areas are governmental, non-profit, and retirement plan auditing. Justin is a member of the AICPA, the MNCPA, GFOA, and MASBO.



**Manager – Kari Steinbeisser, CPA, CFE** – Kari joined CDS in 2011. She graduated from St. Cloud State University in St. Cloud, MN, with a Bachelor of Science degree in Accounting. Kari received her CPA certification from the Minnesota Board of Accountancy in 2011 and her Certified Fraud Examiners (CFE) certification in 2014. In 2014, Kari was promoted to Senior Accountant and in 2015, she was promoted to Manager. Her focus areas are governmental auditing and forensic accounting. She is current with her CPE requirements, including the governmental standards for auditors. Kari is a member of the AICPA, the MNCPA, the AFCE, GFOA, and MASBO.



**Senior Accountant – Brenda Parsley, CPA** – Brenda joined CDS in 2016. She graduated from Southwest Minnesota State University in Marshall, MN with Bachelor of Science degrees in Accounting and Finance with a Corporate Finance Concentration. She received her CPA certification from the Minnesota Board of Accountancy in 2017. In 2018, Brenda was promoted to Senior Accountant. Her focus area is governmental auditing. Brenda is a member of the AICPA, the MNCPA, and MASBO.



**Staff Accountant – Shawn Hanson** – Shawn joined CDS in 2018. He graduated from Southwest Minnesota State University in Marshall, MN with Bachelor of Science degree in Accounting. His focus area is governmental auditing. Shawn is a member of MASBO.



## OUR COMPREHENSIVE TEAM OF EXPERTS

In addition to our audit team, the following additional CDS specialists will be available to the Kandiyohi County and City of Willmar Economic Development Commission. We offer a full range of business and advisory services to help small and medium sized clients increase their efficiency and financial performance. Our experts are easily accessible and able to respond promptly and effectively to your needs.

OTHER BUSINESS AND ADVISORY SERVICES	
Specialist(s)	Areas of Expertise
Richard (Rick) Conway, CPA and Retired Partner	Financial and Managerial Consulting and Mergers and Acquisitions
Roger Deuth, CPA, CVA, ABV, and Retired Partner	Business Valuations
Jim Rudnick, CPA, CVA, and Partner	Business Valuations and Sales and Use Tax
Dave Corneil, CPA, CVA, and Partner	Business Valuations
Kelly O'Farrell, CPA, CVA, and Partner	Business Valuations
Matt Itterman, CPA, CVA, and Senior Accountant	Business Valuations
Mark Olson, CPA, CSEP, and Retired Partner	Estates and Trusts
Mike Zager, CPA, CSEP, and Retired Partner	Estates and Trusts
Jill Hedman, CPA and Manager	Estates and Trusts
Annette Benson, CPA, CFE, and Partner	Forensic Accounting
Paul Harvego, CPA, CFE, and Retired Partner	Forensic Accounting
Kari Steinbeisser, CPA, CFE, and Manager	Forensic Accounting
Jennifer Lownsbury, CPA and Partner	International Tax
Val Amberg, CHRS and Retired Partner at affiliated company, CDS Administrative Services, LLC	Employee Benefits Administration and Health Care Reform
Michelle Hanson, CPP, CHRS, Partner, and Director of Payroll Services	Payroll and Health Care Reform
Lori Reich, CPP and Senior Payroll Specialist	Payroll
Lisa McLaughlin, CPP and Payroll Specialist	Payroll
Deb Ritter, CPP and Payroll Specialist	Payroll
Patrice Struthers, Network Administrator	Information Technology
Jean Geselius, Director of Marketing	Marketing Services
Chance Hooper, CPA, CFP, LPL Financial Advisor	Wealth Management
Alec Saunders, CFP, CRPC, EA, LPL Financial Advisor	Wealth Management
33 Certified Public Accountants	Financial Statements
33 Certified Public Accountants	Tax Planning and Preparation

# PROFESSIONAL FEE SCHEDULE FOR KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION

**Name of Firm:** Conway, Deuth & Schmiesing, PLLP

June 26, 2019

**Our All-Inclusive Fees for the Audit would be:**

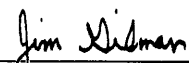
Year Ended December 31, 2018	\$ 8,250
Year Ended December 31, 2019	\$ 8,600
Year Ended December 31, 2020	\$ 8,950

Upon initial review of the Commission's prior year financial statement, we feel it is necessary that certain additional services be completed prior to issuing an unmodified opinion in order to be in compliance with GASB Statements. These additional services include the following: modifications to statements within the report to be in compliance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. These services will be billed at our normal hourly rates of \$50 - \$75.

