



NORTH BRANCH

—Minnesota—

Kevin Schieber
Mayor

Robert Canada
Councilmember/Acting Mayor

Travis Miles
Councilmember

Kelly Neider
Councilmember

Peter Schaps
Councilmember

**CITY COUNCIL
REGULAR AGENDA
TUESDAY, SEPTEMBER 10, 2024 @ 7:00 PM
CITY HALL, 6408 ELM STREET, NORTH
BRANCH, MN 55056**

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. AGENDA APPROVAL
 - a. Approve Agenda ACTION
5. PRESENTATION & PROCLAMATION
 - a. Employee Retirement Recognition INFO
 - b. Space Needs Analysis INFO
 - c. 2023 Audit Presentation ACTION
6. PUBLIC COMMENT

Provides an opportunity for the public to address the Council on items that are not on the Agenda. Please raise your hand to be recognized. Please state your name and address for the record. This section is for the express purpose of addressing concerns of City services and operations. It shall not be used to clarify individual's views for political purposes.
7. CONSENT AGENDA

All matters listed under Consent Agenda are considered routine and/or non-controversial and will be approved by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the Agenda.

 - a. Claims ACTION
 - b. 2024 Local and State Aid Overlay Project Bid Award ACTION

- c. Ordinance 380-24 Granting Minnesota Energy Resources Permission to Erect A Gas Distribution System ACTION
- d. Ordinance 382-24 Authorizing the Summary Publication of Ordinance 380-24 Granting Minnesota Energy Resources Permission to Erect a Gas Distribution System ACTION
- e. Ordinance 381-24 Creating Chapter 18 Business, Article XII Cannabis Regulation ACTION
- f. Ordinance 383-24 Authorizing the Summary Publication of Ordinance 381-24 Creating Chapter 18 Business, Article XII Cannabis Regulation ACTION
- g. Approve Resolution R-81-2024 Approving Northwood Park Pickleball Court & Site Improvements - Pay Request 3 ACTION
- h. Authorizing a Reduction in a Letter of Credit for the Boka Haven Project ACTION
- i. Site Improvement Agreement with Greg Schneller ACTION
- j. Approve Resolution No. R-86-2024, Approving the special event permit for the North Branch High School Homecoming Fireworks Display on September 27, 2024 ACTION
- k. Approve Gambling LG220 Permit - St Gregory the Great Catholic Church ACTION
- l. Resolution R-87-2024 Approving Pay Request No. 8 for the Water Tower #1 Rehab Project ACTION
- m. Resolution R-88-2024 Approving Pay Request No. 6 for the Highway 95 Water Main Replacement Project ACTION

8. PUBLIC HEARINGS

9. STAFF REPORTS

- a. Resolution 82-2024 Ordering the Securing of 38624 14th Avenue - Vacant Structure ACTION
- b. Update and Discussion Regarding Liquor Store Operations INFO
- c. Motion to approve selection of Professional Audit Services ACTION
- d. Resolution Adopting the Preliminary 2025 EDA Tax Levy for the City of North Branch ACTION
- e. Resolution Adopting the Preliminary 2025 HRA Tax Levy for the City of North Branch ACTION
- f. Resolution approving the Preliminary 2025 Operating and Debt Levy ACTION
- g. Attorney Monthly Report INFO

10. MAYOR/CITY COUNCIL

11. ADJOURNMENT

*****Notice of Participation*****

Councilmember Canada will be attending the City of North Branch Regular Meeting on Tuesday, September 10, 2024 at 7pm via Phone or iPad connectivity, pursuant to Minnesota Statute 13D.02. Councilmember Canada will be either seen and heard at the meeting via electronic google meet (phone or ipad) and will participate remotely located at Giannis Steak House, 635 Lake St East, Wayzata, MN in a space that is open and accessible

to the public. His phone number is 651-895-0602.

Councilmember Miles will be attending the City of North Branch Regular Meeting on Tuesday, September 10, 2024 at 7pm via Phone or iPad connectivity, pursuant to Minnesota Statute 13D.02. Councilmember Miles will be either seen and heard at the meeting via electronic google meet (phone or ipad) and will participate remotely located at 800 Washington Ave, St. Louis, MO 63101, in a space that is open and accessible to the public. His phone number is 763-370-4613.

Since we do not have time to discuss every point presented, it may seem that decisions are preconceived. However, background information is provided to the City Council on each Agenda item in advance from Staff and appointed Commissions; and decisions are based on this information and past experiences. In addition some items may also have been discussed preliminarily at Council Work Sessions. If you are aware of information that has not been discussed, please raise your hand to be recognized. Comments that are pertinent are appreciated. Items requiring excessive time may be continued to another meeting.



Prepared By: Ragini Varma, City Clerk / IT Director

Presenter: Ragini Varma, City Clerk / IT Director

Date: 08/06/2024

Board & Commission: City Council

Subject: Approve Agenda

The Council will approve the Agenda as is or with modification by a motion and second, before proceeding with the meeting further.

Voting Requirements:

Voting Options Simple Majority



Prepared By: Shawn Williams, Public Works Director

Presenter: Shawn Williams, Public Works Director

Date: 08/30/2024

Board & Commission: City Council

Subject: Employee Retirement Recognition

Public Works Director Williams will present the plaque in recognition and appreciation of Public Works Employee John Goshey for his thirteen years of dedication and commitment to the City of North Branch. John's position with the city was our Lead Wastewater Operator. We are presenting him with a plaque to say thank you for all he has done. The City of North Branch would like to extend best wishes to John Goshey in retirement!

Voting Requirements:

INFO



Prepared By: Sharon Wright, Finance Director

Presenter: Sharon Wright, Finance Director

Date: 09/03/2024

Board & Commission: City Council

Subject: Space Needs Analysis

Kraus Anderson team will present the Space Need Study to the Council as part of Phase II presentation.

Voting Requirements:

INFO



Presented By:



HAGEN, CHRISTENSEN & MCILWAIN
ARCHITECTS



KRAUS-ANDERSON®

City of North Branch: FEASIBILITY STUDY

- Public Works
- Police Station
- Police Storage
- City Hall
- Fire Station
- Community Center

City Plan

Feasibility Study Scope

1. Public Works
2. Police
3. Police Storage & Training
4. City Hall
5. Fire Station
6. Community Center



Existing Public Works

Space Needs

- Proper Ventilation
- Safe Welding Conditions
- General Structural Safety
- Safe Building Circulation
- Proper Lighting
- Secure Yard
- Public Parking
- Proper Fleet Storage
- Conference Room
- Office – Utility Admin
- Training Room
- Wash Bay
- Effective Vehicle Lifts
- Public Service Desk and Deliveries
- Oil Storage
- Parts Storage
- Equipment/ Tool Storage
- Pull Through Maintenance Bays
- Lube Room
- Sign Shop
- Forestry Bay
- Efficient Fuel Tank Storage
- Break Room
- Locker Rooms



FCA : \$1,405,708

Value includes deferred maintenance and code required upgrades of existing facility only (13,600 sf).

Public Works

Concept Layout Options

- Public Works stand alone structure
- 92,954 sf**

Project Build-Out Costs

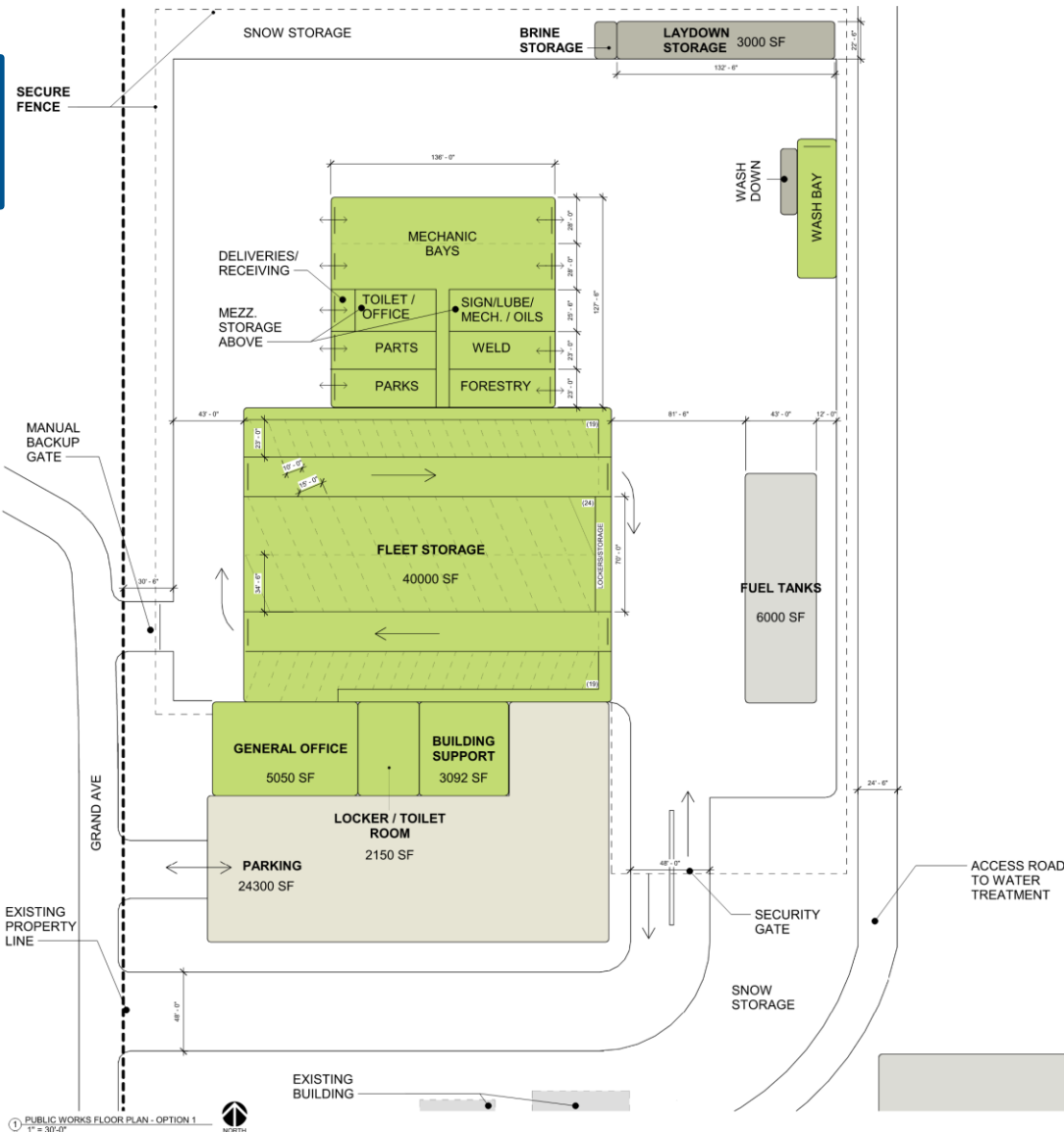
- Building Construction Type**
Precast with Thin-brick Exterior
Metal Stud, Storefront Glazing & Metal Panel
- Cost Estimate Range: \$37M - \$45.3M**

Reference Photo: Precast Building (Fleet Storage and Maintenance)



Reference Photo: Metal Stud /storefront glazing/ metal panel(office)

- Drawing shown on existing Water Treatment Facility. City to determine actual location.



Existing Police Station

Space Needs

- Proper Interview Rooms (4)
- Proper Children's Forensic Entry and Interview Room
- Proper Supporting Viewing Rooms
- Open Workstations
- Evidence Storage
- Secured Intake Lockers
- Evidence Processing
- Patrol Room
- Media Room
- Secured Armory
- Gun Cleaning
- Roll Call Room
- Full Kitchen
- Tech Charging Stations with Drone Storage
- Bunk/Wellness/Prayer/Mothers Room
- Dedicated Space for K9 unit
- DWI Intake
- Indoor parking for 21 squad cars



FCA : \$580,930

Value includes deferred maintenance and code required upgrades of existing facility only (3,415 sf).

Police Station

Concept Layout Options

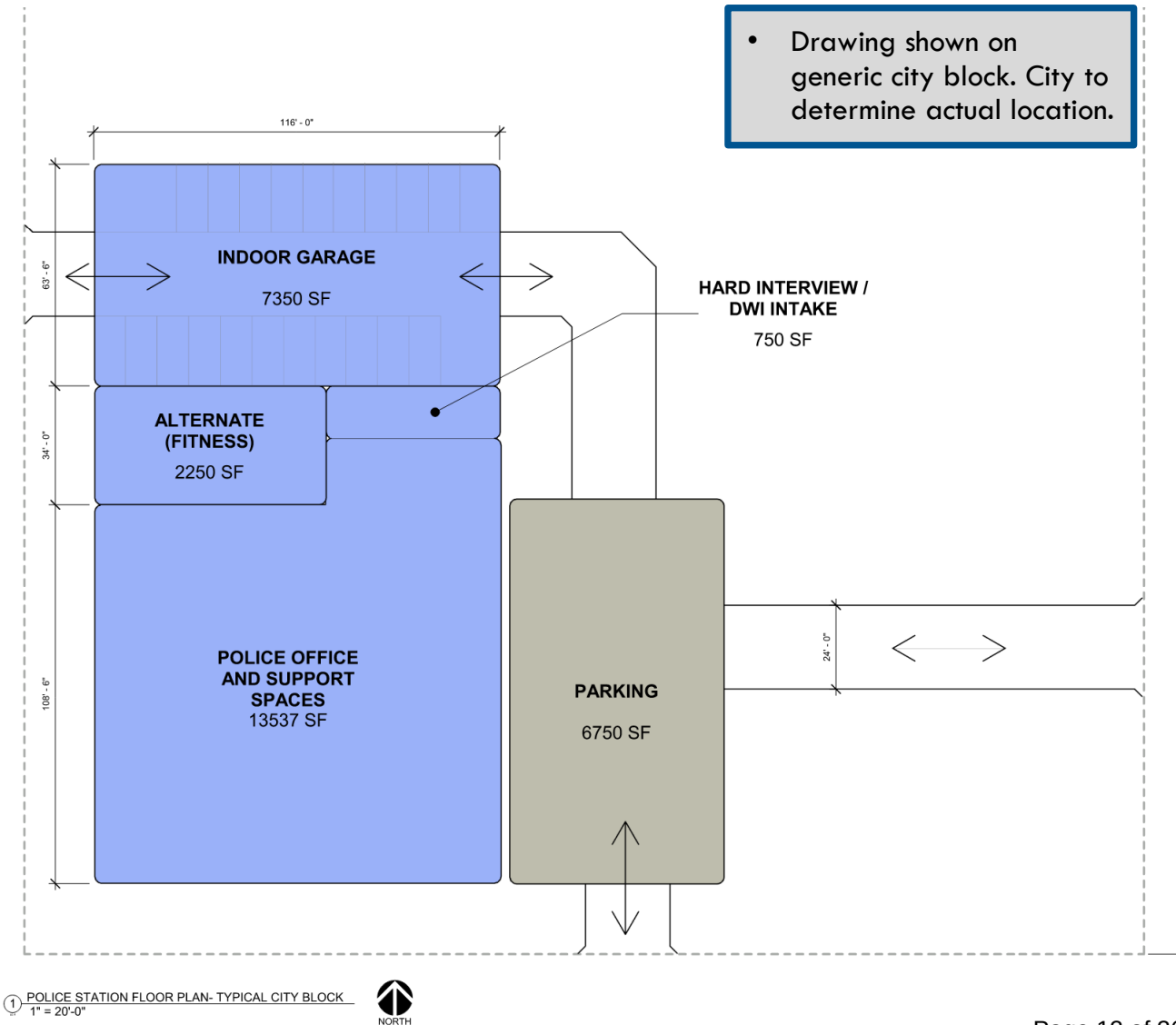
- Police Station stand alone structure
21,639sf

Project Build-Out Costs

- Building Construction Type**
Precast with Thin-brick Exterior
- Cost Estimate Range: \$10.4M - \$12.6M**



Reference Photo: Precast Building with Thin-brick



Existing Police Storage

Space Needs

- Proper Secure Indoor Impound Parking
- Outdoor Impound Parking (10 Stalls)
- Secure Trailer Parking
- Indoor Range
- Fitness Facility
- Lockers
- Training Mats
- Simulation Lab
- Training Classroom
- Large Training (Vehicle Stops)

FCA : \$142,050

Value includes deferred maintenance and code required upgrades of existing facility only (3,300 sf).



Police Storage

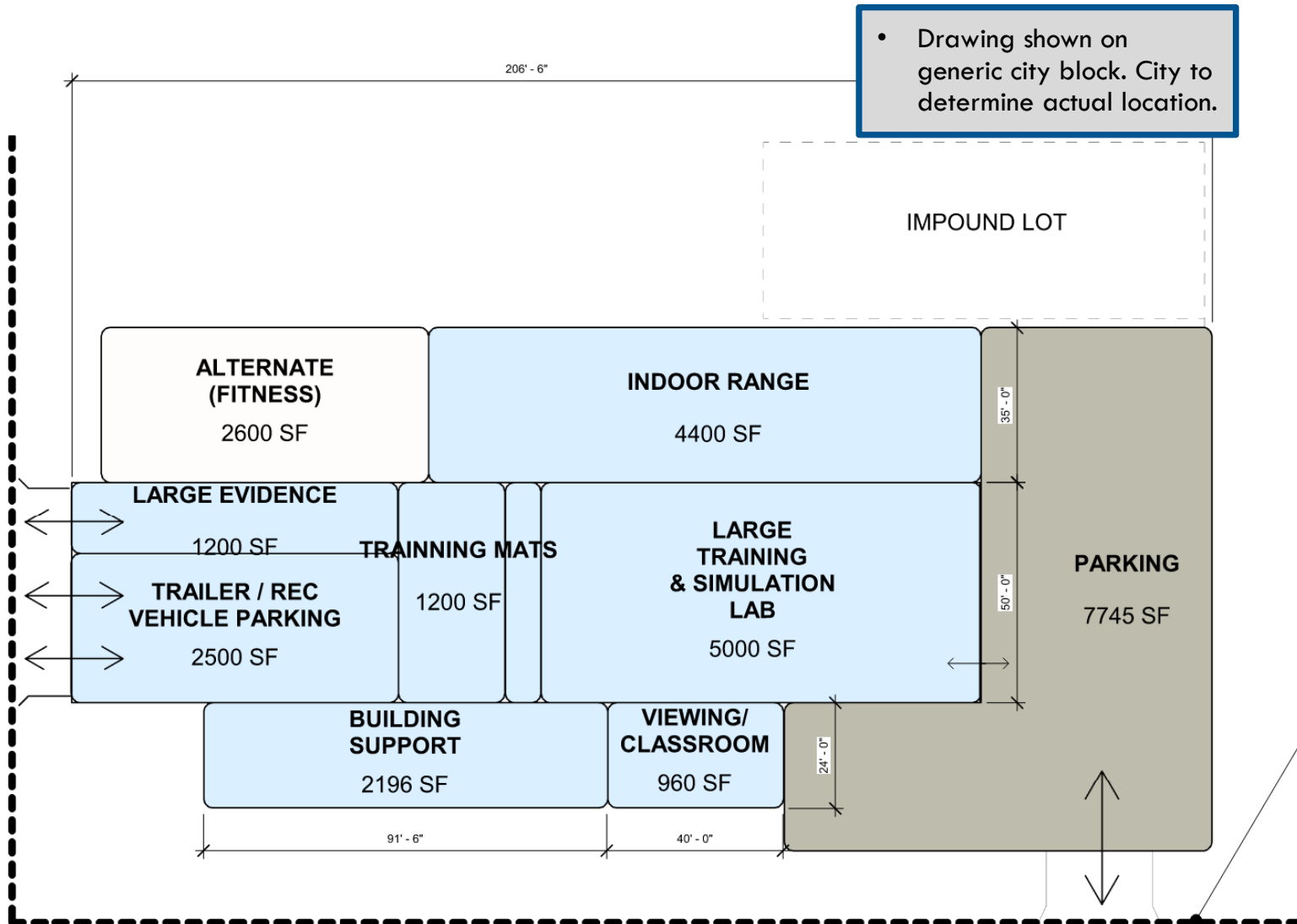
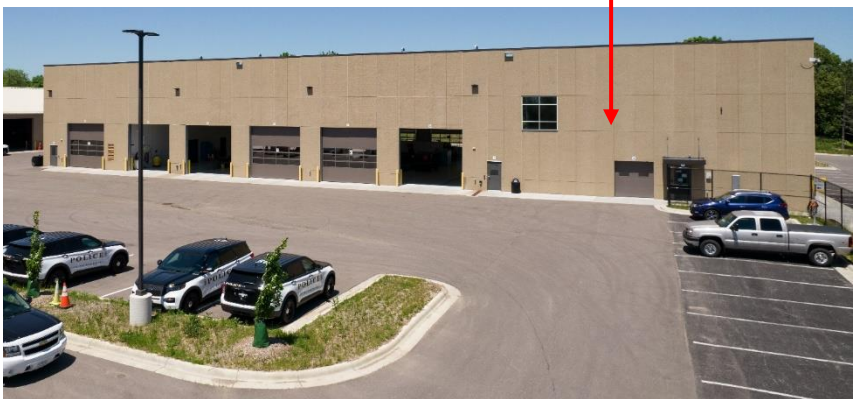
Concept Layout Options

- Police Storage & Training Facility stand alone structure
- 20,912sf**

Project Build-Out Costs

- **Building Construction Type**
Precast Exterior
- **Cost Estimate Range: \$9.3M - \$11.4M**

Reference Photo: Precast Building



• Drawing shown on generic city block. City to determine actual location.



Existing City Hall

Space Needs

- IT Work Room
- Dedicated Election Closet
- Hoteling Space for Remote Employees & Consultants
- Group Breakout Work Spaces
- Employee Conference Rooms
- Open Workstations
- Training Room
- Secured File Storage
- Copy Room with Laydown Tables (Plotter)
- Tech/Charging Station
- Break Room and Kitchenette
- Wellness/Prayer/Mothers Room
- Self Serve Public Kiosk
- Individual Public Meeting Rooms
- Truck Storage for City Vehicles (4 stalls)
- Additional Council Chambers SF

FCA : \$580,930

Value includes deferred maintenance and code required upgrades of existing facility only (7,986 sf).



City Hall

Concept Layout Options

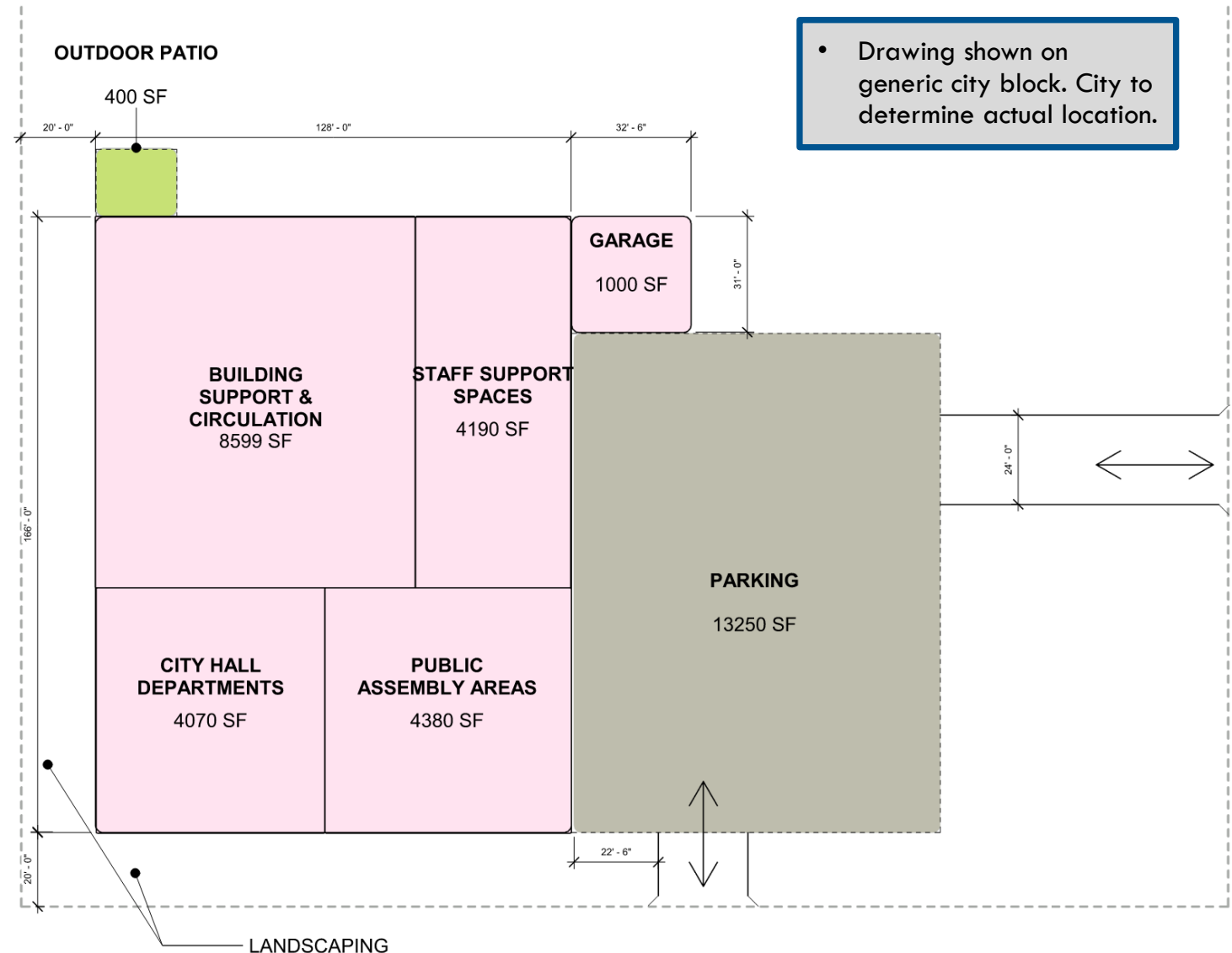
- City Hall stand alone structure
21,239sf

Project Build-Out Costs

- **Building Construction Type**
Precast with Thin-brick Exterior
- **Cost Estimate Range: \$9.8M - \$12M**



Reference Photo: Precast
Building with Thin-brick



Civic Center

Concept Layout Options

- City Hall & Police Station as stand-alone structures
21,639sf + 21,239sf

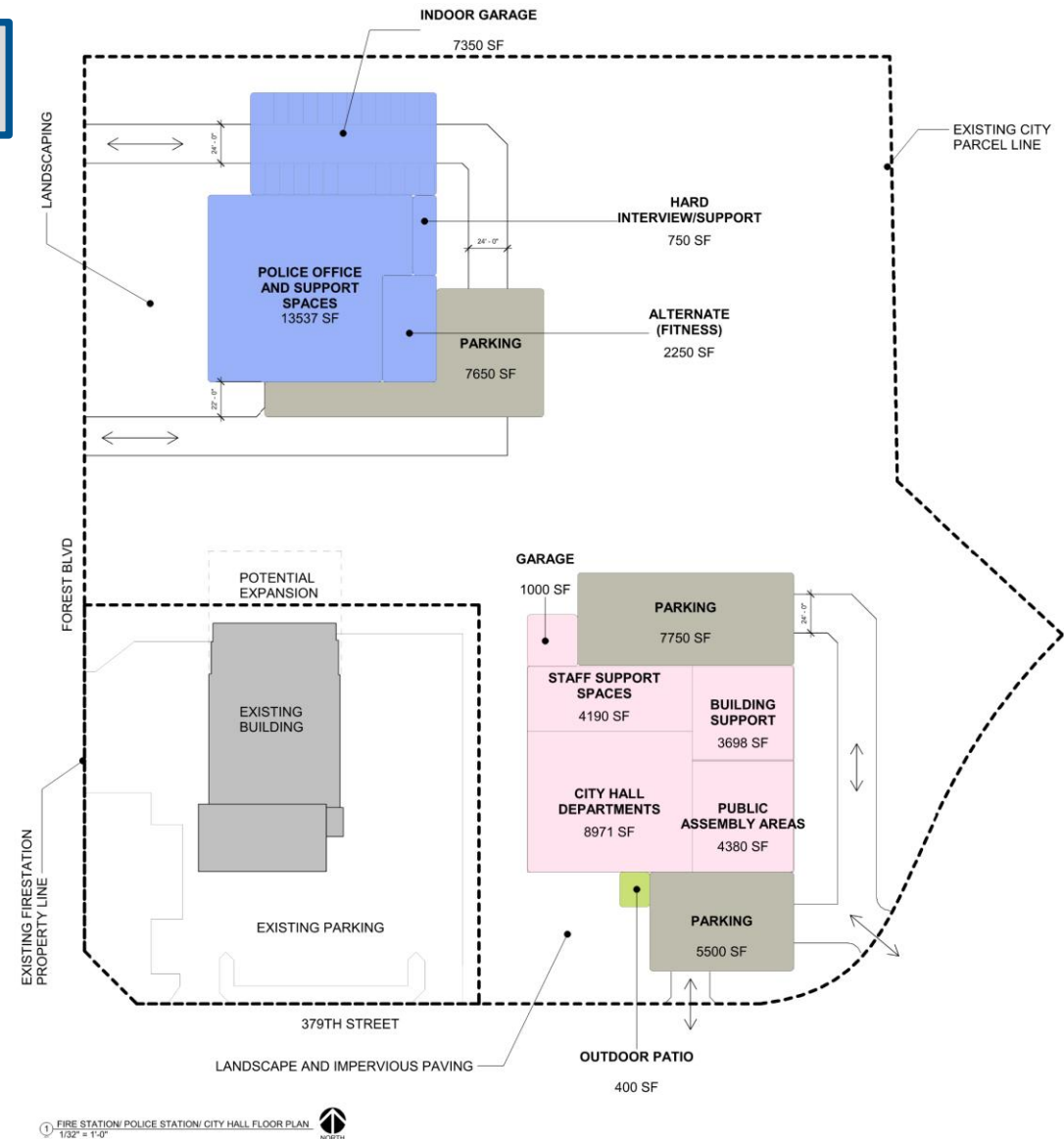
Project Build-Out Costs

- Building Construction Type**
Precast with Thin-brick Exterior
- Cost Estimate Range: \$19.6M - \$23.9M**

- Drawing shown on Existing Fire Station Lot. City to choose actual location.



Reference Photo: Precast Building with Thin-brick



Existing Fire Station

Space Needs

- Proper Training Space
- 2 additional truck bays
- Additional extractor
- Office for rental house
- Office to meet current staffing load
- Conference room
- SCBA storage
- Tuck Point Exterior
- Suitable Setup and Parking for Voters
- Prepare for Possible Full-time Growth



FCA : \$1,695,812

Value includes deferred maintenance and code required upgrades of existing facility only (12,060 sf).

Fire Station Addition

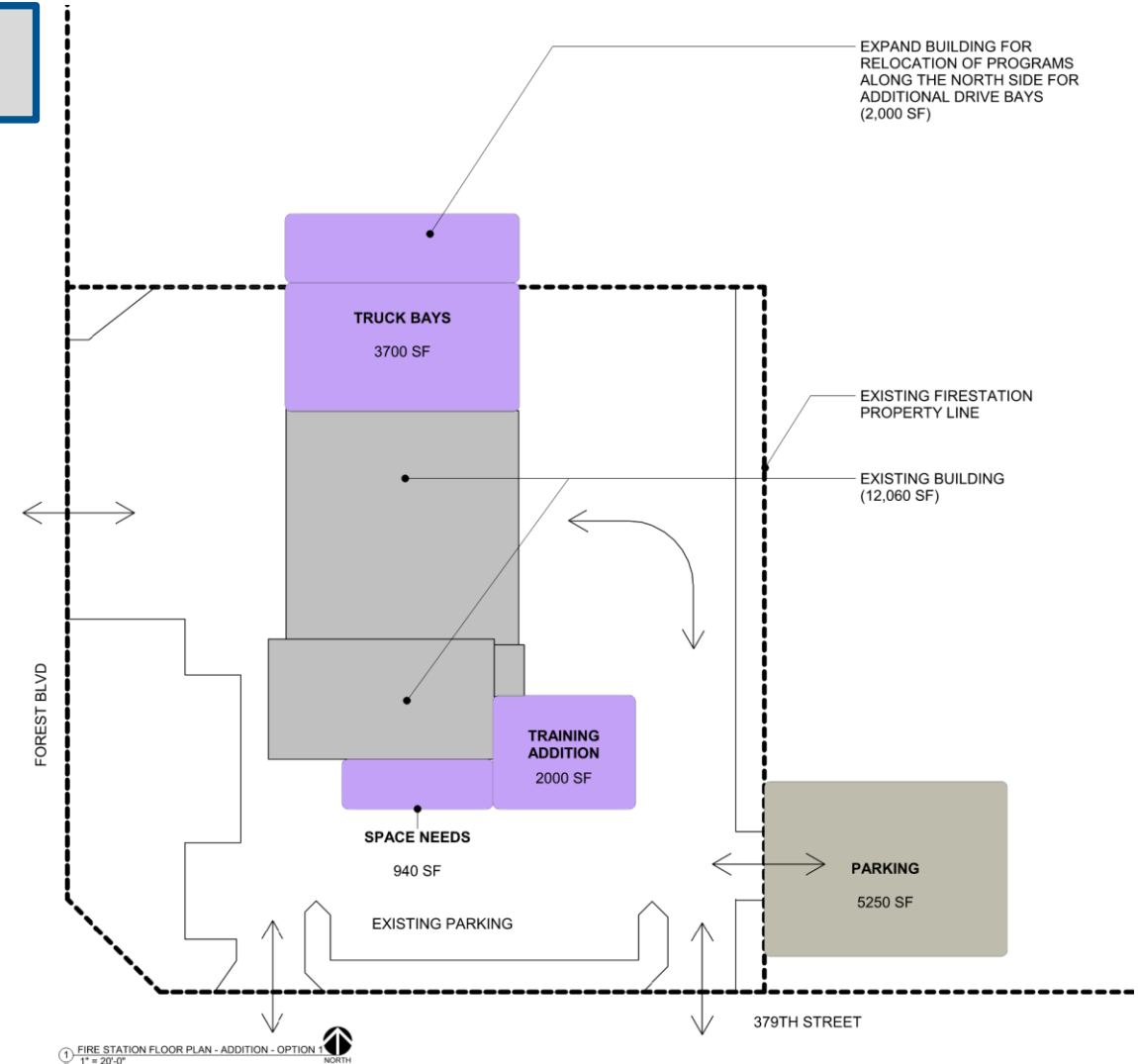
Concept Layout Options

- Fire Station addition
12,060 sf + **7,342 sf Addition**

Project Build-Out Costs

- **Building Construction Type**
Brick Masonry
- **Cost Estimate Range: \$4.9M - \$6M**

- Drawing shown on Existing Fire Station Lot.



Fire Station Satellite Facility

Concept Layout Options

- Fire Station stand alone structure with training addition to existing facility

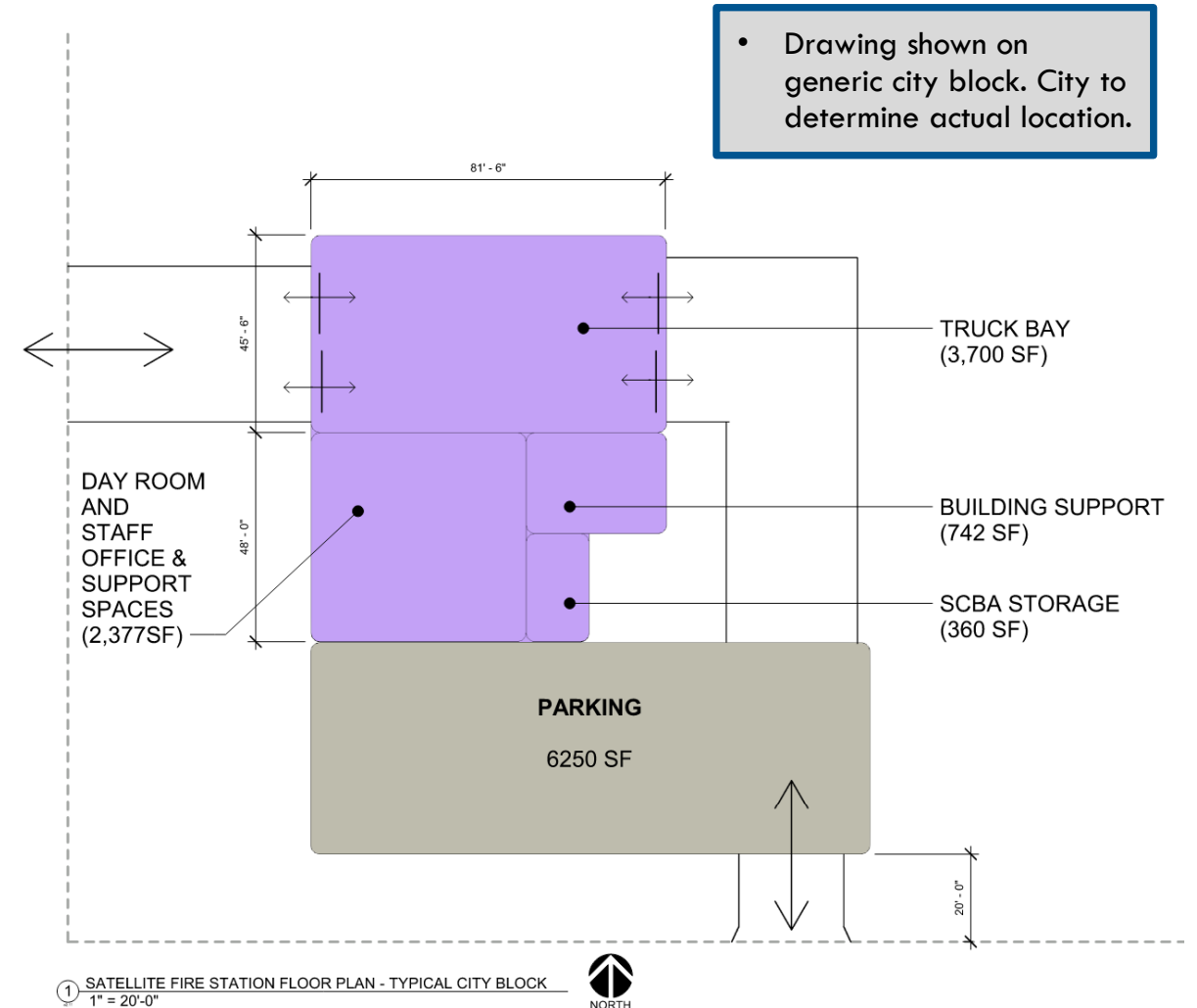
7,179sf + 3,190sf of Addition

Project Build-Out Costs

- Building Construction Type**
Precast with Thin-brick & Form
Liner Exterior
- Cost Estimate Range: \$5.27M - \$6.5M**



Reference Photo: Precast Building
with Thin Brick and Form Liners



Community Center

Concept Layout Options

- Community Center stand alone structure with outdoor park

85,784sf

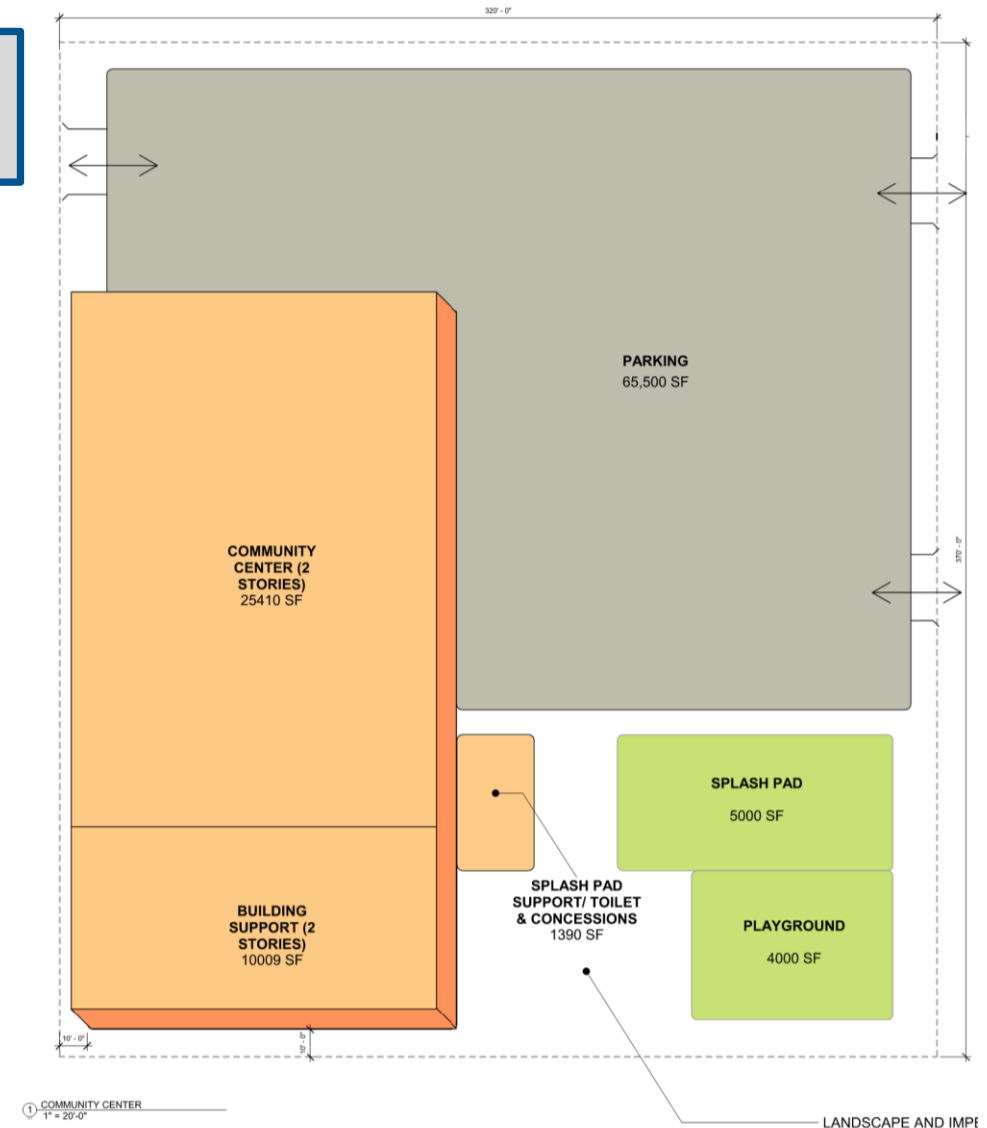
Project Build-Out Costs

- Building Construction Type**
Precast with Thin-brick
- Cost Estimate Range: \$40.8M - \$49.8M**



Reference Photo: Precast Building with Thin-brick

- Drawing shown on generic city block. City to determine actual location.



City Center

Concept Layout Options

- Community Center, City Hall & Police Station as one combined building with outdoor park

113,544sf

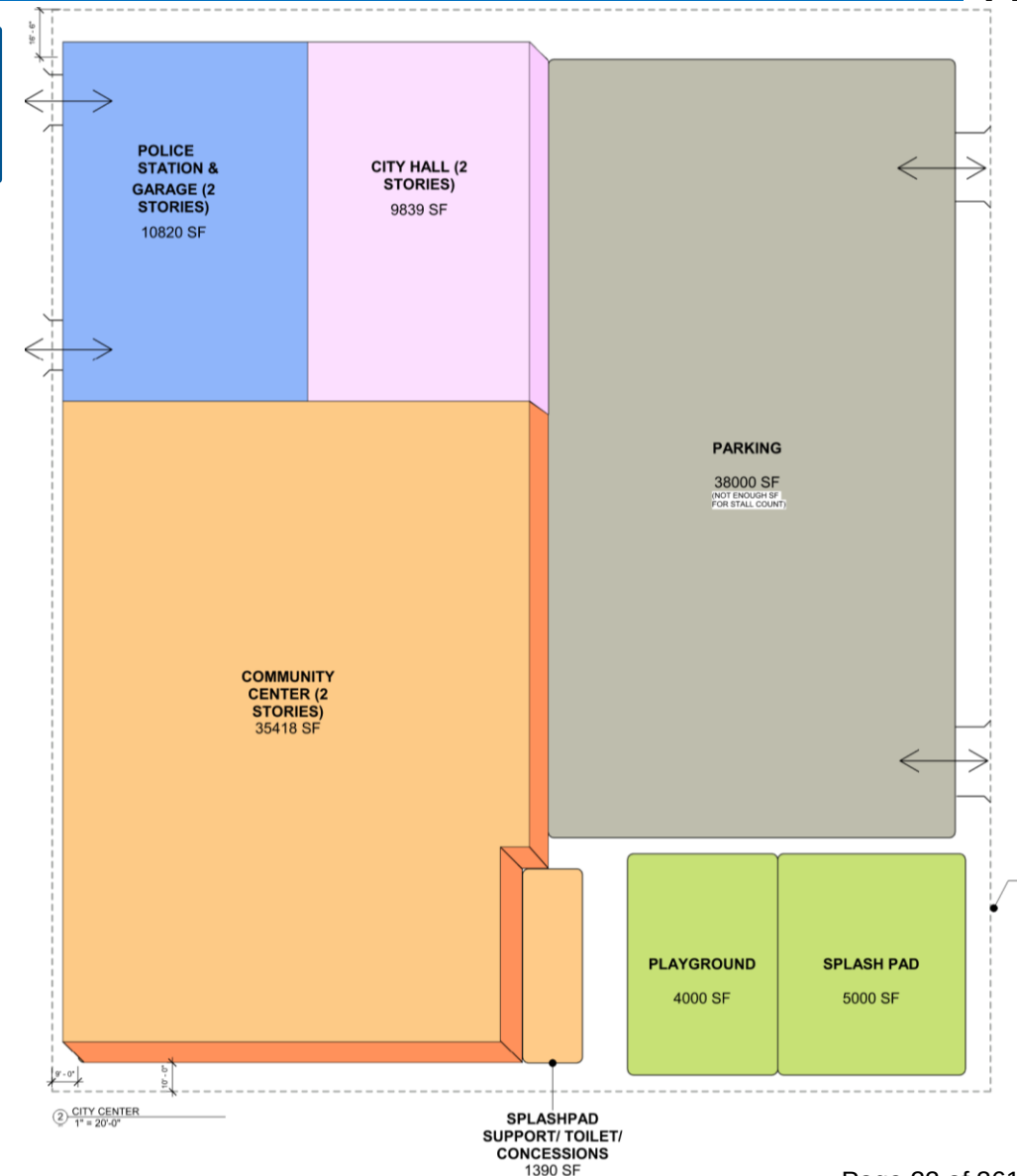
Project Build-Out Costs

- Building Construction Type**
Precast with Thin-brick
- Cost Estimate Range: \$64.8M - \$79.3M**



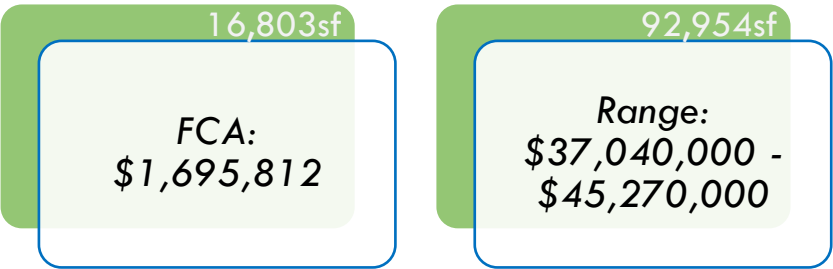
Reference Photo: Precast Building with Thin-brick

- Drawing shown on generic city block. City to determine actual location.