The fees do not include any procedures necessary under the Single Audit Act. Discussions with executive director, Aaron Backman, have indicated the Commission will be under the threshold needed to perform a Single Audit. A Single Audit would be necessary only if the Commission were to receive and expend more than \$750,000 of Federal Funds. The fee for the Single Audit Act is based on the number of programs tested and billed at our normal hourly rates, which vary according to the degree of experience of the personnel assigned. The approximate cost for a Single Audit would be \$2,500 - \$3,000.

We would be available throughout the year for any additional accounting and consulting services. We are a full-service firm able to assist you with a wide variety of tasks. These services would be billed at our normal hourly rates of \$55 - \$245, depending on the level of expertise needed to provide assistance. We would not charge for brief inquiries that are outside the scope of the agreed upon procedures. Additional accounting and consulting services requested or required will be discussed with you prior to procedures performed.

I certify that I am entitled to represent Conway, Deuth & Schmiesing, PLLP (CDS), empowered to submit this bid, and authorized to sign a contract with the Kandiyohi County and City of Willmar Economic Development Commission.

  
\_\_\_\_\_  
Jim Gilman, CPA, and Retired Partner



**KANDIYOHI COUNTY & CITY OF WILLMAR  
ECONOMIC DEVELOPMENT COMMISSION**

**Proposal for Audit Services**

**For The Years Ending December 31, 2018,  
2019, and 2020**

Presented by: Westberg Eischens, PLLP  
Certified Public Accountants

Engagement Leaders: Scott Van Buren and  
Kasey Nelson  
2630 1<sup>st</sup> Street South  
Willmar, MN 56201  
(320) 235-3727  
svanburen@wecpas.net  
knelson@wecpas.net

Date: June 19, 2019



June 19, 2019

Kandiyohi County & City of Willmar Economic Development Commission  
Attn: Aaron Backman  
PO Box 1783  
Willmar, MN 56201

Dear Mr. Backman:

Thank you for the opportunity to quote our professional auditing services to your Commission. Westberg Eischens, PLLP has been auditing entities under governmental audit standards for over thirty years and will be committed to providing the Kandiyohi County & City of Willmar Economic Development Commission with quality audit services at a fixed, competitive cost.

The firm Westberg Eischens, PLLP (W-E) is the result of several local accounting firms and professionals uniting together to provide West Central Minnesota with a diversified Certified Public Accounting and Consulting Firm. The firm has locations in both Willmar and Montevideo, Minnesota, and provides accounting, auditing, tax and consulting services to a wide spectrum of entities in Minnesota. The partners are all Certified Public Accountants licensed by the State of Minnesota and are members of the American Institute of Certified Public Accountants (AICPA) and the Minnesota Society of Certified Public Accountants (MNCPA). Together they represent over seventy years of accounting experience.

In accordance with your request for proposals, we would like to highlight the scope of your audit.

#### **Audit Standards To Be Observed In Performing the Audit**

- **Audit Checklist** – In accordance with firm policy, W-E uses Practitioners Publishing Company's (PPC's) Governmental Audit Program to insure audit compliance with auditing standards. W-E also utilizes Generally Accepted Auditing Standards and Governmental Audit Standards as promulgated by the AICPA.
- **General Concerns** – In accordance with governmental auditing standards, W-E will provide the Commission with a report on internal control. This provides the management with helpful insight in determining the overall effectiveness of your accounting controls and procedures. In addition, we will provide the Board of Managers with the necessary information for the Commission's leadership team to make sound financial decisions.
- W-E is independent with respect to the Kandiyohi County & City of Willmar Economic Development Commission within the meaning of the AICPA Code of Professional Conduct Rule 101.

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- We have successfully passed several "peer reviews", a reaccreditation of the auditing and accounting system of quality control we utilize. This is a mandatory standard to maintain membership in the AICPA and MNCPA as well as for licensure for auditing by the State Board of Accountancy. We have provided a copy of our most recent peer review with this proposal.