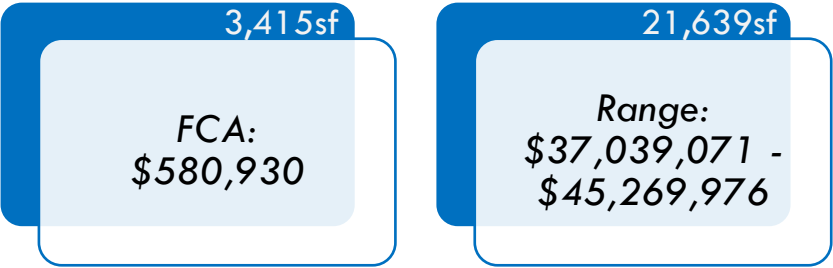


Feasibility Study Cost Estimate Summary

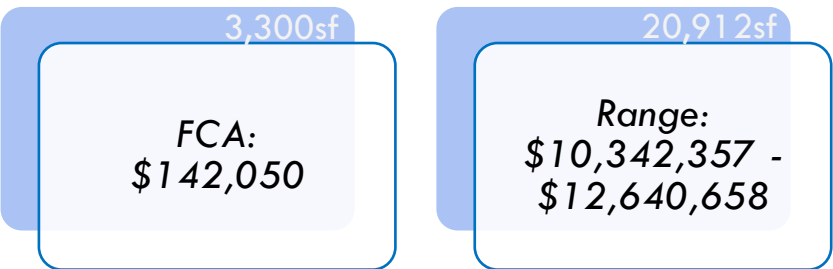
1. Cost Estimate for Public Works



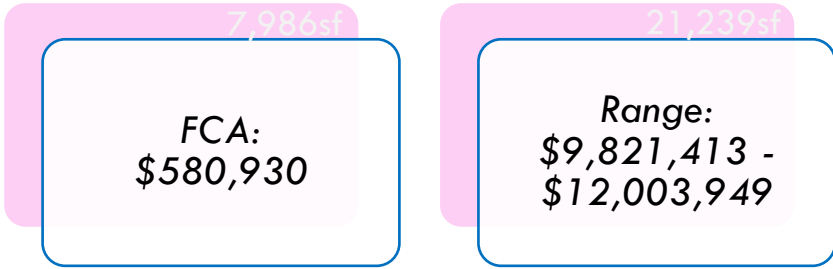
2. Cost Estimate for Police Station



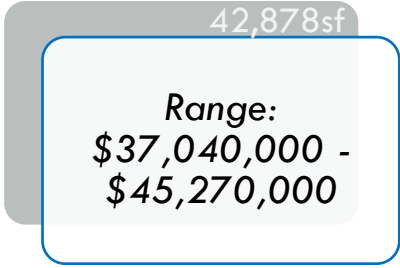
3. Cost Estimate for Police Storage



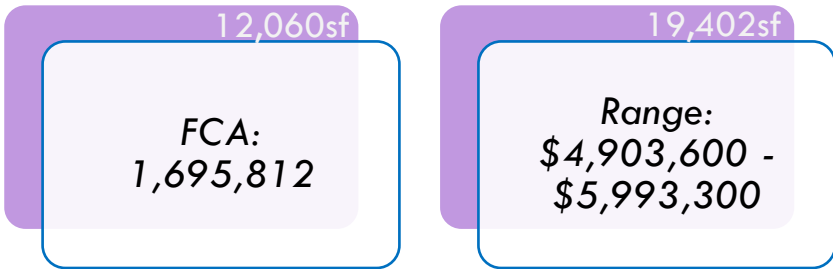
4. Cost Estimate for City Hall



5. Cost Estimate for Civic Center

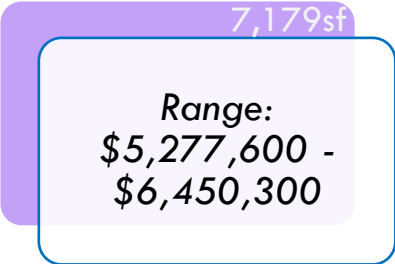


6. Cost Estimate for Fire Addition

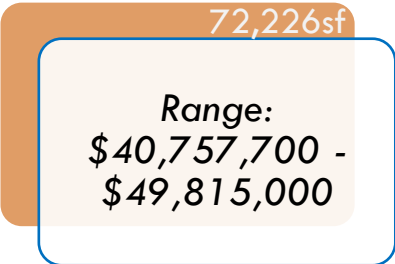


Feasibility Study Cost Estimate Summary

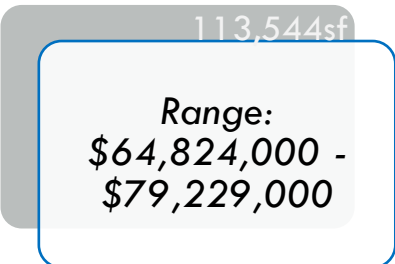
7. Cost Estimate for Satellite Fire Station



8. Cost Estimate for Community Center



9. Cost Estimate for City Center



Summary

- FCA10-year Differed Maintenance:
\$4,405,429
- New Construction:
\$113,633,180 – \$138,884,998

Questions/Comments



HAGEN, CHRISTENSEN & MCILWAIN
ARCHITECTS



KRAUS-ANDERSON®



Prepared By: Sharon Wright, Finance Director

Presenter: Sharon Wright, Finance Director

Date: 05/02/2024

Board & Commission: City Council

Subject: 2023 Audit Presentation

CliftonLarsonAllen, LLP will make the Audit Presentation. Miranda Wendlandt, Principal of CliftonLarsonAllen, LLP will present to the Council.

After the presentation is complete, the Council will make a motion and, second, to accept the 2023 Audit for the City.

Voting Requirements:

Voting Options Simple Majority



We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

City of North Branch

Audit Presentation - Year Ending
December 31, 2023



Agenda

- Introduction
- Required Communications
- Internal Controls
- Minnesota Legal Compliance
- Financial Results



Audit Team

- Your audit team consisted of the following professionals who work in governmental accounting and auditing
 - Miranda Wendlandt – Principal
 - Shawna Jenson– Director
 - Sam Cruz – Senior Associate
 - Brooke Fenton– Associate
 - Austin Wolf- Associate
 - Alexander Wen – Associate
 - John Schmitt - Associate
 - Carter Thelen- Intern





Required Communications

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Required Communications

- Our Responsibility Under Generally Accepted Auditing Standards
 - Primary responsibility is to provide our opinion on the fairness of presentation of the financial statements
 - Reviewed internal accounting controls
 - Risk based audit approach
 - Based on internal controls, determined scopes, and tests of transactions
- Planned Scope and Timing of the Audit
 - Communicated during the audit preliminary work and field work
- Significant Accounting Policies
 - Outlined in Note 1 to the financial statements
 - Significant Transactions -
 - Merger with the Water and Light Commission as of January 1, 2023.
 - Sale of Electric Assets February 3, 2023
 - GASB 96 and GASB 94 Implemented in 2023 – no material impact.



Required Communications

- Management Judgments and Accounting Estimates – Reasonable/Supported
 - Useful lives for depreciation
 - Net pension liability
 - Compensated absences
 - Other Postemployment Benefits
- Corrected and Uncorrected Misstatements
 - Corrected
 - To properly state receivable and revenue in the storm sewer fund totaling \$112,755.
 - To eliminate principal expense and reduce the bond liability in the water fund totaling \$768,000.
 - To record change in net pension liability and related inflows and outflows of resources.
 - To properly state amounts due to City and customer deposits in the generation fund totaling \$127,228.
 - To record the change in the rate stabilization account within the generation fund totaling \$147,880.
 - To reclassify interfund activity to a transfer account in the general and nonmajor funds totaling \$240,104.
 - To record budgeted transfers in the general fund and nonmajor funds in the amount of \$50,000 and \$140,000.
 - To properly state cash and accounts payable in the water fund totaling \$62,387.
 - To adjust general fund for water and light reimbursement totaling \$571,342.
 - To record interest receivable across funds totaling \$108,619.
 - To properly state revenue for State Housing funding and to restrict fund balance in the general fund totaling \$49,929.
 - To properly state revenue and beginning net position in the sewer fund totaling \$60,796.
 - To record utility receivable balances in the water, storm sewer and sewer fund in the amounts of \$40,591, \$46,317 and \$184,695, respectively.
 - To adjust prepaid asset account for water meters in the water fund totaling \$135,419.
 - Uncorrected
 - To properly state OPEB liability, beginning net position and expense in Governmental and Business-type activities. Ending balance totals \$187,943
 - To properly state lease liability and right-to-use assets. Ending asset total is \$109,127 and ending liability total is \$117,330.
 - To properly state the subscription liability and subscription asset. Ending asset total is \$160,933 and ending liability total is \$100,711.
 - To properly state beginning net position and expense for prior period adjustments to AR and deposit accounts that are adjusted through miscellaneous expense totaling \$35,644 in the generation fund.
 - To properly state sales tax liability and expense which related to 2022 totaling \$19,833 in the generation fund.



Required Communications

- Disclosures are Adequate, Clear, and Complete
- Disagreements with Management
 - There have been no disagreements with management about matters that could be significant to the financial statements
- Management Representations
 - We have requested certain representations from management included in the management representation letter dated August 27, 2024
- Consultations with Other Accountants
 - There were no consultations with other independent accountants
- Major Issues Discussed With Management Prior to Retention
 - No issues, other than normal planning issues, were discussed prior to our retention as auditors
- Difficulties Encountered in Performing the Audit
 - Management was most cooperative and helpful
 - Audit was delayed due to change in reporting structure with the decommissioning of the public utility commission and the sale of the electric assets





Audit Results

Audit Results

- Unmodified (i.e. “clean”) opinion on the financial statements
- Compliance and Internal Control over Financial Reporting:
 - Material Weaknesses:
 - Financial Reporting Process
 - Audit Adjustments/Restatement
 - Cash Reconciliations
 - Balance Sheet Reconciliations
 - IT Control Environment
 - Significant Deficiency:
 - Lack of Segregation of Duties



Audit Results (Continued)

- MN Legal Compliance:

- Unclaimed Property:

Minnesota Statute §345.38-43 requires governmental entities holding unclaimed or uncashed checks or other intangible property for more than three years, to report and deliver the property to the State Commissioner of Commerce.

- Collateral Coverage

Minnesota Statute §118A.03 requires that, to the extent deposited funds exceed federal deposit insurance, the City must obtain an assignment of pledged collateral in an amount equal to 110% of the amount of deposits plus accrued interest.

- \$3,535,218 exposed to custodial credit risk



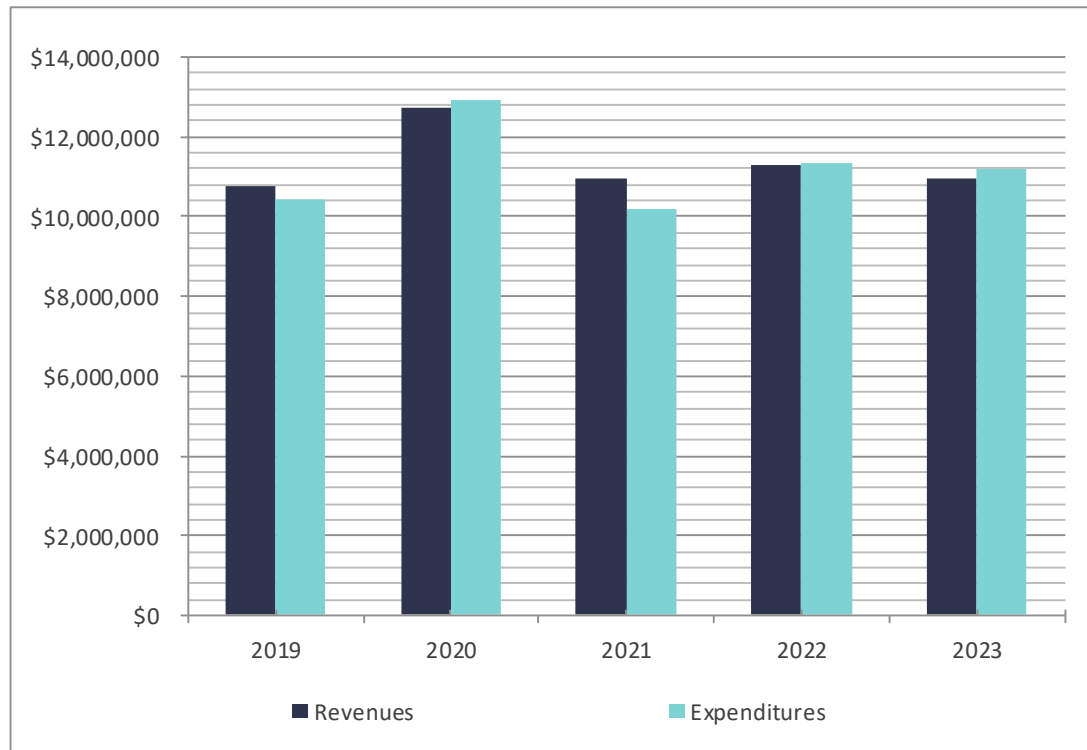


Financial Results

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Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

Financial Results

Governmental Funds Revenues & Expenditures



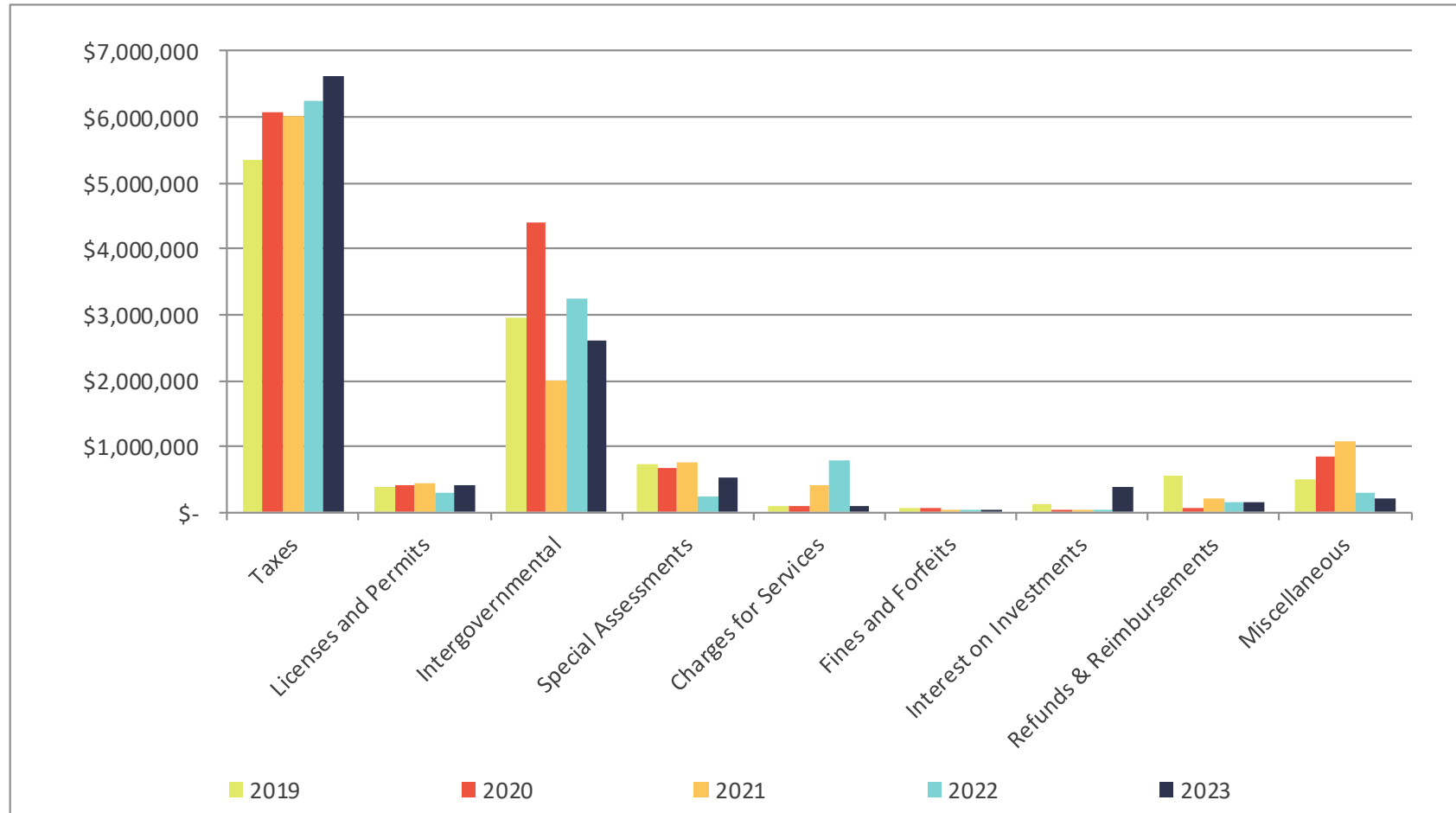
- Revenues decreased \$312,737 from the prior year
- Expenditures decreased \$143,875.
- Expenditures exceeded revenue by \$65,954.
- Ending Fund Balance: \$17,257,956

	2019	2020	2021	2022	2023
Revenues	\$ 10,773,564	\$ 12,714,543	\$ 10,941,143	\$ 11,287,129	\$ 10,974,402
Expenditures	10,429,593	12,918,998	10,201,802	11,353,083	11,209,208



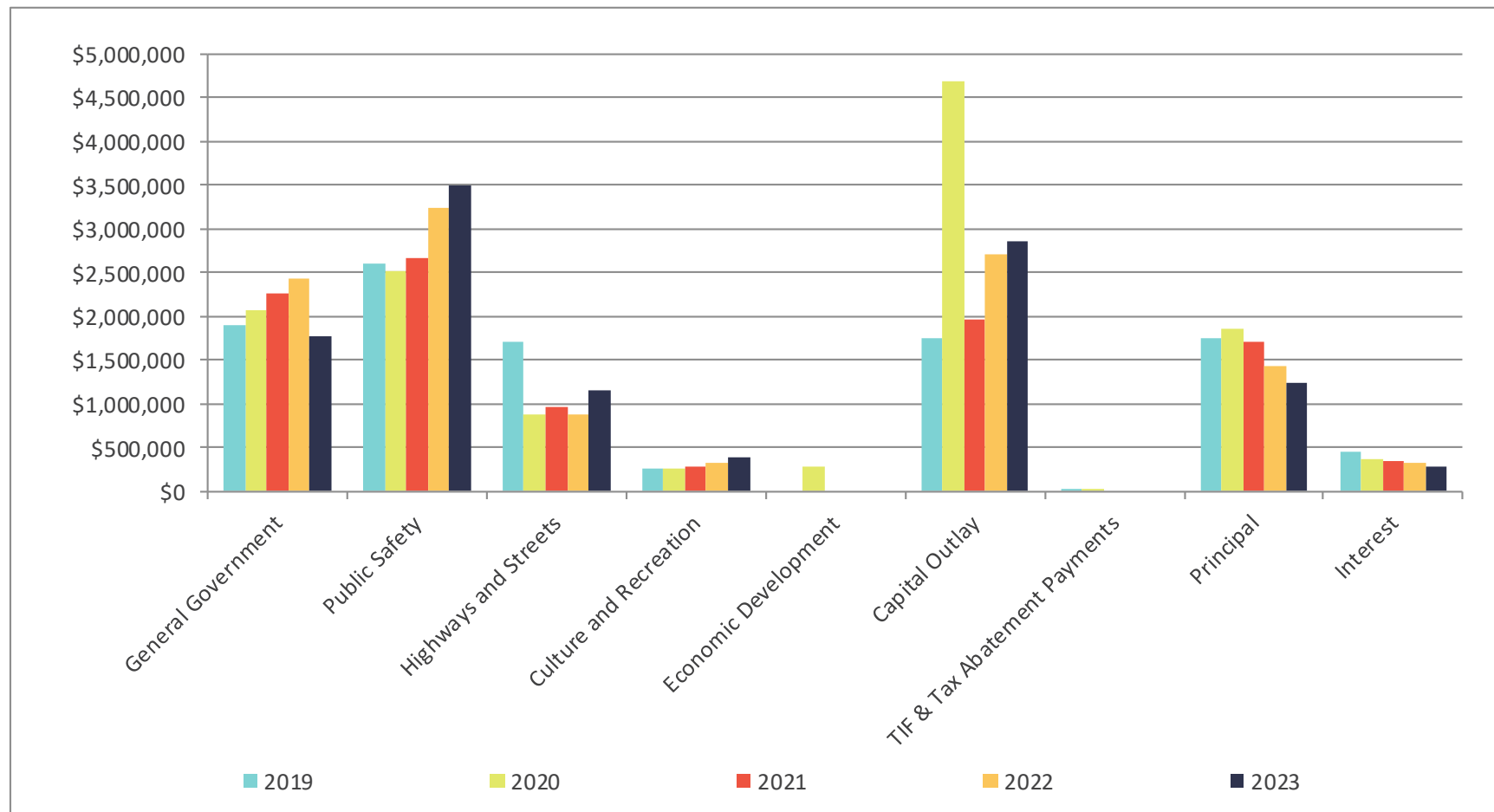
Financial Results

Detailed Governmental Revenues



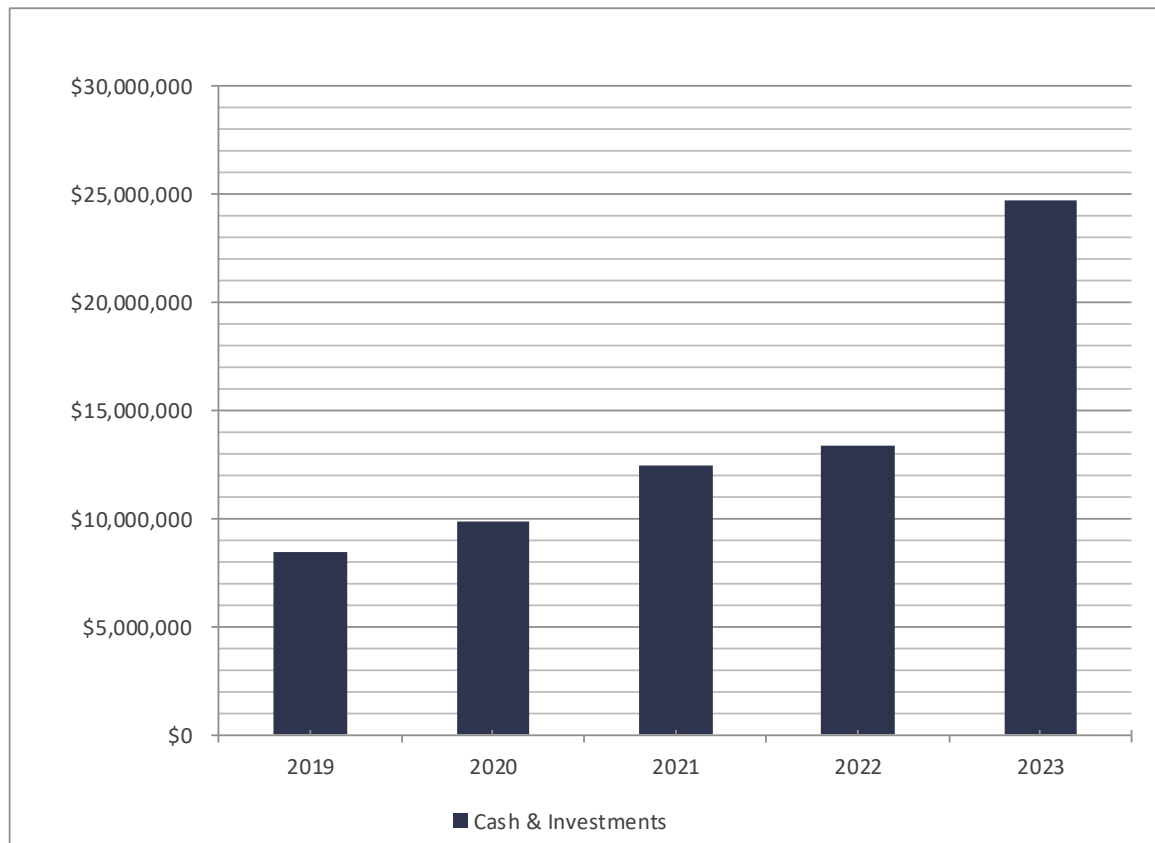
Financial Results

Detailed Governmental Expenditures



Financial Results

Total Cash & Investments in all Funds

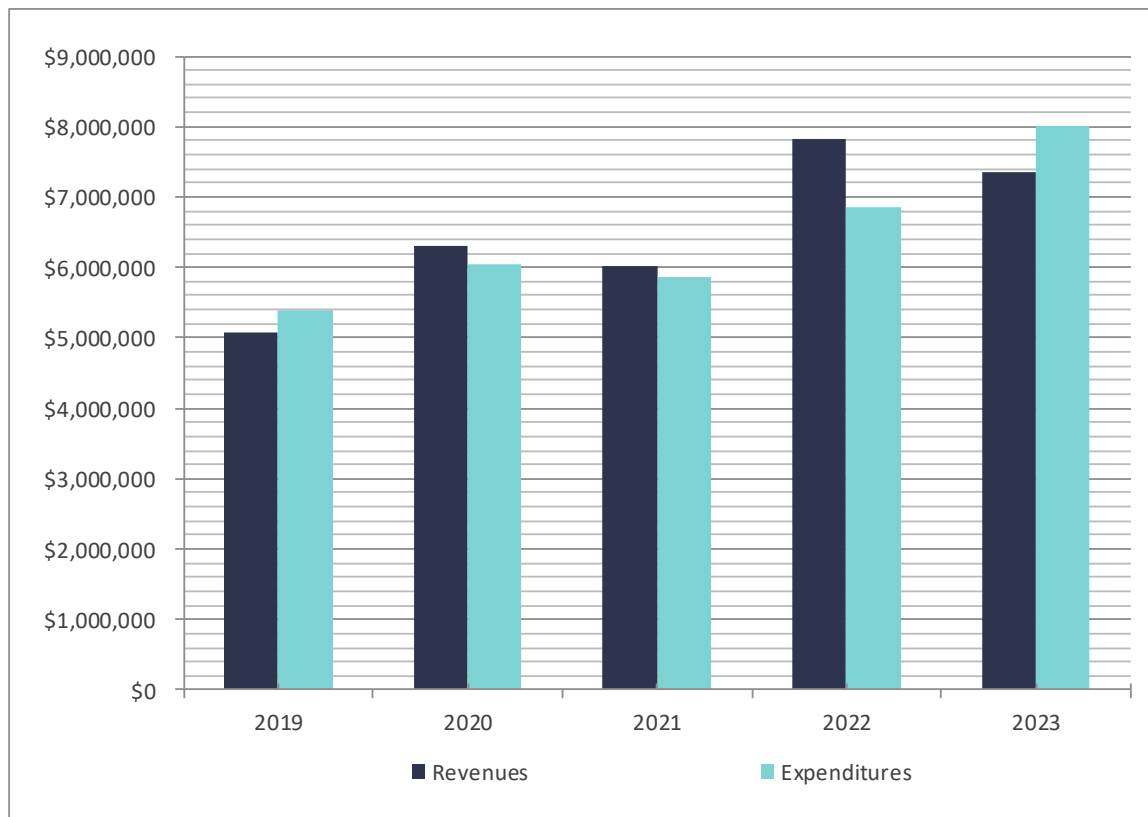


- The Capital Project Funds have positive cash of \$1,381,145
- The Debt Service Funds have positive cash of \$2,503,258
- The General Fund has positive cash of \$4,711,064
- The Enterprise Funds have positive cash of \$15,305,024
- The remaining amounts are within the Special Revenue Funds



Financial Results

General Fund Revenues & Expenditures



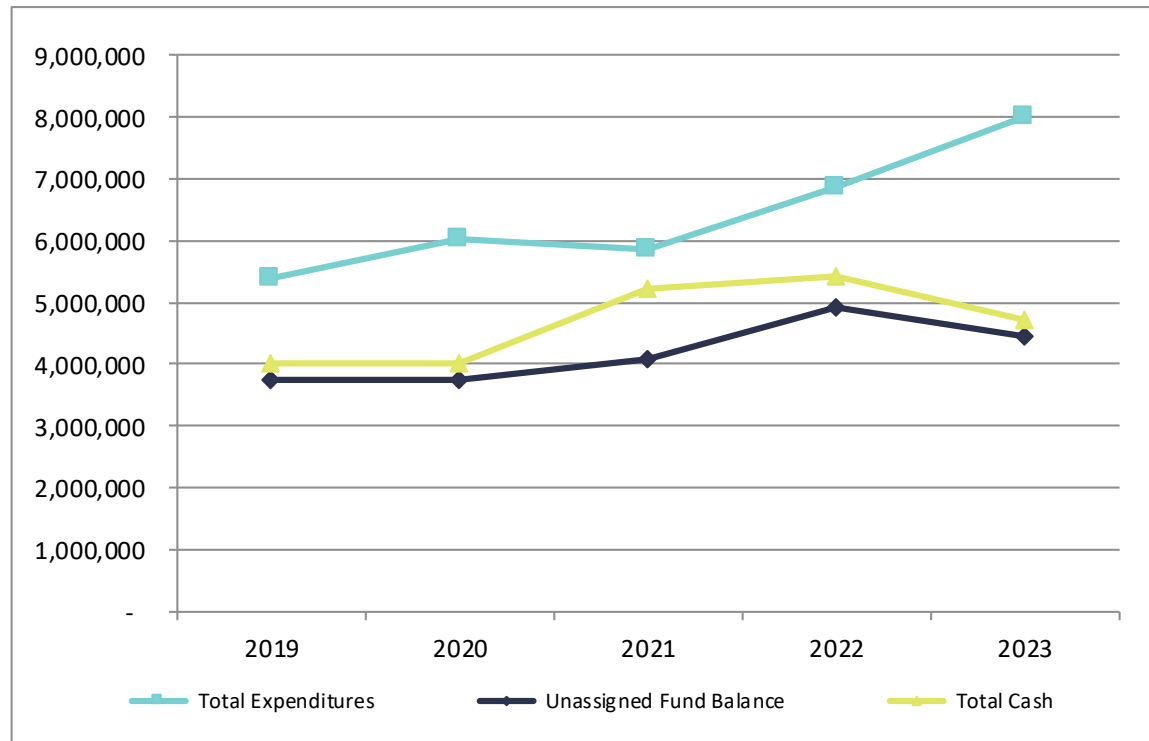
	2019	2020	2021	2022	2023
Revenues	\$ 5,066,596	\$ 6,294,860	\$ 6,005,877	\$ 7,827,472	\$ 7,360,427
Expenditures	5,390,828	6,040,704	5,870,386	6,857,733	8,000,626
Months Expenditures in Fund Balance	8.35	7.47	8.37	8.62	6.68

- Revenues decreased \$467,045 due to recognition of SLFRF revenue in 2022 offset with Public Safety Aid.
- Expenditures increased about \$1.1M from the prior year primarily due to capital outlays.
- 6.68 months of expenditures in unassigned fund balance
- Unassigned fund balance \$4,454,940



Financial Results

Cash in General Fund Compared to Expenditures & Fund Balance



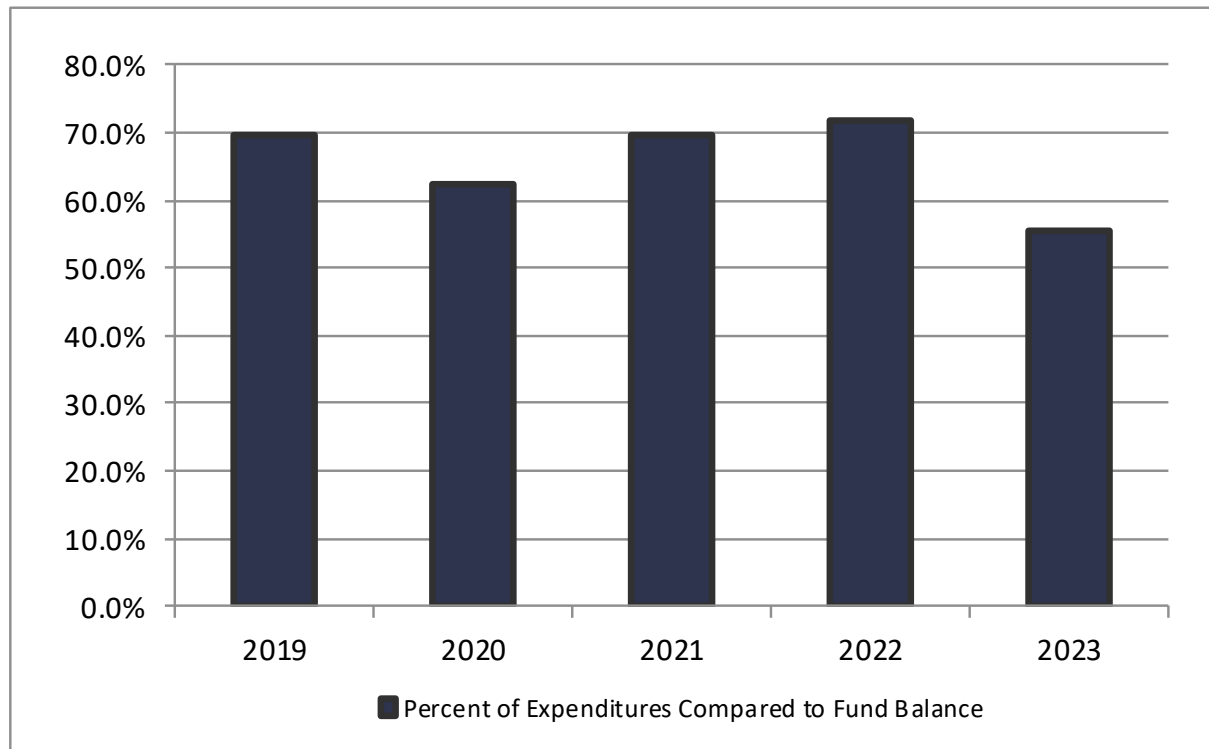
- General Fund Cash and Unassigned Fund Balance decreased over prior year
- General Fund budgeted expenditures totaling \$6,815,699 for 2023 – excess primarily capital related

	2019	2020	2021	2022	2023
Unassigned Fund Balance	\$ 3,752,817	\$ 3,762,560	\$ 4,094,422	\$ 4,924,142	\$ 4,454,940
Total Expenditures	5,390,828	6,040,704	5,870,386	6,857,733	8,000,626
Total Cash	4,014,178	4,029,904	5,209,095	5,409,903	4,711,064



General Fund Financial Results

Percent of Current Year's Expenditures Compared to Unassigned Fund Balance



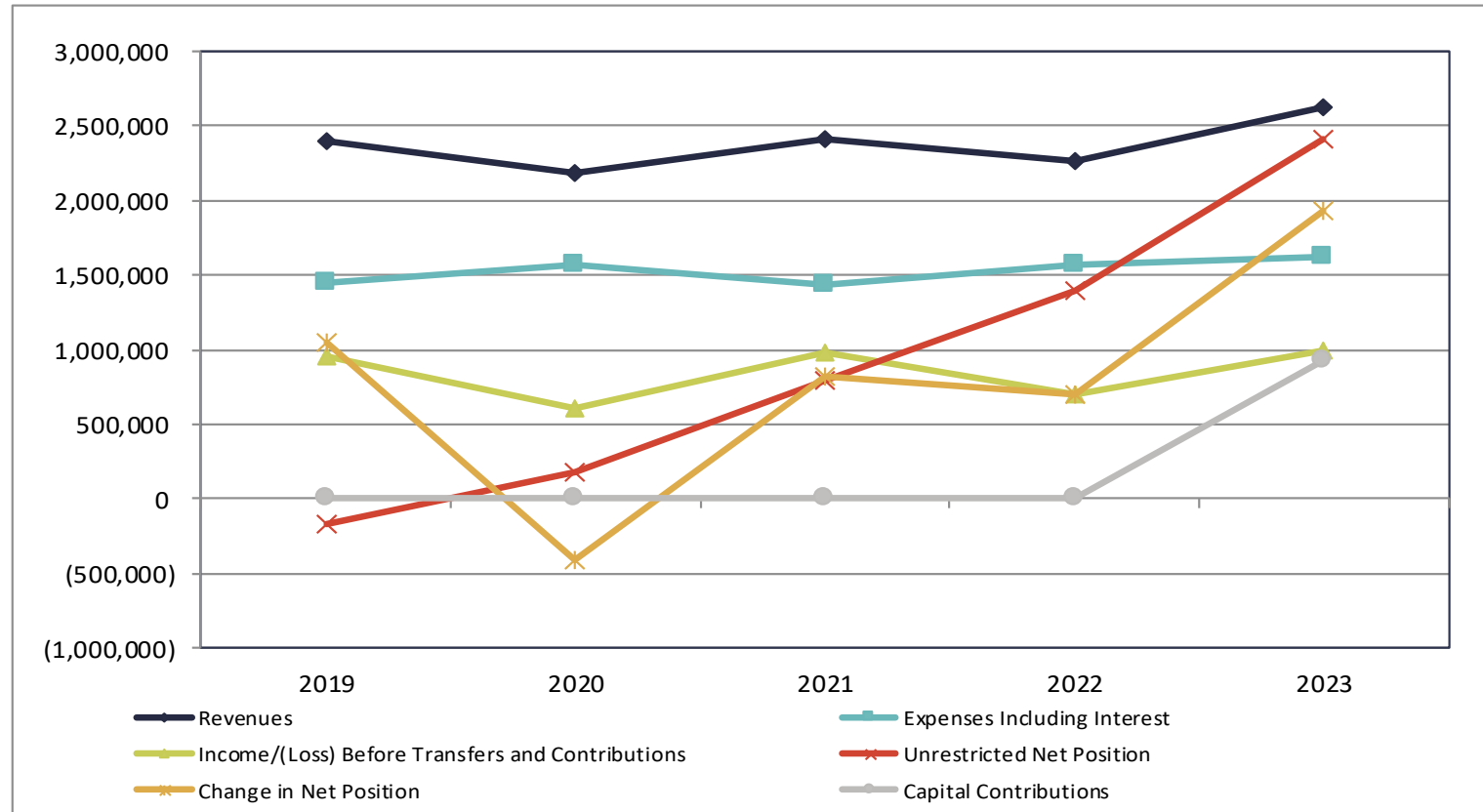
- Unassigned Fund Balance decreased \$469,202 due to a negative net change in fund balance
- Expenditures increased \$1,142,893 or 17%

	2019	2020	2021	2022	2023
Percent of Expenditures Compared to Fund Balance	69.6%	62.3%	69.7%	71.8%	55.7%



Financial Results

Sewer Fund Operations

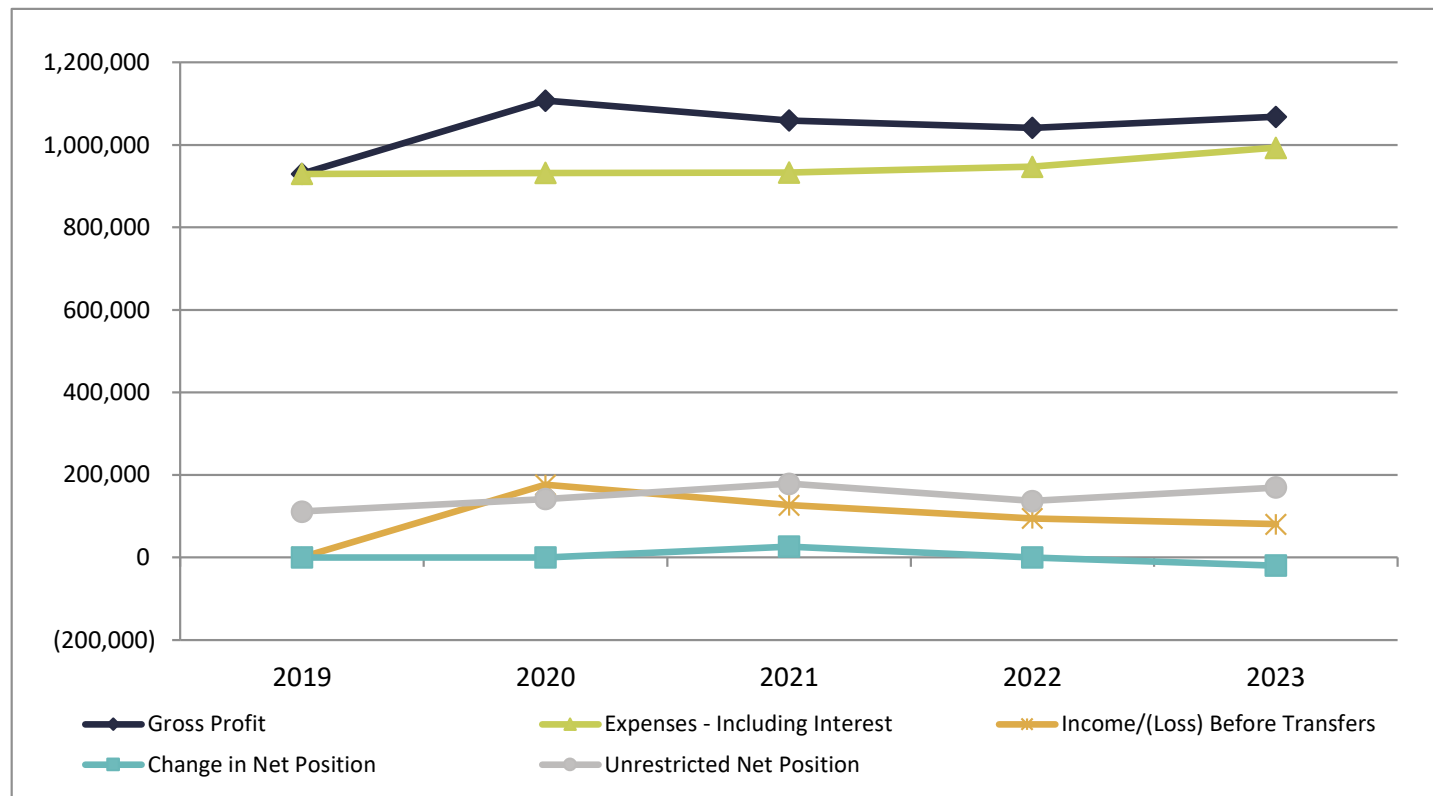


	2019	2020	2021	2022	2023
Revenues	\$ 2,395,427	\$ 2,181,126	\$ 2,417,251	\$ 2,262,043	\$ 2,620,317
Expenses Including Interest	1,442,070	1,569,380	1,433,411	1,563,185	1,623,730
Income/(Loss) Before Transfers and Contributions	953,357	611,746	983,840	698,858	996,587
Capital Contributions	-	-	-	-	928,406
Change in Net Position	1,043,193	(414,109)	817,231	698,848	1,924,993



Financial Results

Municipal Liquor Store Operations

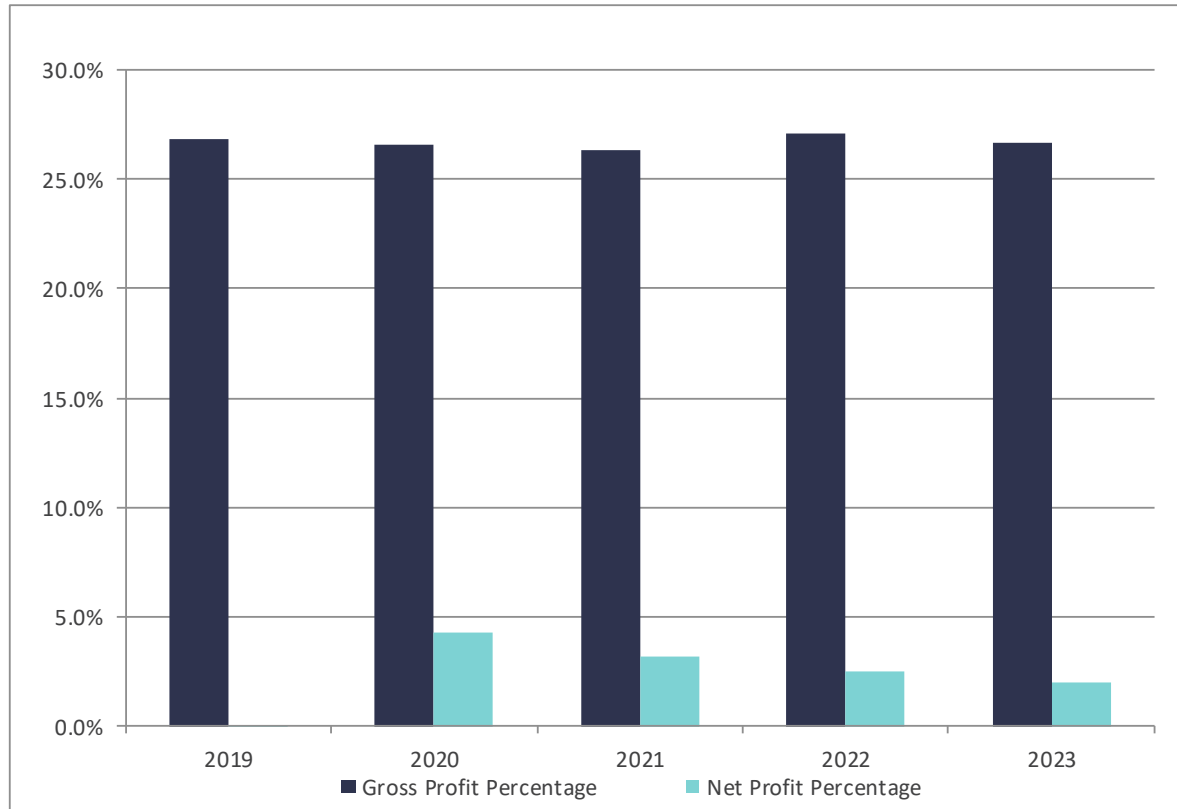


	2019	2020	2021	2022	2023
Gross Profit	\$ 930,283	\$ 1,107,671	\$ 1,059,413	\$ 1,041,589	\$ 1,068,452
Expenses - Including Interest	929,828	932,158	933,174	947,054	993,440
Income/(Loss) Before Transfers	799	176,178	126,458	94,556	80,441
Change in Net Position	-	-	26,458	-	(19,559)
Unrestricted Net Position	111,207	141,286	178,799	136,949	169,852



Financial Results

Gross Profit Percentage of Sales (Liquor Fund)