### **Comprehensive Annual Financial Report (CAFR)**

- Westberg Eischens, PLLP has assisted other governmental units with the submission of their CAFR to the Governmental Finance Officers Association (GFOA) for the Certificate of Achievement and is capable of providing your Commission with insight regarding the submission.

### **Identification of Audit Approach**

- Interim Consultation – To provide overall operation efficiencies, our firm encourages open communications between clients and the firm. In addition, W-E conducts preliminary audit procedures, when applicable, prior to year-end to expedite the completion of the audit
- Specified Procedures – In addition to direct confirmation and testing of account balances, W-E samples payroll, disbursements, and receipts as a part of the overall test of internal controls. Internal control is studied by questionnaire and/or inquiry and testing to provide a basis of understanding for the audit approach.
- Additional Analysis – As part of our audit, W-E will provide the Kandiyohi County & City of Willmar Economic Development Commission with timely and accurate fund balance data. W-E brings significant understanding of non-profit and governmental audit requirements and specifically tests for grant compliance.

### **Report Schedule**

- Audit Reports – W-E will provide the Board of Directors with copies of the annual audit in advance of the board presentation to allow them to address any areas of concern at the board meeting.
- Audit Presentation – W-E appreciates the opportunity to present the audit information to the Commission's Board of Directors. Such a presentation allows for open discussion and the opportunity to address areas of concern or clarification.

### **Contact Information**

Scott Van Buren can answer any questions that you may have about the qualification statement. He can be reached at (320)-235-3727.

### **Identification of Principal Supervisory and Management Staff**

- The firm of Westberg Eischens, PLLP is comprised of eleven Certified Public Accountants, eight Accountants, three Paraprofessionals, and an Office Manager. We have experienced personnel to complete your audit timely and efficiently.
- The principle auditors of your audit will be Scott Van Buren, CPA and Kasey Nelson, CPA.

Scott Van Buren, CPA and partner, has over 30 years of accounting and auditing experience. He will serve as the principal for the engagement.

Mr. Van Buren's educational and audit experience has been extensive in the area of profit, non-profit, HUD, 401(k), and governmental entities. He also has completed over forty hours of Continuing Professional Education per year over the past three years which are directly related to accounting and auditing.

Mr. Van Buren is currently licensed by the State of Minnesota, as well as current member of the American Institute of Certified Public Accountants and the Minnesota Society of Certified Public Accountants.

Kasey Nelson, CPA, will serve as the in-charge accountant for the engagement.

Mrs. Nelson has a master's degree in professional accountancy and became a CPA in May 2014. She has been with Westberg Eischens, PLLP since July 2014. Since joining the firm, she has been a team member on audit engagements of various for-profit, non-profit, and governmental entities.

Mrs. Nelson is currently licensed by the State of Minnesota, as well as a current member of the American Institute of Certified Public Accountants and the Minnesota Society of Certified Public Accountants.

#### **Total Dollar Cost Bid**

- For cost effectiveness, Westberg Eischens, PLLP is requesting a three-year audit services engagement for the years ended December 31, 2018, 2019, and 2020.
- Westberg Eischens, PLLP will perform audit services for the Kandiyohi County & City of Willmar Economic Development Commission for the three years ended December 31 as follows:
  - 2018 Audit Services - \$7,500 plus \$1,000 to assist the EDC in complying with GASB No. 68 retroactively to the December 31, 2015 implementation date.
  - 2019 Audit Services - \$7,750
  - 2020 Audit Services - \$8,000
  - Other Audit Services - \$350 annually to submit the Special District Financial Reporting Form to the Minnesota State Auditor.
- Statement to exceptions to the audit service – Generally, W-E adheres to the fixed proposal as quoted at the time of the Request for Proposal. In limited circumstances, when additional bookkeeping procedures are dictated, firm policy requires Board approval prior to services rendered. W-E will not submit unapproved additional expenses to the Commission without this approval.

References are available upon request.

Again, we would like to thank you for this opportunity to quote professional services to the Kandiyohi County & City of Willmar Economic Development Commission. If additional information is needed, please do not hesitate to contact our firm.

Sincerely,

*Westberg Eischens, PLLP*

Westberg Eischens, PLLP

## Report on the Firm's System of Quality Control

October 3, 2017

To the Partners of Westberg Eischens, PLLP and the Peer Review Committee of the Minnesota Society of Certified Public Accountants.