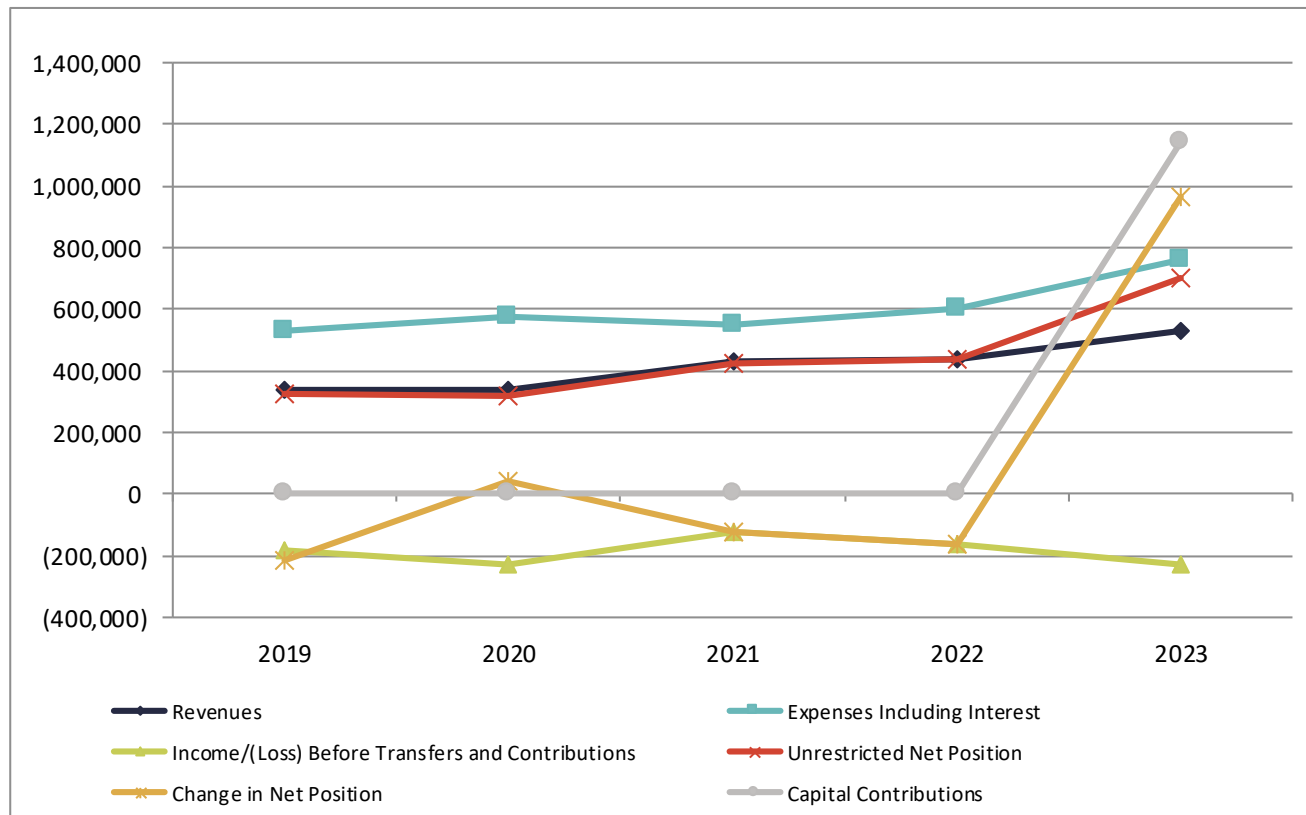
- Net profit percentage decreased from 2.5% to 2.0%;
- State-wide average for off-sale-only stores is 26.8 for gross profit and 6.7 for net profit for 2022
- 2022 Analysis of Municipal Liquor Store Operations, OSA, page 22 of the report

	2019	2020	2021	2022	2023
Gross Profit Percentage	26.9%	26.6%	26.3%	27.1%	26.7%
Net Profit Percentage	0.0%	4.2%	3.1%	2.5%	2.0%



Financial Results

Storm Sewer Utility Fund Operations

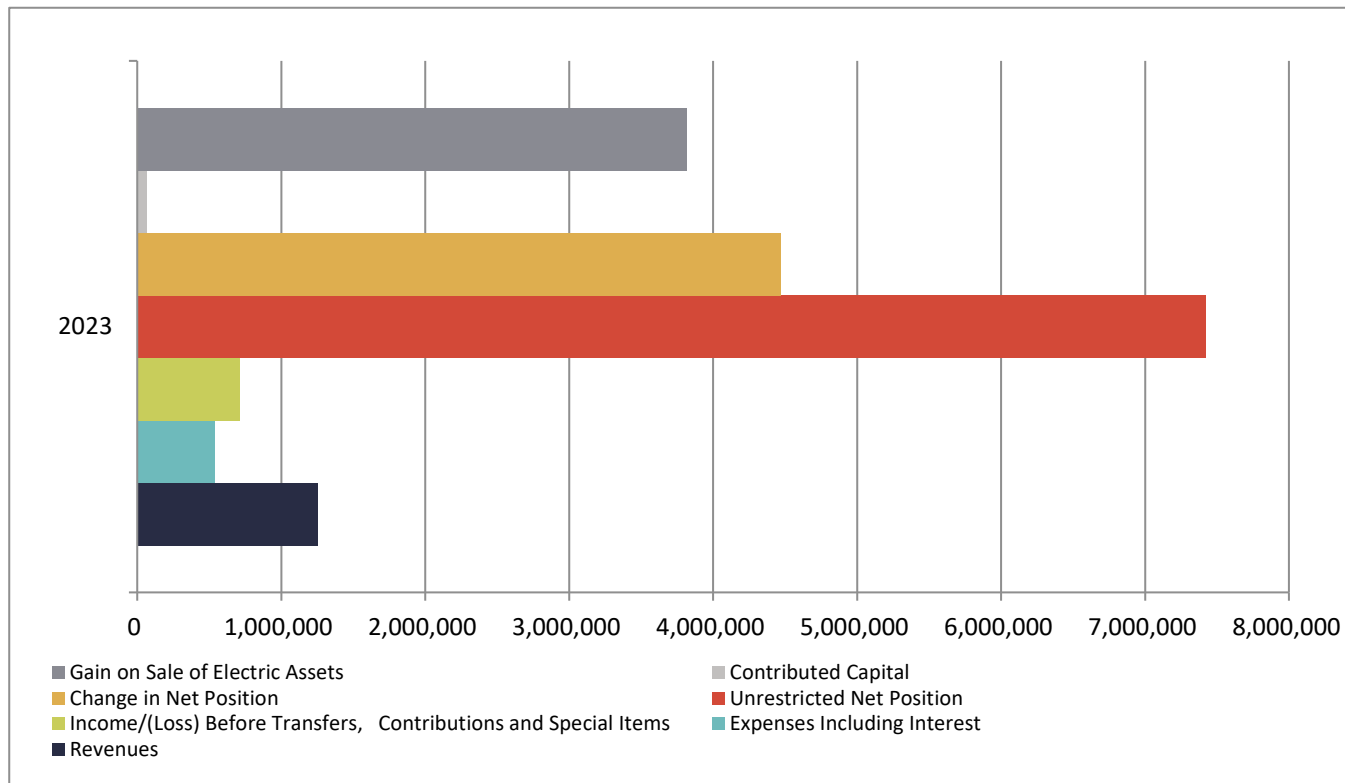


	2019	2020	2021	2022	2023
Revenues	\$ 337,037	\$ 340,746	\$ 430,405	\$ 437,782	\$ 531,634
Expenses Including Interest	526,778	572,200	551,522	598,578	757,744
Income/(Loss) Before Transfers and Contributions	(184,586)	(231,454)	(120,834)	(160,796)	(226,110)
Capital Contributions	-	-	-	-	1,142,653
Change in Net Position	(217,336)	38,495	(120,834)	(160,796)	966,543
Unrestricted Net Position	325,293	316,545	426,057	436,622	698,692



Financial Results

Generation Fund Operations

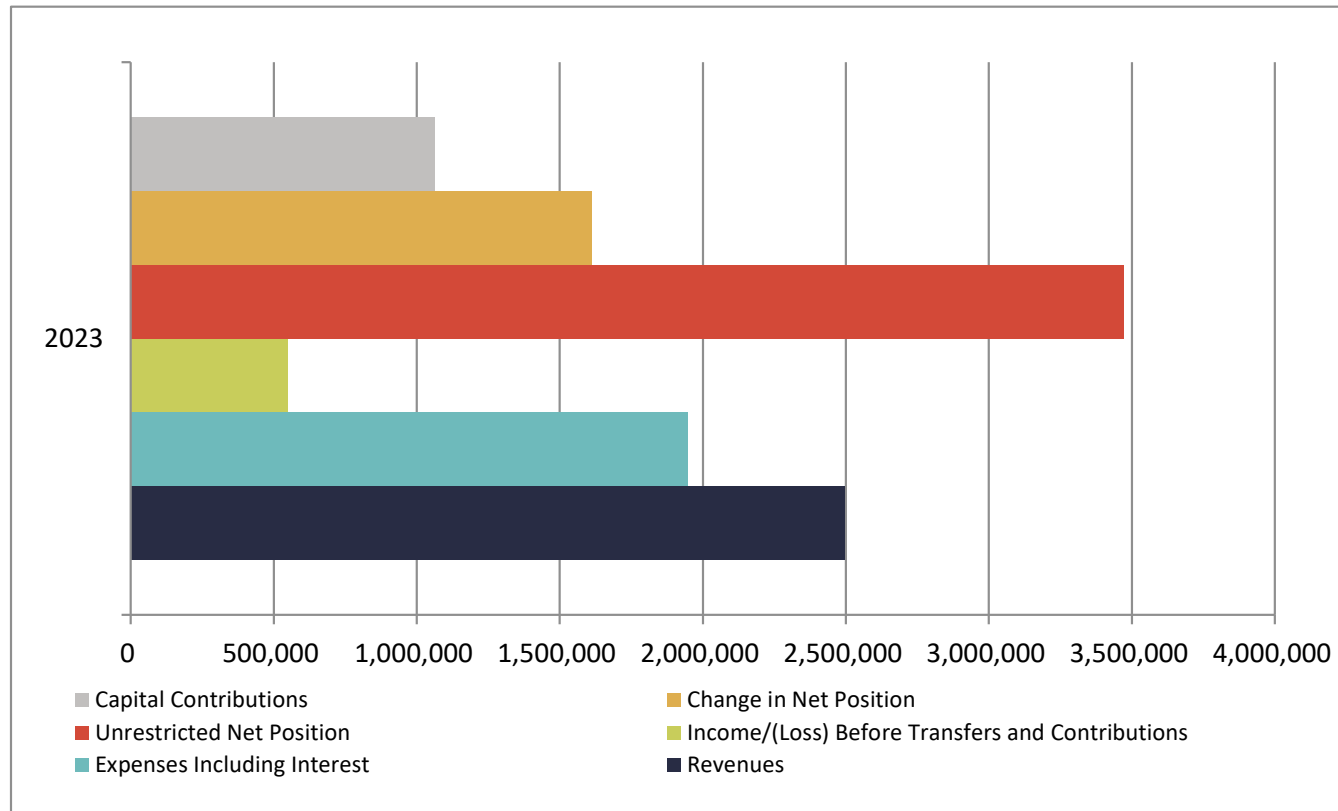


	2023
Revenues	\$ 1,252,415
Expenses Including Interest	540,430
Income/(Loss) Before Transfers, Contributions and Special Items	711,985
Contributed Capital	65,515
Gain on Sale of Electric Assets	3,818,942
Change in Net Position	4,465,412
Unrestricted Net Position	7,423,671
Months Expenses in Net Position	164.84



Financial Results

Water Fund Operations

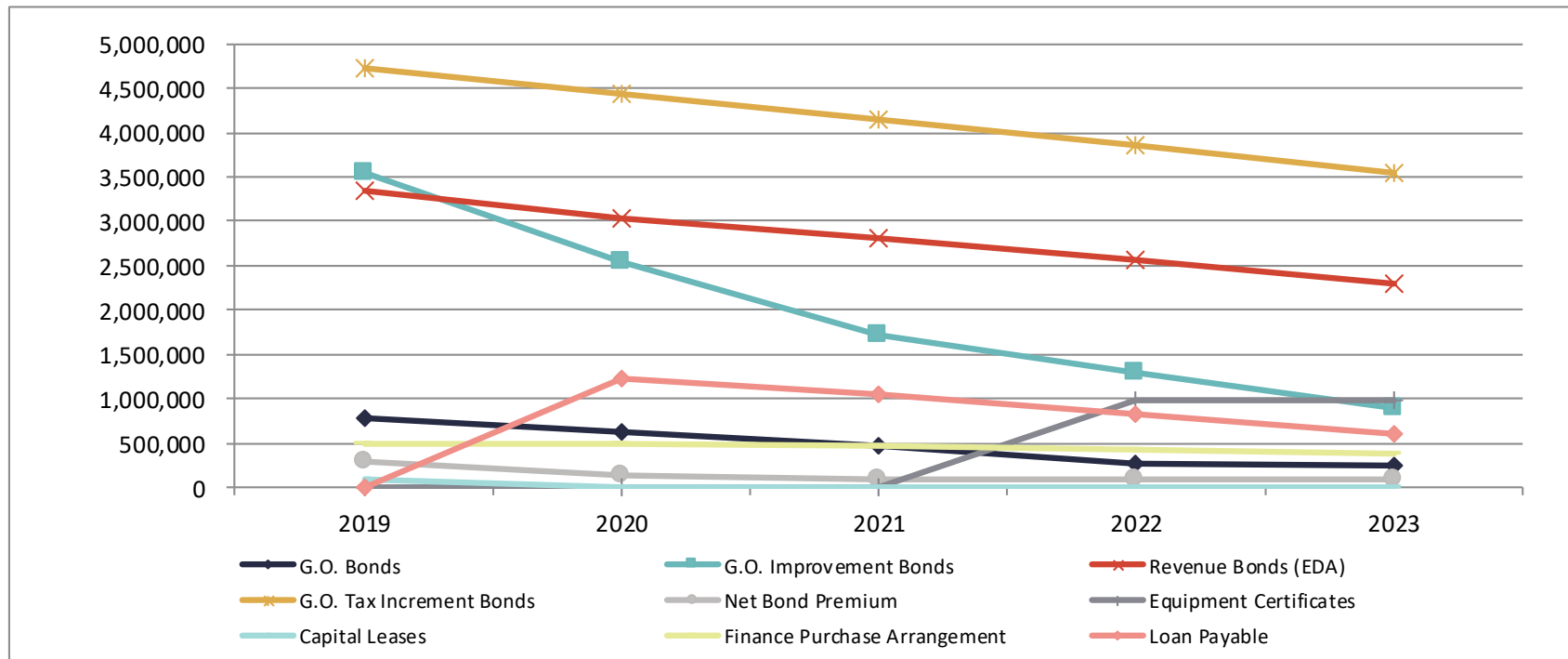


	2023
Revenues	\$ 2,497,340
Expenses Including Interest	1,946,765
Income/(Loss) Before Transfers and Contributions	550,575
Capital Contributions	1,061,114
Change in Net Position	1,611,689
Unrestricted Net Position	3,473,567
Months Expenses in Net Position	21.41



Financial Results

City Governmental Indebtedness

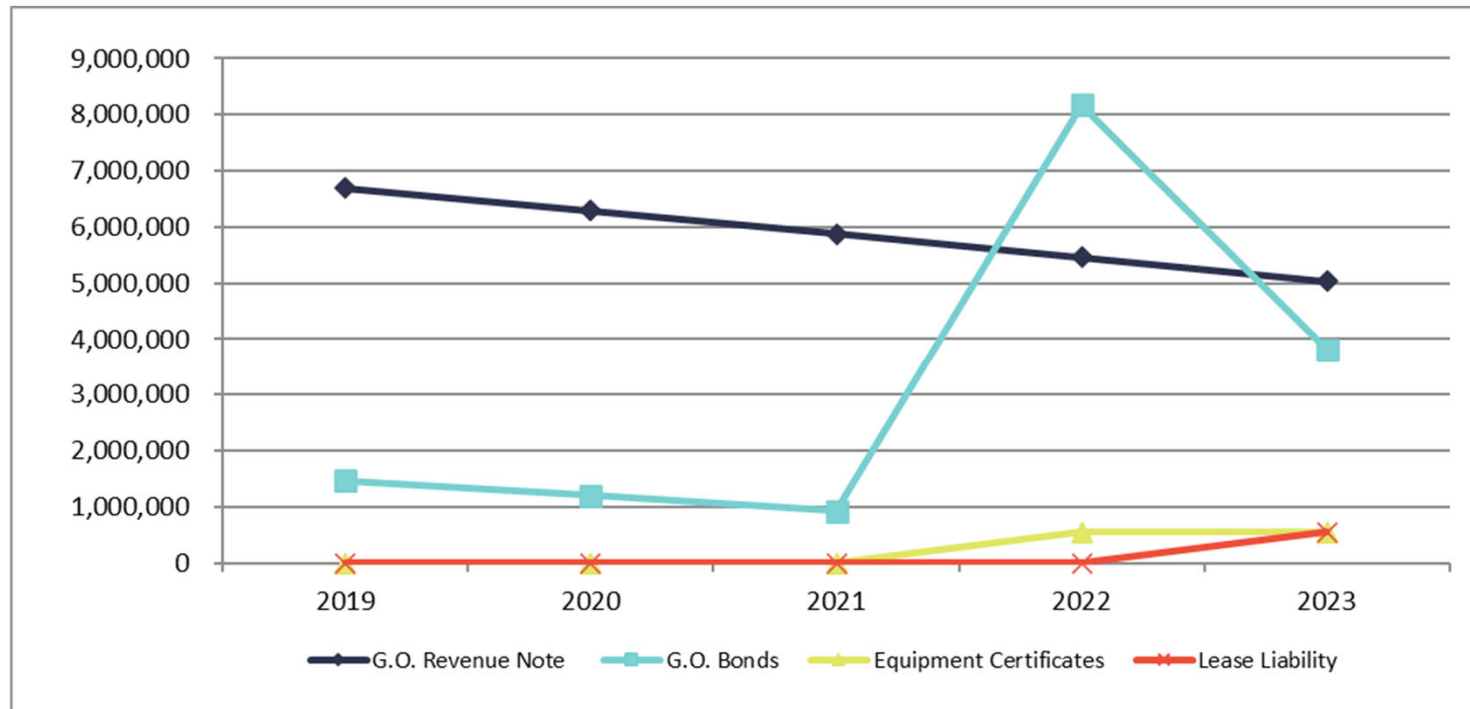


	2018	2019	2020	2021	2022	2023
G.O. Bonds	\$ 980,000	\$ 775,000	\$ 622,000	\$ 462,000	\$ 282,000	\$ 243,000
G.O. Improvement Bonds	4,600,000	3,555,000	2,545,000	1,730,000	1,289,000	905,000
Revenue Bonds (EDA)	3,535,000	3,335,000	3,040,000	2,800,000	2,555,000	2,300,000
G.O. Tax Increment Bonds	7,945,000	4,720,000	4,445,000	4,155,000	3,855,000	3,555,000
Loan Payable	-	-	1,231,509	1,053,256	828,256	603,256
Capital Leases	139,971	94,950	-	-	-	-
Finance Purchase Arrangement	-	506,000	506,000	483,476	438,090	390,815
Net Bond Premium	260,073	299,449	130,068	91,774	96,450	83,753
Equipment Certificates	-	-	-	-	990,000	990,000



Financial Results

City Business-Type Indebtedness



	2019	2020	2021	2022	2023
G.O. Revenue Note	\$6,690,000	\$6,290,000	\$5,880,000	\$5,460,000	\$5,030,000
G.O. Bonds	1,475,000	1,210,000	935,000	8,179,000	3,823,000
Equipment Certificates	-	-	-	555,000	555,000
Lease Liability	-	-	-	-	552,061



Other

- Financial statements and the required accrual basis reporting form were submitted to the required state agency before the extended deadline
 - Deadline was June 30, 2024; however, an extension was requested through August 30, 2024



Thank you all for your assistance in completing the audit and for allowing us to serve you!

Contact Information:

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320-759-5124

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CLAconnect.com



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Honorable Mayor and Members of the City Council
City of North Branch
North Branch, Minnesota

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 of North Branch (the City) as of and for the year ended December 31, 2023, and have issued our report thereon dated August 27, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our statement of work dated November 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements.

The City changed accounting policies related to subscription-based information technology arrangements by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 96, *Subscription-Based Information Technology Arrangements*. There was no material impact on the City's net position/fund balance and changes in net position/fund balance as a result of the adoption of this accounting standard.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

The completion of our audit was delayed primarily due to the change in reporting structure with the decommissioning of the public utility commission and sale of the electric assets. During the course of the audit, we discovered that certain accounts were not properly reconciled, which added additional complexity to the audit. Additional time was spent by management and the auditors reconciling significant accounts impacted by the change in reporting structure.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

The following material misstatements detected as a result of audit procedures were corrected by management:

- To properly state receivable and revenue in the storm sewer fund totaling \$112,755.
- To eliminate principal expense and reduce the bond liability in the water fund totaling \$768,000.
- To record change in net pension liability and related inflows and outflows of resources.
- To properly state amounts due to City and customer deposits in the generation fund totaling \$127,228.
- To record the change in the rate stabilization account within the generation fund totaling \$147,880.
- To reclassify interfund activity to a transfer account in the general and nonmajor funds totaling \$240,104.
- To record budgeted transfers in the general fund and nonmajor funds in the amount of \$50,000 and \$140,000.
- To properly state cash and accounts payable in the water fund totaling \$62,387.
- To adjust general fund for water and light reimbursement totaling \$571,342.
- To record interest receivable across funds totaling \$108,619.
- To properly state revenue for State Housing funding and to restrict fund balance in the general fund totaling \$49,929.

- To properly state revenue and beginning net position in the sewer fund totaling \$60,796.
- To record utility receivable balances in the water, storm sewer and sewer fund in the amounts of \$40,591, \$46,317 and \$184,695, respectively.
- To adjust prepaid asset account for water meters in the water fund totaling \$135,419.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Circumstances that affect the form and content of the auditors' report

As previously communicated to you, the report was modified to include an emphasis of matter regarding the restatement of net position to account for an error in the previously issued financial statements.

Management representations

We have requested certain representations from management that are included in the management representation letter dated August 27, 2024.

Management consultations with other independent accountants

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

Significant issues discussed with management prior to engagement

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

Other audit findings or issues

The following describes findings or issues arising during the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process:

- During the audit we identified the following significant risks of material misstatement that have not previously been communicated to you:
 - Risk that expenditures/expenses are not reported in the appropriate period.
 - Risk that cash balances are not properly stated.

- Risk of misstatement due to quantity of transactions and lack of sufficient experience and time by accounting personnel to properly reconcile balance sheet accounts.

We have provided a separate communication to you dated August 27, 2024, communicating internal control related matters identified during the audit.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the combining nonmajor fund financial statements, the Debt Service Fund by bond issue financial schedules and the Capital Projects Fund by project financial schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, 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 or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated August 27, 2024.

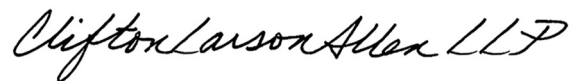
Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of introductory section. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

Honorable Mayor and Members of the City Council
City of North Branch
Page 5

* * *

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Alexandria, Minnesota
August 27, 2024

Summary of Uncorrected Misstatements
December 31, 2023

Account	Description	Debit	Credit
Opinion Unit:	<i>Aggregate Remaining Funds</i>		
To properly state lease receivable and deferred inflows			
201-11700	Lease Receivable	\$ 10,414	
201-22000	Deferred Inflows- Lease Related		\$ 12,008
201-30000	Fund Balance	\$ 1,718	
201-36220	Rental Revenue		\$ 124
Total		\$ 12,132	\$ 12,132

Opinion Unit:	<i>Municipal Liquor Store Fund</i>		
To properly state OPEB Liability at December 31, 2023			
609-26700	OPEB Liability		\$ 18,994
609-48000-101	Employee Wages & Salaries		\$ 934
609-25300	Net Position	\$ 19,928	
Total		\$ 19,928	\$ 19,928

Opinion Unit:	<i>Sewer Fund</i>		
To properly state OPEB Liability at December 31, 2023			
602-26700	OPEB Liability		\$ 13,296
602-49450-101	Employee Wages & Salaries	\$ 1,671	
602-25300	Net Position	\$ 11,625	
Total		\$ 13,296	\$ 13,296

Opinion Unit:	<i>Sewer Fund</i>		
To properly state accumulated depreciation at December 31, 2023.			
602-50000	Depreciation Expense	\$ 22,681	
602-25300	Net Position		\$ 22,681
Total		\$ 22,681	\$ 22,681

Opinion Unit:	<i>Storm Sewer Fund</i>		
To properly state OPEB Liability at December 31, 2023			
612-26700	OPEB Liability		\$ 5,698
612-49700-101	Employee Wages & Salaries		\$ 945
612-25300	Net Position	\$ 6,643	
Total		\$ 6,643	\$ 6,643

Account	Description	Debit	Credit
Opinion Unit:	Water Fund		
To properly state OPEB Liability at December 31, 2023			
998-26700	OPEB Liability		\$ 11,397
998-41110-101	Employee Wages & Salaries	\$ 11,397	
Total		\$ 11,397	\$ 11,397

Opinion Unit:	Generation Fund		
To properly reflect sales tax liability expense which related to 2022.			
75-70-93020500	Miscellaneous		\$ 19,833
75-01-21600000	Net Position	\$ 19,833	
Total		\$ 19,833	\$ 19,833

Opinion Unit:	Generation Fund		
To properly state beginning net position and expense for PY adjustments to AR and deposit accounts that are adjusted through miscellaneous			
75-70-93020500	Miscellaneous	\$ 35,644	
75-01-21600000	Net Position		\$ 35,644
Total		\$ 35,644	\$ 35,644

Opinion Unit:	Business-Type Activities		
To properly state OPEB Liability at December 31, 2023			
998-26700	OPEB Liability		\$ 49,385
998-41110-101	Employee Wages & Salaries	\$ 11,189	
998-25300	Net Position	\$ 38,196	
Total		\$ 49,385	\$ 49,385

Opinion Unit:	Governmental Activities		
To properly state OPEB Liability at December 31, 2023			
999-26700	OPEB Liability		\$ 138,658
999-41110-101	Employee Wages & Salaries	\$ 12,448	
999-25300	Net Position	\$ 126,210	
Total		\$ 138,658	\$ 138,658

Account	Description	Debit	Credit
Opinion Unit: Governmental Activities			
To properly state the lease liability and right-to-use asset at December 31, 2023			
999-26701	Lease Liability		\$ 117,330
999-16405	Right-To-Use Asset	\$ 109,127	
999-42280	Interest Expense	\$ 8,203	
Total		\$ 117,330	\$ 117,330
Opinion Unit: Governmental Activities			
To properly state the subscription liability and subscription asset at December 31, 2023			
999-26702	Subscription Liability		\$ 100,711
999-16410	Subscription Asset	\$ 160,933	
999-42280	Interest Expense		\$ 60,222
Total		\$ 160,933	\$ 100,711

CITY OF NORTH BRANCH, MINNESOTA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023



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INTRODUCTORY SECTION

**CITY OF NORTH BRANCH, MINNESOTA
PRINCIPAL CITY OFFICIALS
DECEMBER 31, 2023**

City Council		
Position	Term Expires	Name
Mayor	12/31/2024	Kevin Schieber
Council Member	12/31/2024	Robert Canada
Council Member	12/31/2024	Kelly Neider
Council Member	12/31/2026	Travis Miles
Council Member	12/31/2026	Peter Schaps

City Officials	
Position	Name
City Administrator (Interim)	Jason Ziemer
Finance Director	Sharon Wright

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of North Branch
North Branch, Minnesota

Report on the Audit of the Financial Statements

Opinions

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 North Branch, Minnesota (City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 10 to the financial statements, the City restated beginning net position in the Sewer Fund and net position of the business-type activities to correct an error in the previously issued financial statements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the City's proportionate share of the net pension liability, schedule of pension contributions, North Branch Volunteer Fire Relief Association – schedule of changes in the net pension asset and related ratios, and budgetary comparison information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements, the debt service fund by bond issue financial schedules, and the capital project fund by capital project financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 GAAS. In our opinion, the combining nonmajor fund financial statements, the debt service fund by bond issue financial schedules, and the capital project fund by capital project financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable Mayor and Members of the City Council
City of North Branch

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2024, on our consideration of the City'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 the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Alexandria, Minnesota
August 27, 2024

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF NORTH BRANCH, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

This section of the City of North Branch's (the City) annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on December 31, 2023. The management's discussion and analysis (MD&A) is an element of Required Supplementary Information. Certain comparative information between the current year (2023) and the prior year (2022) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 include the following:

- 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 \$91,688,737 (net position).
- City-wide net position increased by \$14,767,799 over the prior year. This is due primarily to infrastructure funded with state aid, contributed from developers and the sale of the electric utility assets.
- As of the close of the current year, the City's governmental funds reported a combined fund balance of \$17,257,956, an increase of \$36,485 in comparison to the prior year balance of \$17,221,471. Approximately \$5,910,696 of this amount, or 34.2%, is restricted.
- At the end of the current year, unassigned fund balance for the General Fund was \$4,454,940, or 55.7% of General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – independent auditors' report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are City-wide financial statements which provide both short-term and long-term information about the City's overall financial status.
- The remaining statements are fund financial statements which focus on individual parts of the City, reporting the City's operations in more detail than the City-wide statements.
 - The governmental funds statements tell how basic services such as general government, public safety, and public works were financed in the short-term, as well as what remains for future spending.
 - The proprietary funds statements tell how the City's various business-type activities such as sewer, municipal liquor, and storm sewer activities are operating, as well as what remains for future spending.

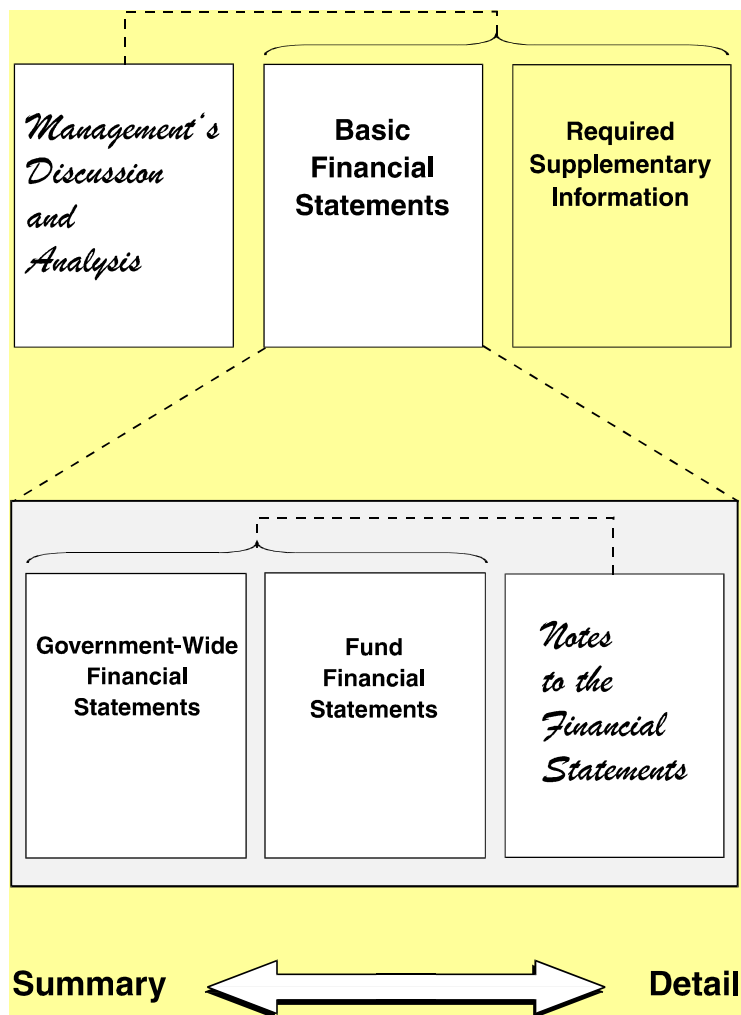
**CITY OF NORTH BRANCH, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1
Annual Report Format**



**CITY OF NORTH BRANCH, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Type of Statements	Government-Wide	Governmental Funds	Proprietary Funds
Scope	Entire City's government (except fiduciary funds).	The activities of the City that are not proprietary or fiduciary.	The activities of the City that operate similar to private businesses: water, sewer, municipal liquor as examples.
Required financial statements	Statement of net position.	Balance sheet.	Statement of net position.
	Statement of activities.	Statement of revenues, expenditures and changes in fund balances.	Statement of revenues, expenses, and changes in net position, and statement of cash flows.
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.
Type of Asset and Deferred Outflow of Resources/ Liability and Deferred Inflow of Resources Information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term.	Only assets and deferred outflows of resources expected to be used and liabilities and deferred inflows of resources that come due during the year or soon thereafter, no capital assets included.	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term.
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.

City-Wide Statements

The City-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two City-wide statements report the City's net position and how it has changed. Net position – the difference between the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – are one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the City, you need to consider additional nonfinancial factors such as changes in the City's property tax base and the condition of City buildings and other facilities.

**CITY OF NORTH BRANCH, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

City-Wide Statements (Continued)

In the City-wide financial statements, the City's activities are shown in two categories:

- *Governmental Activities* – The City's basic services are included here. Property taxes, special assessments and state aids finance most of these activities.
- *Business-Type Activities* – The City's enterprise fund operations are included here. Charges for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's funds – focusing on its most significant or "major" funds – not the City as a whole. Funds are accounting devices the City uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The City establishes other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

The City has two kinds of funds:

- *Governmental Funds* – The City's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the City-wide statements, we provide additional information after the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary Funds* – The City reports five proprietary funds. 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 sewer, municipal liquor, storm sewer, generation and water services. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

**CITY OF NORTH BRANCH, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The City's net position was \$91,688,737 on December 31, 2023 (see Table A-1).

**Table A-1
The City's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 19,227,218	\$ 20,114,738	\$ 17,287,545	\$ 14,877,677	\$ 36,514,763	\$ 34,992,415
Capital Assets	38,969,245	34,297,012	41,916,268	41,107,254	80,885,513	75,404,266
Total Assets	58,196,463	54,411,750	59,203,813	55,984,931	117,400,276	110,396,681
Deferred Outflows of Resources	3,417,382	3,917,721	330,484	556,530	3,747,866	4,474,251
Current Liabilities	2,128,352	2,868,209	2,931,659	4,526,525	5,060,011	7,394,734
Long-Term Liabilities	10,953,426	15,578,125	9,531,029	13,758,593	20,484,455	29,336,718
Total Liabilities	13,081,778	18,446,334	12,462,688	18,285,118	25,544,466	36,731,452
Deferred Inflows of Resources	3,095,016	264,807	819,923	1,014,531	3,914,939	1,279,338
Net Position:						
Net Investment In Capital Assets	32,657,509	26,917,247	31,779,561	26,689,403	64,437,070	53,606,650
Restricted	6,863,325	6,377,225	298,752	2,909,700	7,162,077	9,286,925
Unrestricted	5,916,217	6,323,858	14,173,373	7,642,709	20,089,590	13,966,567
Total Net Position	<u>\$ 45,437,051</u>	<u>\$ 39,618,330</u>	<u>\$ 46,251,686</u>	<u>\$ 37,241,812</u>	<u>\$ 91,688,737</u>	<u>\$ 76,860,142</u>

**CITY OF NORTH BRANCH, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (CONTINUED)

Changes in Net Position

The City-wide total revenues were \$28,251,968 for the year ended December 31, 2023. Property taxes, operating grants, and capital grants and contributions accounted for 57.1% of total revenue for the year, while user charges accounted for 36.6% of total revenue (see Table A-2).

**Table A-2
Change in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program Revenues:						
Charges for Services	\$ 625,231	\$ 1,233,363	\$ 9,713,636	\$ 12,177,513	\$ 10,338,867	\$ 13,410,876
Operating Grants and Contributions	1,029,866	614,267	738,490	617,263	1,768,356	1,231,530
Capital Grants and Contributions	4,511,534	894,830	3,132,173	460,020	7,643,707	1,354,850
General Revenues:						
Property Taxes	5,782,834	5,445,720	-	-	5,782,834	5,445,720
Tax Increment Financing	472,532	487,584	-	-	472,532	487,584
Franchise Fees	335,849	332,971	-	-	335,849	332,971
Grants and Contributions not						
Restricted to Specific Programs	927,485	1,969,679	-	-	927,485	1,969,679
Unrestricted Investment Earnings	386,712	8,977	441,743	63,990	828,455	72,967
Gain on Sale of Capital Assets	-	-	18,000	-	18,000	-
Miscellaneous Revenues	135,883	91,761	-	264,185	135,883	355,946
Total Revenues	14,207,926	11,079,152	14,044,042	13,582,971	28,251,968	24,662,123
EXPENSES						
General Government	1,809,834	3,044,027	-	-	1,809,834	3,044,027
Public Safety	3,820,500	3,427,129	-	-	3,820,500	3,427,129
Public Works	2,023,433	2,113,753	-	-	2,023,433	2,113,753
Culture and Recreation	524,310	478,969	-	-	524,310	478,969
Interest on Long-Term Debt	261,128	304,364	-	-	261,128	304,364
Sewer	-	-	1,623,730	1,563,195	1,623,730	1,563,195
Liquor Store	-	-	3,929,722	3,744,734	3,929,722	3,744,734
Storm Sewer	-	-	757,744	598,578	757,744	598,578
Generation	-	-	605,945	3,792,333	605,945	3,792,333
Water	-	-	1,946,765	1,585,959	1,946,765	1,585,959
Total Expenses	8,439,205	9,368,242	8,863,906	11,284,799	17,303,111	20,653,041
CHANGE IN NET POSITION BEFORE SPECIAL ITEM AND TRANSFERS	5,768,721	1,710,910	5,180,136	2,298,172	10,948,857	4,009,082
Special Item - Gain on Sale of Electric Assets	-	-	3,818,942	-	3,818,942	-
Transfers	50,000	94,556	(50,000)	(94,556)	-	-
CHANGE IN NET POSITION	5,818,721	1,805,466	8,949,078	2,203,616	14,767,799	4,009,082
Net Position - Beginning of Year	39,618,330	37,812,864	37,241,812	35,038,196	76,860,142	72,851,060
Restatement	-	-	60,796	-	60,796	-
Net Position - Beginning of Year	<u>39,618,330</u>	<u>37,812,864</u>	<u>37,302,608</u>	<u>35,038,196</u>	<u>76,920,938</u>	<u>72,851,060</u>
NET POSITION - END OF YEAR	\$ 45,437,051	\$ 39,618,330	\$ 46,251,686	\$ 37,241,812	\$ 91,688,737	\$ 76,860,142

Total revenues surpassed expenses, increasing net position \$14,767,799 over last year.

**CITY OF NORTH BRANCH, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (CONTINUED)

Changes in Net Position (Continued)

The City-wide cost of all governmental activities this year was \$8,439,205.

- Some of the cost was paid by the users of the City's programs (\$625,231).
- Federal, state government payments, and developer contributions (\$5,541,400) subsidized certain programs.
- Ad valorem property taxes (\$5,782,834), tax increment financing (\$472,532), franchise fees (\$335,849), and unrestricted state grants (\$927,485) also helped fund the net costs of governmental services.
- Transfers from the City's business-type operations also support governmental operations (\$50,000).

**Table A-3
Program Expenses and Net Cost of Services**

	Total Cost of Services		Net Revenue (Cost of Services) After Program Revenues	
	2023	2022	2023	2022
GOVERNMENTAL ACTIVITIES				
General Government	\$ 1,809,834	\$ 3,044,027	\$ (1,739,809)	\$ (1,900,754)
Public Safety	3,820,500	3,427,129	(2,823,199)	(2,082,050)
Public Works	2,023,433	2,113,753	2,909,185	(736,439)
Culture and Recreation	524,310	478,969	(357,623)	326,950
Interest	261,128	304,364	(261,128)	(242,989)
Total	<u>\$ 8,439,205</u>	<u>\$ 9,368,242</u>	<u>\$ (2,272,574)</u>	<u>\$ (4,635,282)</u>
BUSINESS-TYPE ACTIVITIES				
Sewer	\$ 1,623,730	\$ 1,563,195	\$ 1,820,398	\$ 980,222
Municipal Liquor Store	3,929,722	3,744,734	75,012	126,239
Storm Sewer Utility	757,744	598,578	889,770	(122,226)
Water	1,946,765	1,585,959	1,476,162	336,943
Electric Generation	605,945	3,792,333	459,051	781,874
Total	<u>\$ 8,863,906</u>	<u>\$ 11,284,799</u>	<u>\$ 4,720,393</u>	<u>\$ 2,103,052</u>

**CITY OF NORTH BRANCH, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE CITY AT THE FUND LEVEL

Governmental Funds

As the City completed the year, its governmental funds reported a combined fund balance of \$17,257,956.

Revenues for the City's governmental funds were \$10,974,402 while total expenditures were \$11,209,208. Revenues decreased \$312,727 due to 2022 ARPA funds that were not available in 2023. This was offset by increases in taxes, interest earnings and licenses and permit revenue. Expenditures decreased \$143,875 due to debt payments decreasing.

The General Fund's fund balance decreased \$44,754 from the prior year. This is due primarily to a large increase in capital outlay for 2023.

The Debt Service Fund's fund balance increased \$327,992 from the prior year. This is due primarily to higher than anticipated special assessment revenue and transfers from other funds.

The Capital Projects Fund's fund balance decreased \$104,979 due primarily to capital expenditures exceeding revenue sources.

Business-Type Funds

Net position in the Sewer Fund increased \$1,924,993. This is primarily due to the collection of access and connection fees totaling \$622,365 and the recognized of developer contributed assets.

Net position in the Municipal Liquor Store Fund decreased \$19,559. Operating income of \$75,012, interest earned totaled \$5,429 and \$100,000 was transferred to the general fund.

Net position in the Storm Sewer Utility Fund increased \$966,543. This is primarily due to developer contributed assets recognized in 2023

Net position in the Generation Fund increased \$4,465,412. This is primarily due to the sale of assets to East Central Energy Cooperative during 2023.

Net position in the Water Fund increased \$1,611,689. This is primarily due to developer contributed assets recognized in 2023

**CITY OF NORTH BRANCH, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE CITY AT THE FUND LEVEL (CONTINUED)

General Fund

The General Fund includes the primary operations of the City in providing services to citizens.

The following schedule presents a summary of General Fund revenues:

**Table A-4
General Fund Revenues**

Fund	Year Ended		Change
	December 31, 2023	December 31, 2022	Increase (Decrease)
Taxes	\$ 4,578,379	\$ 4,078,388	\$ 499,991
Special Assessments	2,270	2,269	1
Licenses and Permits	408,798	290,650	118,148
Intergovernmental	1,925,794	2,472,545	(546,751)
Charges for Services	82,894	789,685	(706,791)
Fines and Forfeits	17,669	15,262	2,407
Interest Earnings	199,701	2,231	197,470
Refunds and Reimbursements	110,868	123,837	(12,969)
Contributions and Donations	8,537	20,672	(12,135)
Miscellaneous	25,517	31,933	(6,416)
Total General Fund Revenues	<u>\$ 7,360,427</u>	<u>\$ 7,827,472</u>	<u>\$ (467,045)</u>

Revenues in the General Fund decreased \$467,045 from the previous year. The primary reason for the decrease is a change in the timing of when federal intergovernmental revenue is recognized. The City recognized ARPA state and local fiscal recovery funds totaling \$1,115,359 in 2022. Property taxes increased as a result of an increase in the operating levy. Charges for services decreased due to the water and generation funds recognizing payroll expenses directly in 2023 whereas in 2022 the activity was recorded in the general fund and the city billed the North Branch Municipal Water and Light Commission.

**CITY OF NORTH BRANCH, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE CITY AT THE FUND LEVEL (CONTINUED)

General Fund (Continued)

The following schedule presents a summary of General Fund expenditures:

**Table A-5
General Fund Expenditures**

	Year Ended		Change
	December 31, 2023	December 31, 2022	Increase (Decrease)
General Government	\$ 1,557,893	\$ 2,046,496	\$ (488,603)
Public Safety	3,467,095	3,102,480	364,615
Highway and Streets	1,145,847	882,750	263,097
Culture and Recreation	390,802	322,197	68,605
Capital Outlay	1,373,489	438,311	935,178
Debt Service	65,500	65,499	1
Total Expenditures	<u>\$ 8,000,626</u>	<u>\$ 6,857,733</u>	<u>\$ 1,142,893</u>

The General Fund's expenditures increased \$1,142,893 from 2022 due to personnel costs in police and highway and streets and large capital outlay related to security system improvements.

General Fund Budgetary Highlights

During 2023, the City Council approved made minor amendments to the annual operating budget.

- Actual revenues exceeded budget by \$929,307 primarily due to a one-time distribution from the state of \$486,000 and higher interest rates on investments.
- The actual expenditures were over budget by \$1,184,927 due to increased personnel costs especially in police and highway and streets and a large capital outlay related to security system improvements costing more than budget.

**CITY OF NORTH BRANCH, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

CAPITAL ASSETS

By the end of 2023, the City had invested approximately \$80,885,513 (net of accumulated depreciation) in a broad range of capital assets, including buildings, improvements, equipment, and infrastructure (see Table A-6). (More detailed information about capital assets can be found in Note 3.A.6 to the financial statements). Total depreciation/amortization expense for the year was \$3,341,720 (including the enterprise funds).

**Table A-6
The City's Capital Assets**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,451,297	\$ 2,451,297	\$ 437,379	\$ 453,384	\$ 2,888,676	\$ 2,904,681
Construction-in-Progress	1,139,793	1,870,198	582,247	37,046	1,722,040	1,907,244
Buildings and Improvements	3,521,961	3,521,961	22,678,728	22,829,280	26,200,689	26,351,241
Infrastructure	45,608,305	39,699,369	-	-	45,608,305	39,699,369
Machinery and Equipment	3,066,662	2,254,877	8,472,337	8,305,742	11,538,999	10,560,619
Vehicles	4,069,057	4,278,407	-	-	4,069,057	4,278,407
Distribution and Collection System	-	-	40,308,009	46,540,907	40,308,009	46,540,907
Right to Use Assets	-	-	728,519	282,697	728,519	282,697
Less: Accumulated Depreciation/ Amortization	(20,887,830)	(19,779,097)	(31,290,951)	(37,341,802)	(52,178,781)	(57,120,899)
Total	<u>\$ 38,969,245</u>	<u>\$ 34,297,012</u>	<u>\$ 41,916,268</u>	<u>\$ 41,107,254</u>	<u>\$ 80,885,513</u>	<u>\$ 75,404,266</u>

Changes to the Governmental Activities capital assets for the year ended December 31, 2023 were a result of:

- 2022 and 2023 street overlay projects were both completed in 2023.
- Capital contributed from developers.
- Security system improvements.
- Current year depreciation expense of \$1,410,932.