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

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

### Firm's Responsibility

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

### Peer Reviewer's Responsibility

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

### Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, a compliance audit under the Single Audit Act and audits of employee benefit plans.

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

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Westberg Eischens, PLLP in effect for the year ended May 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Westberg Eischens, PLLP has received a peer review rating of *pass*.

*Olsen Thielen & Co., Ltd.*

Olsen Thielen & Co., Ltd.



## **Joint Operations Board Meeting**

**Aaron Backman Report**

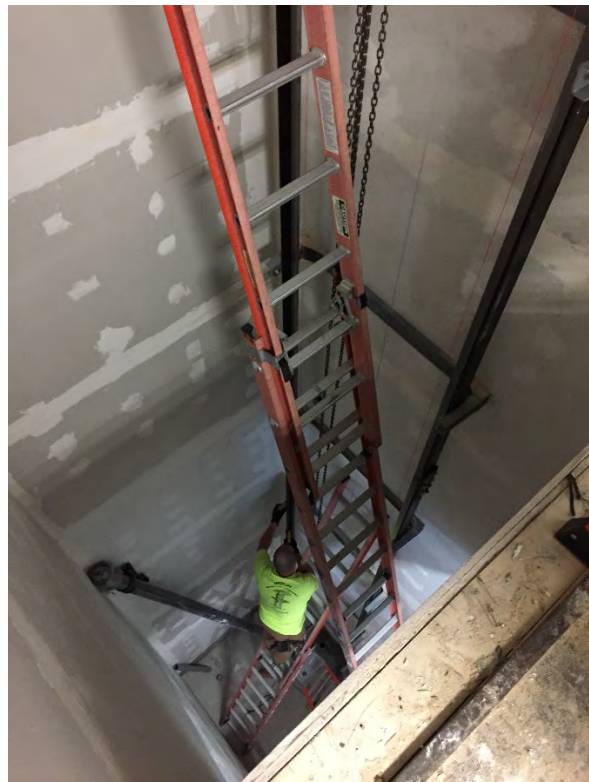
**July 11, 2019**

### **Highway 23 Coalition**

Donna Boonstra, Chair of the Highway 23 Coalition, led a delegation of 16 Coalition members to Washington, D.C. from June 18<sup>th</sup> through 20<sup>th</sup>. They had set up meetings with Minnesota's Congressional delegation and at the Federal Highway Administration. Particularly meaningful were discussions with Congressman Peterson, Congressman Stauber, U.S. Senator Smith staff, and U.S. Senator Klobuchar staff.

### **Midtown Plaza Elevator Project**

The new elevator is now being installed in the Midtown Plaza in downtown Willmar! On July 9<sup>th</sup> the Owner Zack Mahboub showed me the new rails that are being installed in the elevator shaft by the contractors. The EDC helped line up the financing for the \$129,000 project from the Southwest Initiative Foundation, Mid-Minnesota Development Commission, and Home State Bank.



### **15<sup>th</sup> Street Flats—Construction Update**

Construction for 15<sup>th</sup> Street Flats continues to move ahead. If the schedule continues to hold, the developer anticipates project completion and move-in by September of 2019.



### **USDA Intermediary Relending Program (IRP)**

Over the past year the local USDA Rural Development Office has encouraged the EDC to take over the administration of the Willmar Downtown Intermediary Relending Program (IRP). On April 9<sup>th</sup>, Jill Bengston, HRA, Kevin Friesen, USDA Rural Development, Connie and I met at USDA in Willmar to discuss this opportunity. The IRP was discussed at the EDC's Joint Powers Board meeting on April 27<sup>th</sup> and with the Joint Operations Board. Board members were open to exploring the concept.

The IRP Program in Willmar was established in 1998 and was capitalized at \$600,000. The IRP is a 1% loan from the USDA that is in turn lent to local businesses (at a higher interest rate). Approximately 20 business loans were approved for business acquisition, construction, and working capital, however, no loans have been issued or approved by the HRA in 9 years. Currently there are three active loans with a loan value of approximately \$100,000 and roughly there is \$500,000 in cash. The maturity date for the USDA loan is June of 2028 (and there was about \$158,233 left to pay on the note in May).