Changes to the Business-Type Activities capital assets for the year ended December 31, 2023 were a result of:

- Contributed capital donated from developers.
- Current year depreciation/amortization expense of \$1,930,788.

LONG-TERM LIABILITIES

At year-end, the City had approximately \$19,469,633 in long-term liabilities outstanding. The City's governmental activities and business-type activities net long-term debt decreased \$5,730,159.

- Principal payments on governmental activities debt totaled \$1,250,275 in 2023.
- Principal payments on business type activities debt totaled \$4,875,111 in 2023 primarily due to the cash defeasance of the electric utility bonds as a result of the electric asset sale, see note 9 to the basic financial statements.

**CITY OF NORTH BRANCH, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

LONG-TERM LIABILITIES (CONTINUED)

**Table A-7
The City's Long-Term Liabilities**

	2023	2022
GOVERNMENTAL ACTIVITIES		
General Obligation Bonds	\$ 243,000	\$ 282,000
G.O. Improvement Bonds	905,000	1,289,000
Tax Increment Bonds	3,555,000	3,855,000
Equipment Certificates of Indebtedness	990,000	990,000
Revenue Bonds (EDA)	2,300,000	2,555,000
Loan Payable	603,256	828,256
Finance Purchase Arrangement	390,815	438,090
Net Bond Premium	83,753	96,450
Compensated Absences	297,471	359,425
Total Governmental Activities	<u>9,368,295</u>	<u>10,693,221</u>
BUSINESS-TYPE ACTIVITIES		
General Obligation Bonds	3,823,000	8,179,000
G.O. Revenue Note - Direct Borrowing	5,030,000	5,460,000
Equipment Certificates of Indebtedness	555,000	555,000
Lease Liability	552,061	195,350
Compensated Absences Payable	120,599	88,720
Bond Premium	20,678	28,501
Total Business-Type Activities	<u>10,101,338</u>	<u>14,506,571</u>
Total City-Wide Debt	<u><u>\$ 19,469,633</u></u>	<u><u>\$ 25,199,792</u></u>

More detailed information about long-term liabilities can be found in Note 3.B.1 to the financial statements.

FACTORS BEARING ON THE CITY'S FUTURE

The City/EDA owns property for sale including housing, commercial, and industrial land. The sale of these properties will have a very positive impact on the City's financial picture by reducing debt, increasing tax base, and providing jobs within the community.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Sharon Wright, Finance Director, PO Box 910, North Branch, Minnesota 55056.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF NORTH BRANCH, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Cash and Investments	\$ 9,360,169	\$ 15,006,272	\$ 24,366,441
Restricted Cash and Investments	-	298,752	298,752
Receivables:			
Taxes	152,264	-	152,264
Accounts, Net	139,595	462,709	602,304
Special Assessments	651,607	59,157	710,764
Loans	402	-	402
Accrued Interest	37,945	70,674	108,619
Due from Other Governments	85,743	112,755	198,498
Inventory	-	514,602	514,602
Prepaid Items	177,234	216,116	393,350
Land Held for Resale	8,256,308	-	8,256,308
Lease Receivable	-	546,508	546,508
Net Pension Asset	365,951	-	365,951
Capital Assets:			
Land and Construction In Progress	3,591,090	1,019,836	4,610,926
Other Capital Assets, Net of Depreciation	35,378,155	40,896,432	76,274,587
Total Assets	<u>58,196,463</u>	<u>59,203,813</u>	<u>117,400,276</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related	3,417,382	330,484	3,747,866
Total Deferred Outflows of Resources	<u>3,417,382</u>	<u>330,484</u>	<u>3,747,866</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	383,529	370,417	753,946
Accrued Wages	40,709	141,263	181,972
Other Liabilities	281,386	-	281,386
Customer Deposits	-	29,701	29,701
Accrued Interest Payable	97,877	97,533	195,410
Due to Other Governments	14,196	58,201	72,397
Unearned Revenue	23,575	749,625	773,200
Long-Term Liabilities:			
Net Pension Liability	2,872,211	914,610	3,786,821
Due Within One Year	1,287,080	1,484,919	2,771,999
Due in More than One Year	8,081,215	8,616,419	16,697,634
Total Liabilities	<u>13,081,778</u>	<u>12,462,688</u>	<u>25,544,466</u>
DEFERRED INFLOWS OF RESOURCES			
Lease Related	-	528,731	528,731
Pension Related	3,095,016	291,192	3,386,208
Total Deferred Inflows of Resources	<u>3,095,016</u>	<u>819,923</u>	<u>3,914,939</u>
NET POSITION			
Net Investment in Capital Assets	32,657,509	31,779,561	64,437,070
Restricted For:			
Debt Service	5,249,350	298,752	5,548,102
Fire Pension	365,951	-	365,951
Public Safety	486,396	-	486,396
Housing	49,929	-	49,929
Economic Development	349,073	-	349,073
Tax Increment Financing	130,950	-	130,950
Highway Projects	74,144	-	74,144
Capital Outlay	157,532	-	157,532
Unrestricted	<u>5,916,217</u>	<u>14,173,373</u>	<u>20,089,590</u>
Total Net Position	<u>\$ 45,437,051</u>	<u>\$ 46,251,686</u>	<u>\$ 91,688,737</u>

See accompanying Notes to Financial Statements.

**CITY OF NORTH BRANCH, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 1,809,834	\$ 30,342	\$ 39,683	\$ -
Public Safety	3,820,500	173,805	823,496	-
Public Works	2,023,433	421,084	-	4,511,534
Culture and Recreation	524,310	-	166,687	-
Economic Development	-	-	-	-
Interest	261,128	-	-	-
Total Governmental Activities	8,439,205	625,231	1,029,866	4,511,534
BUSINESS-TYPE ACTIVITIES				
Sewer	1,623,730	1,893,357	622,365	928,406
Municipal Liquor Store	3,929,722	4,004,734	-	-
Storm Sewer Utility	757,744	504,861	-	1,142,653
Generation	605,945	1,064,996	-	-
Water	1,946,765	2,245,688	116,125	1,061,114
Total Business-Type Activities	8,863,906	9,713,636	738,490	3,132,173
Total Primary Government	\$ 17,303,111	\$ 10,338,867	\$ 1,768,356	\$ 7,643,707

GENERAL REVENUES, SPECIAL ITEM AND TRANSFERS:

Property Taxes, Levied for
General Purpose
Tax Increment Financing
Franchise Fees
Grants and Contributions not
Restricted to Specific Programs
Unrestricted Investment Earnings
Miscellaneous
Gain on Sale of Capital Assets
Special Item - Gain on Sale of Electric Assets
Transfers
Total General Revenues, Special Item and Transfers

CHANGE IN NET POSITION

Net Position - Beginning of Year
Restatement (See Note 10)
Net Position - Beginning of Year, as
Restated

NET POSITION - END OF YEAR

See accompanying Notes to Financial Statements.

**CITY OF NORTH BRANCH, MINNESOTA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (1,739,809)	\$ -	\$ (1,739,809)
(2,823,199)	-	(2,823,199)
2,909,185	-	2,909,185
(357,623)	-	(357,623)
-	-	-
(261,128)	-	(261,128)
(2,272,574)	-	(2,272,574)
-	1,820,398	1,820,398
-	75,012	75,012
-	889,770	889,770
-	459,051	459,051
-	1,476,162	1,476,162
-	4,720,393	4,720,393
(2,272,574)	4,720,393	2,447,819
5,782,834	-	5,782,834
472,532	-	472,532
335,849	-	335,849
927,485	-	927,485
386,712	441,743	828,455
135,883	-	135,883
-	18,000	18,000
-	3,818,942	3,818,942
50,000	(50,000)	-
8,091,295	4,228,685	12,319,980
5,818,721	8,949,078	14,767,799
39,618,330	37,241,812	76,860,142
-	60,796	60,796
39,618,330	37,302,608	76,920,938
<u>\$ 45,437,051</u>	<u>\$ 46,251,686</u>	<u>\$ 91,688,737</u>

See accompanying Notes to Financial Statements.

FUND FINANCIAL STATEMENTS

**CITY OF NORTH BRANCH, MINNESOTA
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 4,711,064	\$ 2,503,258	\$ 1,381,145	\$ 764,702	\$ 9,360,169
Receivables:					
Accounts, Net	30,553	3,363	87,279	18,400	139,595
Taxes	113,447	15,260	18,398	5,159	152,264
Special Assessments	811	596,991	53,805	-	651,607
Accrued Interest	18,931	10,146	5,610	3,258	37,945
Loans	402	-	-	-	402
Due From Other Funds	811,742	-	-	-	811,742
Advance To Other Funds	202,659	-	-	-	202,659
Due From Other Governments	179	-	74,144	11,420	85,743
Prepaid Items	175,888	-	-	1,346	177,234
Land Held for Resale	-	-	7,791,181	465,127	8,256,308
	<u>-</u>	<u>-</u>	<u>7,791,181</u>	<u>465,127</u>	<u>8,256,308</u>
Total Assets	<u>\$ 6,065,676</u>	<u>\$ 3,129,018</u>	<u>\$ 9,411,562</u>	<u>\$ 1,269,412</u>	<u>\$ 19,875,668</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 274,405	\$ -	\$ 99,524	\$ 9,600	\$ 383,529
Accrued Wages	34,282	-	-	6,427	40,709
Unearned Revenue	-	-	23,575	-	23,575
Other Liabilities	281,386	-	-	-	281,386
Due to Other Funds	-	81,791	209,283	520,668	811,742
Advance From Other Funds	-	-	-	202,659	202,659
Due to Other Governments	13,892	-	-	304	14,196
	<u>603,965</u>	<u>81,791</u>	<u>332,382</u>	<u>739,658</u>	<u>1,757,796</u>
Total Liabilities	603,965	81,791	332,382	739,658	1,757,796
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Other	-	-	-	11,420	11,420
Unavailable Revenue - Property Taxes	91,684	13,564	14,982	3,558	123,788
Unavailable Revenue - Special Assessments	215	596,847	53,502	-	650,564
Unavailable Revenue - State Aid	-	-	74,144	-	74,144
Total Deferred Inflows of Resources	<u>91,899</u>	<u>610,411</u>	<u>142,628</u>	<u>14,978</u>	<u>859,916</u>
FUND BALANCES					
Nonspendable	378,547	-	-	1,346	379,893
Restricted	536,325	2,436,816	2,300,000	637,555	5,910,696
Committed	-	-	-	79,389	79,389
Assigned	-	-	6,636,552	-	6,636,552
Unassigned	4,454,940	-	-	(203,514)	4,251,426
Total Fund Balances	<u>5,369,812</u>	<u>2,436,816</u>	<u>8,936,552</u>	<u>514,776</u>	<u>17,257,956</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,065,676</u>	<u>\$ 3,129,018</u>	<u>\$ 9,411,562</u>	<u>\$ 1,269,412</u>	<u>\$ 19,875,668</u>

See accompanying Notes to Financial Statements.

**CITY OF NORTH BRANCH, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS \$ 17,257,956

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. 38,969,245

The City's net pension asset and liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:

Net Pension Asset	\$ 365,951	
Net Pension Liability	(2,872,211)	
Deferred Inflows of Resources - Pension Related	(3,095,016)	
Deferred Outflows of Resources - Pension Related	<u>3,417,382</u>	(2,183,894)

Some of the City's property taxes, special assessments, other revenue, and state aid will be collected after year end, but are not available soon enough to pay for the current-period's expenditures and, therefore, are reported as unavailable revenue in the governmental funds. 859,916

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is included in the statement of net position. (97,877)

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.

Bonds Payable	(7,003,000)	
Equipment Certificates of Indebtedness	(990,000)	
Loans Payable	(603,256)	
Unamortized Premiums	(83,753)	
Lease Obligations	(390,815)	
Compensated Absences Payable	<u>(297,471)</u>	<u>(9,368,295)</u>

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 45,437,051

CITY OF NORTH BRANCH, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 4,578,379	\$ 578,150	\$ 816,259	\$ 166,273	\$ 6,139,061
Tax Increments	-	272,565	-	199,861	472,426
Tax Abatement	-	-	-	106	106
Licenses and Permits	408,798	-	-	-	408,798
Intergovernmental	1,925,794	-	670,721	812	2,597,327
Charges for Services	82,894	-	-	-	82,894
Fines and Forfeits	17,669	-	-	-	17,669
Special Assessments	2,270	516,285	7,787	-	526,342
Interest Earnings	199,701	71,407	80,573	35,031	386,712
Refunds and Reimbursements	110,868	-	30,734	-	141,602
Contributions and Donations	8,537	-	-	93,844	102,381
Miscellaneous	25,517	-	21,300	52,267	99,084
Total Revenues	7,360,427	1,438,407	1,627,374	548,194	10,974,402
EXPENDITURES					
Current:					
General Government	1,557,893	-	25,697	196,863	1,780,453
Public Safety	3,467,095	-	-	22,276	3,489,371
Highways and Streets	1,145,847	-	-	-	1,145,847
Culture and Recreation	390,802	-	-	-	390,802
Capital Outlay	1,373,489	-	1,481,367	6,675	2,861,531
Debt Service:					
Principal	47,275	978,000	225,000	-	1,250,275
Fiscal Agent Fees	-	16,447	-	-	16,447
Interest	18,225	255,968	-	-	274,193
Bond Issuance Costs	-	-	289	-	289
Total Expenditures	8,000,626	1,250,415	1,732,353	225,814	11,209,208
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(640,199)	187,992	(104,979)	322,380	(234,806)
OTHER FINANCING SOURCES (USES)					
Sales of Capital Assets	204,245	-	-	-	204,245
Transfers In	424,154	140,000	-	-	564,154
Transfers Out	(50,000)	-	-	(464,154)	(514,154)
Insurance Recoveries	17,046	-	-	-	17,046
Total Other Financing Sources (Uses)	595,445	140,000	-	(464,154)	271,291
NET CHANGE IN FUND BALANCES	(44,754)	327,992	(104,979)	(141,774)	36,485
Fund Balances - Beginning of Year	5,414,566	2,108,824	9,041,531	656,550	17,221,471
FUND BALANCES - END OF YEAR	<u>\$ 5,369,812</u>	<u>\$ 2,436,816</u>	<u>\$ 8,936,552</u>	<u>\$ 514,776</u>	<u>\$ 17,257,956</u>

See accompanying Notes to Financial Statements.

**CITY OF NORTH BRANCH, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO
THE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	36,485
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	\$ 6,228,077		
Disposal of Capital Assets	(144,912)		
Depreciation Expense	<u>(1,410,932)</u>		4,672,233

Pension expenditures on the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources.		(180,508)
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The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Repayment on Finance Purchase Arrangement	47,275		
Repayment of Debt Principal	1,203,000		
Change in Accrued Interest Expense	16,441		
Amortization of Bond Premium	<u>12,697</u>		1,279,413

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Change in Compensated Absences		61,954
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Delinquent property taxes, special assessments, and state aid receivable will be collected subsequent to year end, but are not available soon enough to pay for the current-period's expenditures and, therefore, are deferred inflows of resources in the governmental funds.

Deferred Inflows of Resources - December 31, 2022	(910,772)		
Deferred Inflows of Resources - December 31, 2023	<u>859,916</u>		<u>(50,856)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>5,818,721</u>
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See accompanying Notes to Financial Statements.

CITY OF NORTH BRANCH, MINNESOTA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds					
	Sewer Fund	Municipal Liquor Store Fund	Storm Sewer Utility Fund	Generation Fund	Water Fund	Totals
ASSETS						
Current Assets:						
Cash and Investments	\$ 3,228,419	\$ 161,361	\$ 654,846	\$ 7,468,975	\$ 3,492,671	\$ 15,006,272
Restricted Cash and Investments	-	-	-	-	298,752	298,752
Receivables:						
Accounts	223,448	-	33,518	1,534	204,209	462,709
Accrued Interest	13,114	655	2,700	-	54,205	70,674
Certified Delinquent Utility Bills	4,985	-	49,328	718	4,126	59,157
Due from Other Governments	-	-	112,755	-	-	112,755
Lease Receivable	-	-	-	-	27,527	27,527
Inventories	-	514,602	-	-	-	514,602
Prepaid Items	22,109	18,107	383	-	175,517	216,116
Total Current Assets	3,492,075	694,725	853,530	7,471,227	4,257,007	16,768,564
Noncurrent Assets:						
Lease Receivable	-	-	-	-	518,981	518,981
Capital Assets:						
Land	40,000	28,000	286,454	-	82,925	437,379
Building and Improvements	13,729,287	1,488,425	-	-	26,617	15,244,329
Machinery and Equipment	255,799	116,421	624,506	6,148,200	24,097,624	31,242,550
Infrastructure	14,040,597	-	10,596,632	-	1,063,275	25,700,504
Construction in Process	-	-	-	34,686	547,771	582,457
Less: Accumulated Depreciation/Amortization	(12,979,433)	(702,730)	(5,185,206)	(1,921,326)	(10,502,256)	(31,290,951)
Net Capital Assets	15,086,250	930,116	6,322,386	4,261,560	15,315,956	41,916,268
Total Noncurrent Assets	15,086,250	930,116	6,322,386	4,261,560	15,834,937	42,435,249
Total Assets	18,578,325	1,624,841	7,175,916	11,732,787	20,091,944	59,203,813
DEFERRED OUTFLOWS OF RESOURCES						
Pension Related	77,347	112,505	42,190	14,063	84,379	330,484
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 18,672	\$ 91,478	\$ 116,816	\$ 10,308	\$ 133,143	\$ 370,417
Accrued Wages	31,813	56,374	15,642	-	37,434	141,263
Due to Other Governments	1,311	43,726	717	-	12,447	58,201
Unearned Revenue	749,625	-	-	-	-	749,625
Customer Deposits	-	-	-	-	29,701	29,701
Accrued Interest Payable	53,096	-	4,852	-	39,585	97,533
Accrued Compensated Absences	5,291	4,866	2,985	-	8,867	22,009
Lease Liability	-	90,910	-	-	-	90,910
Bonds, Notes and Certificates Payable	690,000	-	60,000	-	622,000	1,372,000
Total Current Liabilities	1,549,808	287,354	201,012	10,308	883,177	2,931,659
Long-Term Liabilities:						
Net Pension Liability	214,057	311,357	116,759	38,920	233,517	914,610
Lease Liability	-	461,151	-	-	-	461,151
Bonds, Notes and Certificates Payable	4,752,012	-	533,666	-	2,771,000	8,056,678
Accrued Compensated Absences	19,814	30,448	14,839	-	33,489	98,590
Total Long-Term Liabilities	4,985,883	802,956	665,264	38,920	3,038,006	9,531,029
Total Liabilities	6,535,691	1,090,310	866,276	49,228	3,921,183	12,462,688
DEFERRED INFLOWS OF RESOURCES						
Lease Related	-	-	-	-	528,731	528,731
Pension Related	68,152	99,129	37,173	12,391	74,347	291,192
Total Deferred Inflows	68,152	99,129	37,173	12,391	603,078	819,923
NET POSITION						
Net Investment in Capital Assets	9,644,238	378,055	5,615,965	4,261,560	11,879,743	31,779,561
Restricted For Debt Service	-	-	-	-	298,752	298,752
Unrestricted	2,407,591	169,852	698,692	7,423,671	3,473,567	14,173,373
Total Net Position	\$ 12,051,829	\$ 547,907	\$ 6,314,657	\$ 11,685,231	\$ 15,652,062	\$ 46,251,686

See accompanying Notes to Financial Statements.

CITY OF NORTH BRANCH, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds					Totals
	Sewer Fund	Municipal Liquor Store Fund	Storm Sewer Utility Fund	Generation Fund	Water Fund	
OPERATING REVENUES						
Sales	\$ -	\$ 4,004,734	\$ -	\$ -	\$ -	\$ 4,004,734
Costs of Goods Sold	-	(2,936,282)	-	-	-	(2,936,282)
Charges for Services	1,893,357	-	487,447	1,064,996	2,180,930	5,626,730
Miscellaneous	-	-	17,414	-	29,058	46,472
Total Gross Profit and Operating Revenues	1,893,357	1,068,452	504,861	1,064,996	2,209,988	6,741,654
OPERATING EXPENSES						
Personnel Services	439,544	630,437	242,825	(181,093)	587,541	1,719,254
Materials and Supplies	61,425	45,318	18,468	14,525	85,344	225,080
Repairs and Maintenance	-	43,133	144,290	66,537	216,212	470,172
Purchased Power	-	-	-	236,829	-	236,829
Other Services and Charges	349,467	132,979	61,223	154,277	243,591	941,537
Depreciation/Amortization	625,813	141,573	281,635	175,249	706,518	1,930,788
Total Operating Expenses	1,476,249	993,440	748,441	466,324	1,839,206	5,523,660
OPERATING INCOME (LOSS)	417,108	75,012	(243,580)	598,672	370,782	1,217,994
NONOPERATING REVENUES (EXPENSES)						
Access and Connection Fees	622,365	-	-	-	116,125	738,490
Investment Earnings	104,595	5,429	26,773	187,419	117,527	441,743
Lease Revenue	-	-	-	-	35,700	35,700
Interest	(147,481)	-	(9,303)	(74,106)	(107,559)	(338,449)
Gain on Sale of Asset	-	-	-	-	18,000	18,000
Total Nonoperating Revenues (Expenses)	579,479	5,429	17,470	113,313	179,793	895,484
INCOME (LOSS) BEFORE CONTRIBUTIONS, SPECIAL ITEM AND TRANSFERS	996,587	80,441	(226,110)	711,985	550,575	2,113,478
Capital Contributions	928,406	-	1,142,653	-	1,061,114	3,132,173
Contributed Capital	-	-	-	(65,515)	-	(65,515)
Special Item - Gain on Sale of Electric Assets	-	-	-	3,818,942	-	3,818,942
Transfers In	-	-	50,000	-	-	50,000
Transfers Out	-	(100,000)	-	-	-	(100,000)
Total Contributions, Special Items and Transfers	928,406	(100,000)	1,192,653	3,753,427	1,061,114	6,835,600
CHANGE IN NET POSITION	1,924,993	(19,559)	966,543	4,465,412	1,611,689	8,949,078
Net Position - Beginning of Year, as Originally Stated	10,066,040	567,466	5,348,114	7,219,819	14,040,373	37,241,812
Restatement	60,796	-	-	-	-	60,796
Net Position - Beginning of Year, as Restated	10,126,836	567,466	5,348,114	7,219,819	14,040,373	37,302,608
NET POSITION - END OF YEAR	<u>\$ 12,051,829</u>	<u>\$ 547,907</u>	<u>\$ 6,314,657</u>	<u>\$ 11,685,231</u>	<u>\$ 15,652,062</u>	<u>\$ 46,251,686</u>

See accompanying Notes to Financial Statements.