Back in 2014 and 2015 EDC staff (Steve Renquist and Jean Spaulding) put in a fair amount of time trying to get the IRP fund transferred to the EDC. The Finance Committee reviewed the loans and adopted a motion supporting it; and the Joint Operations Board adopted resolutions supporting it. Ultimately the transfer did not occur. The merger of the Willmar HRA and the Kandiyohi Co. HRA





could have slowed the process down. If the HRA does not do something with the program, I'm concerned we would not be effectively using an economic development tool in Kandiyohi County.

As I mentioned to the EDC Board in June, if the EDC is to assume administration of the IRP I would recommend three changes to the program. First, expand the eligible program area from Downtown Willmar to citywide or countywide. Second, consider expanding the eligible business uses (businesses have evolved in the last 20 years). Third, consider bringing administration of the loan program "in house". Instead of having Heritage Bank prepare and administer the loans, have the EDC do so. We can do it (and keep the administrative fees).

On June 12<sup>th</sup> Aaron and Connie discussed this matter with the Kandiyohi County HRA Board of Directors. Because there was not a quorum of the Willmar HRA at the County HRA Board meeting, the members decided to have further discussions at the July HRA Board meeting. Subsequently, I talked with Denis Anderson, an HRA Board member (and Willmar HRA Board member). He is supportive of transferring administration of the program to the EDC and of expanding the geographic area eligible for the IRP program. I also attended the July 10<sup>th</sup> meeting of the HRA Board to further discuss the IRP Program transfer to the EDC. At that meeting Jill Bengtson, Executive Director of the HRA, indicated that she has identified an HRA staffer that could oversee the Willmar IRP program and that now she would like to bring administration of the IRP Loan Program "in house" and not have Heritage Bank administer it.

#### **Business Meetings (May 14<sup>th</sup> – July 11<sup>th</sup>)**

1. Presented on behalf of the Hwy 23 Coalition to the Region 7W Transportation Policy Board at MnDOT District 3 offices in St. Cloud (6/14/19)
2. 2020 Budget meeting with Kathy Schwantes (6/17/19)
3. Weekly development meetings w/Dave Ramstad, Director Planning & Development, City of Willmar (6/24, 7/2, 7/9)
4. Attended State of Manufacturing Event at Ridgewater College (6/18/19)
5. Attended Kandiyohi County Commission meeting regarding setting the public hearing for the Suite Liv'n Tax Abatement request for Sunwood 24-unit facility (6/18/19)
6. Participated in meeting w/U.S. Senator Tina Smith staff re agriculture issues at EDC
7. Attended Social Media Breakfast event at WORKUP (6/19/19)
8. Participated in Job Fair Partners meeting at Ridgewater College preparing for September 2019 Job Fair
9. Presented on behalf of the Hwy 23 Coalition to the Central MN ATP Organization at MnDOT District 3 offices in St. Cloud (6/20/19)
10. Attended U.S. Senator Tina Smith staff-led Housing Listening Session at Willmar Public Library (6/24/19)
11. Participated in the Hwy 23 Coalition Board of Directors meeting at Dooley's Petroleum (6/26/19)



12. Presented to the Willmar Chamber Board of Directors at its Mid-Year Review Event held at the MinnWest Technology Campus (6/27/19)
13. Participated in monthly meeting with Dr. Craig Johnson, President of Ridgewater College (7/3/19)
14. Video meeting with Ned Zimmerman of GogyUp and Connie regarding a pilot project in Willmar (7/8/19)
15. Spoke at Willmar Wye Groundbreaking Ceremony at former Willmar Airport (7/9/19)
16. Presented to Kandiyohi County HRA re IRP Program (7/9/19)

### **Business Visits**

1. Participated in follow-up meeting w/Mitch Schuler and others from Epitopix & Connie Schmoll at Epitopix production facility re extending City sanitary sewer; Also discussions with Jared Voge, Bolton & Menk re cost estimates for the project.
2. As President of MAPCED, led Quarterly meeting held at Superior Industries in Morris, MN; inc. tour of component manufacturing facility (6/27 – 6/28/19)
3. Participated in meeting with Jeff Bleess, Owner of Tires Plus and Connie regarding possible sale of business
4. Meeting w/Joanna, GM of MWTC, regarding prospect for the campus
5. Meeting w/Jacqueline Samayoa, Glow by J Boutique located in Kandi Mall
6. Tours of the renovation area for the elevator project at Midtown Plaza with Zack Mahboub

### **Other Client Info**

Recently, I was invited to present at the Willmar Lakes Area Chamber of Commerce's Mid-Year Review (6/27/19) for its Board of Directors.

Among the questions they wanted me to address was how many businesses and prospects does the EDC (Connie and myself) work with on a yearly basis. Below is a list of 13 prospects and 64 local businesses/entrepreneurs that we have worked with in the last one and one-half years that I provided to them. Some of the businesses involved limited technical assistance and others involved significant TA.

EDC Prospects in the past 18 months:

All-Natural Frozen Treats Company in the Twin Cities  
Animal Feed Company in France  
Bioscience Company in the Twin Cities  
Contract Manufacturer in Greater MN  
Logistics Company based in Memphis  
Medical Products Company in Twin Cities  
Metal Coatings Company in the Twin Cities



Pasteurization Facility in Greater MN  
Fargo Housing Developers (2)  
Sioux Falls Housing Developer  
Willmar Housing Developers (2)

Local/Existing Companies the EDC has worked with in the past 18 months:

Accessories 4 Trucks, Willmar  
Ain-U-Shams (Diverse Grocery), Willmar  
Amin Grocery (Diverse Grocery), Willmar  
Appliance & Home Center of Willmar  
Beauty Box (Relocation from Alexandria), Willmar  
Bethesda Senior Housing Campus, New London  
Black Bear Fish Houses, Rural Willmar  
Coffee & More, Spicer  
DI Labs, Spicer  
Doherty Staffing Solutions, Willmar  
Domino's/Legacy Commons, Willmar  
Double J Concrete & Masonry (Relocated to Rural New London)  
El Guerrerito Taqueria (Diverse Business), Willmar  
Epitopix, Willmar  
Escape Willmar, Willmar  
Family Roots Chiropractic, Spicer  
15th Street Flats (Commonwealth Housing Project), Willmar  
Giovanni's Pizza, Willmar  
Happy Family Asian Grocery (Diverse Business), Willmar  
Healthy Fusion, Willmar  
Historic 313 Building/Preservation Alliance of MN, Willmar  
Huerta Auto Repair (Diverse Business), Willmar  
Innovative Systems, Rural Willmar  
Kandi Mall, Willmar  
Knock-out Family Enterprises, Willmar  
K-Traps, Pennock  
Lake Lillian Food Garage/Restaurant , Lake Lillian  
Lakeland Apartments (SWMHP Housing Project), Willmar  
Lettuce Abound, New London  
Little Crow Resort, Spicer/New London  
Luci's Bling (Diverse Business), Willmar  
Marketing Concepts (Relocation from Spicer to Willmar)  
Midtown Plaza (Diverse Business), Willmar  
Mill Pond Salon, New London



Model Citizen, New London  
New London Food Coop, New London  
Patina Marquet, Willmar  
Peaceful Thymes, Atwater  
Royal Cutz Barber (Diverse Business), Willmar  
Simply Shrimp, Svea  
Sunburg Café, Sunburg  
Spicer Early Learning Center, Spicer  
Spurs Grille (Diverse Business), Willmar  
Sunwood Apartments (Suite Liv'n Housing Development), Willmar  
Unique Opportunities (Herzog Housing Project), Willmar  
Universal Athletics (Diverse Business), Willmar  
Universal Kutz Barbershop (Diverse Business), Willmar  
Unnamed Ag Business  
Unnamed Blading Business, Rural Raymond  
Unnamed Catering Business, Raymond  
Unnamed Child Care Centers in 2 Churches, Willmar  
Unnamed Downtown Business, Willmar  
Unnamed Family Entertainment Business at Kandi Mall, Willmar  
Unnamed Food Sales & Distribution Business, Willmar  
Unnamed Home Care Business  
Unnamed Light Manufacturing Businesses (3)  
Unnamed Massage Business, Atwater  
Unnamed Taxi Business (Diverse Business), Willmar  
Urban Escape Boutique, Spicer  
VP Enterprises / Erickson Plumbing & Heating, Blomkest  
Willmar Child Care Center (Diverse Business), Willmar