CITY OF NORTH BRANCH, MINNESOTA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds					Totals
	Sewer Fund	Municipal Liquor Store Fund	Storm Sewer Utility Fund	Generation Fund	Water Fund	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers	\$ 1,601,802	\$ 4,004,734	\$ 399,017	\$ 953,127	\$ 2,138,868	\$ 9,097,548
Cash Paid to Employees for Services	(424,906)	(613,887)	(222,161)	(78,369)	(392,825)	(1,732,148)
Cash Paid to Suppliers for Goods and Services	(407,236)	(3,217,196)	(211,444)	(785,859)	(763,443)	(5,385,178)
Net Cash Provided (Used) by Operating Activities	769,660	173,651	(34,588)	88,899	982,600	1,980,222
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transactions to/from Other Funds	-	(100,000)	50,000	-	-	(50,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	-	-	62,756	(83,321)	(725,542)	(746,107)
Proceeds on Sale of Assets	-	-	-	-	18,000	18,000
Proceeds on Sale of Electric Assets	-	-	-	5,493,696	-	5,493,696
Access Fees	622,365	-	-	-	116,125	738,490
Special Assessments	4,305	-	1,492	-	-	5,797
Interest Paid	(161,760)	-	(16,037)	(91,037)	(116,519)	(385,353)
Lease Payments	-	(89,111)	-	-	-	(89,111)
Lease Receipts	-	-	-	-	26,072	26,072
Principal Payments on Long-Term Debt	(660,000)	-	(5,000)	(3,353,000)	(768,000)	(4,786,000)
Net Cash Provided by (Used) by Capital and Related Financing Activities	(195,090)	(89,111)	43,211	1,966,338	(1,449,864)	275,484
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	91,481	4,774	24,073	187,419	63,322	371,069
Net Cash Provided by Investing Activities	91,481	4,774	24,073	187,419	63,322	371,069
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	666,051	(10,686)	82,696	2,242,656	(403,942)	2,576,775
Cash and Cash Equivalents - Beginning of Year	2,562,368	172,047	572,150	5,226,319	4,195,365	12,728,249
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,228,419</u>	<u>\$ 161,361</u>	<u>\$ 654,846</u>	<u>\$ 7,468,975</u>	<u>\$ 3,791,423</u>	<u>\$ 15,305,024</u>

See accompanying Notes to Financial Statements.

CITY OF NORTH BRANCH, MINNESOTA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds					
	Sewer Fund	Municipal Liquor Store Fund	Storm Sewer Utility Fund	Generation Fund	Water Fund	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 417,108	\$ 75,012	\$ (243,580)	\$ 598,672	\$ 370,782	\$ 1,217,994
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities						
Depreciation/Amortization	625,813	141,573	281,635	175,249	706,518	1,930,788
(Increase) Decrease in Assets and Deferred Outflows of Resources:						
Due from Other Governments	-	-	(112,755)	-	-	(112,755)
Accounts Receivable	108,570	-	-	539,462	(67,043)	580,989
Inventories	-	(26,485)	9,811	-	-	(16,674)
Prepaid Items	(11,915)	(9,404)	6,911	-	(175,517)	(189,925)
Deferred Outflows - Pension	37,048	74,689	20,209	104,211	(10,111)	226,046
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:						
Accounts Payable	(3,529)	(24,234)	2,009	(313,691)	(28,882)	(368,327)
Accrued Liabilities	13,156	29,865	7,190	-	37,434	87,645
Customer Deposits	-	-	-	(7,245)	(4,077)	(11,322)
Accrued Compensated Absences	1,482	(13,315)	1,356	-	42,356	31,879
Due to Other Governments	(3,115)	1,533	717	(496,206)	(13,897)	(510,968)
Rate Stabilization	-	-	-	(147,880)	-	(147,880)
Deferred Inflows - Pension	63,834	92,064	34,818	(250,082)	(94,670)	(154,036)
Net Pension Liability	(78,667)	(167,647)	(42,909)	(113,591)	219,707	(183,107)
Unearned Revenue	(400,125)	-	-	-	-	(400,125)
Net Cash Provided (Used) by Operating Activities	<u>\$ 769,660</u>	<u>\$ 173,651</u>	<u>\$ (34,588)</u>	<u>\$ 88,899</u>	<u>\$ 982,600</u>	<u>\$ 1,980,222</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION						
Current Assets:						
Cash and Investments	\$ 3,228,419	\$ 161,361	\$ 654,846	\$ 7,468,975	\$ 3,492,671	\$ 15,006,272
Restricted Assets:						
Cash and Investments	-	-	-	-	298,752	298,752
Total Cash and Cash Equivalents	<u>\$ 3,228,419</u>	<u>\$ 161,361</u>	<u>\$ 654,846</u>	<u>\$ 7,468,975</u>	<u>\$ 3,791,423</u>	<u>\$ 15,305,024</u>

See accompanying Notes to Financial Statements.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The City of North Branch (the City) was incorporated under the laws of the state of Minnesota and operates under the State of Minnesota Statutory Plan A form of government. The governing body consists of a five-member City council elected by voters of the City. The financial reporting entity consists of the City (Primary Government) and the component unit (legally separate organization) for which the primary government is financially accountable. The component unit discussed below is included in the City's reporting entity, because of the significance of the operational or financial relationship with the City.

The City of North Branch's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

Component Units

Component units are legally separate entities for which the City is financially accountable, or for which the exclusion of the component unit would render the financial statements of the City misleading. The criteria used to determine if the City is financially accountable for a component unit include whether or not the City appoints a voting majority of an organization's governing body and has the ability to impose its will on the governing body; or there is a specific financial benefit or to impose a specific financial burden on the City

The financial statements of the City include the City of North Branch Economic Development Authority (EDA). The City reports the EDA as a blended component unit in accordance with GASB 14, as amended by GASB 61 because the services provided by the EDA are financing services provided solely to the City.

The EDA's governing board is appointed by the City Council. The City Council has the ability to approve or modify the EDA's budget and to veto or overrule other decisions of the EDA's governing body. The City also guarantees the general obligation debt of the EDA. The City does not prepare separate financial statements for the EDA.

During 2023, the citizens of the City of North Branch voted to decommission North Branch Municipal Water and Light Commission (previously reported as a discrete component unit) and transfer the electric and water operations to the City of North Branch. The City recognized the merger as of the beginning of the calendar year through the creation of the Water and Generation enterprise funds. Additional merger information can be found in Note 9.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 about the primary government and its component unit. These statements include the financial activities of the overall City government. Eliminations have been made to minimize the double-counting of internal activities. 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 to external parties for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of each function of the City's governmental activities and different business-type activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. The City has no fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus and Basis of Accounting

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

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The City considers all revenues to be available if they are collected within 60 days after the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

The City reports the following major governmental funds:

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

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

The City reports the following major proprietary funds:

Sewer Fund – The Sewer Fund provides for the operation and maintenance of the wastewater collection and treatment facilities. The fund charges user fees to those served by the system.

Municipal Liquor Store Fund – The Municipal Liquor Store Fund promotes moderation and control in the sale and use of alcohol beverages while simultaneously generating income for the community.

Storm Sewer Utility Fund – The Storm Sewer Utility Fund provides for the maintenance to the City's storm sewer system. The fund charges user fees to those served by the system.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Generation Fund – The Generation Fund is used to account for customer electrical service charges that are used to finance the electric utility operating expenses.

Water Fund – The Water Fund is used to account for customer water service charges that are used to finance water operating costs.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes other charges between the various 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 revenue of the City's enterprise funds are charges to customers for sales of goods 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.

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

1. Cash and Investments (Including Cash Equivalents)

Cash balances from all funds (including cash equivalents) are invested to the extent available in various securities as authorized by Minnesota Statutes. Investment earnings are recorded in the individual fund carrying the investment. Investments are stated at fair value. Cash and investments of the Commission component unit are maintained and invested separately.

Cash equivalents are considered to be short-term, highly liquid investments that are readily convertible to cash and have original maturities of three months or less. Cash and cash equivalents consist of checking and saving certificate accounts, cash on hand, and money market savings accounts.

For the purpose of the statement of cash flows of the proprietary fund types, the City considers all cash and investments under the classification of current assets to be cash and cash equivalents.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds”, “due to other funds”, “interfund receivable” or “interfund payable” on the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

3. Accounts Receivable

Property taxes and special assessment receivables have been reported net of estimated uncollectible accounts. Because utility bills are considered liens on property, no estimated uncollectible amounts are established. As of December 31, 2023, there was no allowance for doubtful accounts reported.

4. Taxes Receivable

Taxes which remain unpaid are classified as delinquent taxes receivable. Delinquent taxes represent the past seven years of uncollected tax years. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is deferred because it is not known to be available to finance the operations of the City in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material.

5. Property Tax Collection Calendar

The City levies its property tax for the subsequent year during the month of December. In Minnesota, the lien date and assessment date is January 2. The property tax is recorded as revenue when it becomes available. The County is the collecting agency for the levy and then remits the collections to the City. All taxes not collected as of December 31 each year are shown as delinquent taxes receivable.

The county auditor makes up the tax list for all taxable property in the City, applying the applicable tax capacity rate to the tax capacity value of individual properties, to arrive at the actual tax for each property. The county auditor also collects all special assessments, except for certain prepayments paid directly to the City.

The county auditor turns over a list of taxes and special assessments to be collected on each parcel of property to the county treasurer in January of each year. Property owners are required to pay one-half of their real estate taxes by May 15 and the balance by October 15.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Property Tax Collection Calendar (Continued)

Within 30 days after the May settlement, the county treasurer is required to pay 70% of the estimated collections of taxes and special assessments to the City treasurer. The county treasurer must pay the balance to the City treasurer within 60 days after settlement, provided that after 45 days interest begins to accrue.

Within 10 business days after November 15, the county treasurer shall pay to each taxing district, except any school district, 100% of the estimated collections arising from taxes levied by and belonging to each taxing district from May 20 to November 20.

6. Special Assessments

Special assessments are levied against the benefited properties for the assessable costs of improvement projects in accordance with Minnesota Statutes. Assessments are collectible over a term of years at an interest rate established by the City Council upon adoption of each assessment roll. Any annual installments remaining unpaid as of November 30th of each year are certified to the County for collection with property taxes during the following year. Property owners are allowed to prepay future installments without interest or prepayment penalties.

In the governmental fund financial statements, special assessment levies are recorded as a receivable and as unavailable revenue at the time of the levy. Unavailable revenue is recognized as current revenue as the annual assessment installments become measurable and available. Interest on special assessments is also recognized when it becomes measurable and available.

Delinquent special assessments represent the past seven years of uncollected special assessments that have not been collected within 60 days of year-end.

7. Inventory

The costs of inventory items are recognized as expenditures in governmental funds when purchased. These funds do not maintain material amounts of inventories. The costs of inventory items in the proprietary funds are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

8. Prepaid Items

Payments made to vendors for services that will benefit future periods are recorded as prepaid items. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets such as easements and computer software, 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 estimated useful life in excess of one year and an initial, individual cost of more than \$75,000 for easements purchased by governmental funds, \$20,000 for easements purchased by the Sewer Fund, \$7,500 for easements purchased by the Storm Sewer Fund, \$25,000 for software, \$5,000 for assets purchased with federal funds, and \$15,000 for all other assets. 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.

Pursuant to GASB Statement 34, the City has elected to record general infrastructure assets acquired since 1980. These assets are reported at historical cost. Pursuant to GASB Statement 51, the City elected to report intangible assets acquired since 2010. The City has not acquired any intangible assets since the implementation of GASB 51.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital and right-to-use assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Buildings and Improvements	20 to 40 Years
Machinery and Equipment	5 to 15 Years
Vehicles	5 to 15 Years
Infrastructure	20 to 40 Years
Proprietary Funds:	
Buildings and Improvements	20 to 50 Years
Machinery and Equipment	5 to 30 Years
Infrastructure	20 to 50 Years

10. Leases

The City determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position when the City is the lessor, and as right-to-use assets and lease liabilities when the City is the lessee.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Leases (Continued)

Lessor

Lease receivables represent the City's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term. Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required, and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

Lessee

Right-to-use assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange like transaction. Right-to-use assets are recognized at the commencement date based on 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. Right-to-use assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

The City accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to eliminate the price of such components, the City treats the components as a single lease unit.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period. The City will not recognize the related outflow until a future event occurs. The City reports deferred outflows in the statement of net position related to pension expense. You can find more detailed information about pension related deferred outflows of resources in Notes 4 and 5 to the financial statements.

12. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All PTO benefits that are vested as PTO is accrued when incurred 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. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, *Accounting for Compensated Absence*, no liability is recorded for nonvesting accumulating rights to receive PTO benefits.

13. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Fund Balance and Net Position

Net position represents the difference between assets, deferred outflows of resources, 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 statements when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining balance represents unrestricted net position that may be used to meet the City's ongoing obligations to citizens and creditors.

In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts not available for appropriation. Restricted fund balance represents amounts available for appropriation but intended for a specific use and legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the council. Pursuant to the City's Fund Balance Policy, the City Administrator and/or Finance Director have been authorized to assign fund balance that reflects the City's intended use of those funds. Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications.

When restricted and unrestricted fund balance/net position is available for use, it is the City's policy to first use restricted fund balance/net position. When committed, assigned, and unassigned fund balance is available for use, it is the City's policy to use committed, assigned, and finally unassigned fund balance.

The City Council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year – July and December. As such, it is the City's goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes.

The City's fund balance policy states "the City will strive to maintain an unassigned minimum fund balance in the General Fund in the range of 42-55% of the subsequent year's budgeted expenditures." At December 31, 2023, the unassigned fund balance of the General Fund was 58% of the 2024 budgeted General Fund expenditures.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Deferred Inflows of Resources

The City's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position of fund balance that applies to a future period. The City will not recognize the related revenue until a future event occurs. The City has three types of items which are reported as deferred inflows of resources: The first type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the City's year) under the modified accrual basis of accounting. The second type relates to pension liabilities as described in Notes 4 and 5 to the financial statements. The third type represents the initial value of the lease receivable plus the amount of any payments received at or before the commencement of the lease term that relates to future periods.

16. Pension

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. 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.

17. 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

18. Adoption of New Accounting Standards

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements (in italics). This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The City adopted the requirements of the guidance effective January 1, 2023 and has elected to apply the provisions of this standard to the beginning of the period of adoption. Implementation of this standard did not have an impact on the City's financial statements.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is adopted for the General Fund. Budget appropriations lapse at the end of the year. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The City Administrator is authorized to transfer appropriations within any department budget. Additional interdepartmental or interfund appropriations and deletions are or may be authorized by the City Council with fund (contingency) reserves or additional revenues. The legal level of control is the fund level. The City Council may authorize transfer of budgeted amounts between City funds.

Formal budgetary integration is employed as a management control device during the year for the general fund.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Excess of Expenditures over Budget

Expenditures exceeded budgeted amounts in the following funds:

	Expenditures	Appropriations	Expenditures Over Appropriations
General Fund	<u>\$ 8,000,626</u>	<u>\$ 6,815,699</u>	<u>\$ 1,184,927</u>

The over expenditures were covered by revenues exceeding budget, proceeds from the sale of capital assets, transfers from other fund and available fund balance.

C. Deficit Fund Balances

The EDA Fund reported deficit fund balances of \$50,526, Flashing by Design TIF fund reported a deficit fund balance of \$151,642. The City plans to eliminate the deficits through the collection of taxes and tax increment.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Investments." In accordance with Minnesota Statutes the City maintains deposits at financial institutions which are authorized by the City Council.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits.

Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds.

Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository.

As of December 31, 2023, the City had deposit balances totaling \$3,535,218 exposed to custodial credit risk.

2. Investments

The City's investment policy is to follow Minnesota Statutes, which reduces the City's exposure to credit, custodial credit, and interest rate risks. The City's investment policy allows investment in the follow types of investments:

- Direct obligations or obligations guaranteed by the United States or its agencies.
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less.
- General obligations rated "A" or better; revenue obligations rated "AA" or better.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

2. Investments (Continued)

- General obligations of the Minnesota Housing Finance Agency rate “A” or better.
- Bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System.
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less.
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories.
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

Interest Rate Risk – Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s Investment policy requires diversification of the duration of fixed-income investments held at a given time to reduce interest rate risk and to ensure that the City’s investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated. Investments are categorized to give an indication of the level of interest rate risk assumed at year-end. Fair market values and maturities as of December 31, 2023 are as follows:

Investment Type	Total Fair Value	Less Than One Year	1 - 2 Years	3 - 5 Years	More than 5 Years
Federal National Mortgage Association	\$ 972	\$ -	\$ -	\$ -	\$ 972
Federal Home Loan Mtg Corp.	2,920	-	-	-	2,920
Federal Farm Credit Bank	492,620	492,620	-	-	-
Federal Home Loan Bank Bonds	4,001,237	1,911,617	1,003,310	1,086,310	-
US Treasury	3,854,210	-	3,854,210	-	-
Mutual Funds	254,124	254,124	-	-	-
Municipal Bonds	667,960	-	667,960	-	-
Negotiable Certificate of Deposit	5,949,958	4,008,662	1,698,438	242,858	-
Total	<u>\$ 15,224,001</u>	<u>\$ 6,667,023</u>	<u>\$ 7,223,918</u>	<u>\$ 1,329,168</u>	<u>\$ 3,892</u>

CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

2. Investments (Continued)

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper and corporate bonds to the top two rating issued by nationally recognized statistical rating organizations. The City's policy states the Finance Director is expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. To control market price risks, volatile investment instruments shall be avoided.

Type	Credit Quality Rating	Amount
Federal National Mortgage Association	Not Rated	\$ 972
Federal Home Loan Mtg Corp.	Not Rated	2,920
Federal Farm Credit Bank	AAA	492,620
Federal Home Loan Bank Bonds	AAA	4,001,237
U.S. Treasury	Aaa	3,854,210
Mutual Funds	Not Rated	254,124
Municipal Bonds	AAA	667,960
Negotiable Certificates of Deposit	Not Rated	5,949,958
Total		<u>\$ 15,224,001</u>

Concentration of Credit Risk – The risk of loss attributed to the magnitude of the City's investments in a single issue. The City places no limit on the amount that may be invested in any one issuer.

Cash and Investments as of December 31, 2023 are as follows:

Cash on Hand	\$ 7,300
Checking and Savings	9,433,892
Investments	15,224,001
Total Cash and Investments	<u>\$ 24,665,193</u>

The City's balances of cash and investments by fund type consisted of the following at December 31, 2023:

Cash and Investments - Governmental Funds	\$ 9,360,169
Cash and Investments - Proprietary Funds	15,006,272
Cash and Investments - Restricted	298,752
Total Cash and Investments	<u>\$ 24,665,193</u>

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Fair Value Measurements (Continued)

The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The City follows accounting principles generally accepted in the United States of America that define fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Fair Value Measurements (Continued)

Assets measured at fair value on a recurring basis:

Type	Level 1	Level 2	Level 3	Total
Federal National Mortgage Association	\$ -	\$ 972	\$ -	\$ 972
Federal Home Loan Mtg Corp.	-	2,920	-	2,920
Federal Farm Credit Bank	-	492,620	-	492,620
Federal Home Loan Bank Bonds	-	4,001,237	-	4,001,237
US Treasury Notes	-	3,854,210	-	3,854,210
Mutual Funds	254,124	-	-	254,124
Municipal Bonds	-	667,960	-	667,960
Negotiable Certificates of Deposit	-	5,949,958	-	5,949,958
Total	<u>\$ 254,124</u>	<u>\$ 14,969,877</u>	<u>\$ -</u>	<u>\$ 15,224,001</u>

4. Interfund Receivables, Payables, and Transfers

At December 31, 2023, due from/to other funds were as follows:

Due To	Due From	Amount
General Fund	Capital Projects Fund	\$ 209,283
General Fund	Nonmajor Governmental Funds	520,668
General Fund	Debt Service Fund	81,791
Total		<u>\$ 811,742</u>

At December 31, 2023, advances to/from other funds were as follows:

Advance To Other Funds	Advance From Other Funds	Amount
General Fund	Nonmajor Governmental Funds	\$ 202,659

An interfund advance was established to cover certain administrative costs (qualified costs) related to the creation of a tax increment financing (TIF) district. The City intends to reimburse the general fund from tax increments derived from the TIF district.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

4. Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers for the year ended December 31, 2023, were as follows:

	Transfer In			Total
	General Fund	Debt Service Fund	Storm Sewer Utility Fund	
Transfer Out:				
General Fund	\$ -	\$ -	\$ 50,000	\$ 50,000
Nonmajor Governmental Funds	324,154	140,000	-	464,154
Municipal Liquor Store Fund	100,000	-	-	100,000
Total	<u>\$ 424,154</u>	<u>\$ 140,000</u>	<u>\$ 50,000</u>	<u>\$ 614,154</u>

The transfer from Nonmajor Governmental Funds (Fire Department Equipment Donation, Cable Fund and Ecumen TIF District Fund) to the General and Debt Service Funds was for debt service payments and reimburse for capital. The transfer from the General Fund to the Storm Sewer Utility Fund was to reimburse for capital. The transfer from the Liquor Fund to the General Fund was for operations.

5. Lease Receivable

The City, acting as lessor, leases tower space under long-term, noncancelable lease agreements to operate communications equipment. The leases expire in 2037 and 2040 and bear implicit interest rates of 1.41%. During the year ended December 31, 2023 the City recognized \$34,384 and \$7,869 in lease revenue and interest revenue, respectively.

Lessee	Authorized And Issued	Interest Rate	Issue Date	Maturity Date	Lease Receivable Balance at Year End
Verizon	\$ 346,873	1.41%	6/1/2010	10/1/2040	\$ 355,903
T-Mobile	255,769	1.41%	6/1/2010	4/1/2037	190,605
					<u>\$ 546,508</u>

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

6. Capital Assets

Capital asset activity for the Governmental Activities for the year ended December 31, 2023, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,451,297	\$ -	\$ -	\$ 2,451,297
Construction in Progress	1,870,198	1,667,246	2,397,651	1,139,793
Total Capital Assets, Not Being Depreciated	4,321,495	1,667,246	2,397,651	3,591,090
Capital Assets, Being Depreciated:				
Buildings and Improvements	3,521,961	-	-	3,521,961
Machinery and Equipment	2,254,877	811,785	-	3,066,662
Vehicles	4,278,407	237,761	447,111	4,069,057
Infrastructure	39,699,369	5,908,936	-	45,608,305
Total Capital Assets, Being Depreciated	49,754,614	6,958,482	447,111	56,265,985
Less: Accumulated Depreciation for:				
Buildings and Improvements	1,923,251	82,136	-	2,005,387
Machinery and Equipment	1,516,716	64,718	-	1,581,434
Vehicles	2,355,038	220,324	302,199	2,273,163
Infrastructure	13,984,092	1,043,754	-	15,027,846
Total Accumulated Depreciation	19,779,097	1,410,932	302,199	20,887,830
Total Capital Assets, Being Depreciated, Net	29,975,517	5,547,550	144,912	35,378,155
Governmental Activities Capital Assets, Net	<u>\$ 34,297,012</u>	<u>\$ 7,214,796</u>	<u>\$ 2,542,563</u>	<u>\$ 38,969,245</u>

CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

6. Capital Assets (Continued)

Capital asset activity for the Business-Type Activities for the year ended December 31, 2023, is as follows:

	Beginning Balance*	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land	\$ 453,384	\$ -	\$ 16,005	\$ 437,379
Construction in Process	37,046	627,418	82,217	582,247
Total Capital Assets, Not Being Depreciated	490,430	627,418	98,222	1,019,626
Capital Assets, Being Depreciated:				
Building and Improvements	22,829,280	29,616	180,168	22,678,728
Equipment	8,305,742	215,823	49,228	8,472,337
Distribution and Collection System	46,540,907	3,184,544	9,417,442	40,308,009
Total Capital Assets, Being Depreciated	77,675,929	3,429,983	9,646,838	71,459,074
Less: Accumulated Depreciation For:				
Building and Improvements	9,419,639	491,048	108,600	9,802,087
Equipment	4,551,815	322,669	1,845,339	3,029,145
Distribution and Collection System	23,281,075	1,013,409	6,027,700	18,266,784
Total Accumulated Depreciation	37,252,529	1,827,126	7,981,639	31,098,016
Total Capital Assets, Being Depreciated, Net	40,423,400	1,602,857	1,665,199	40,361,058
Intangible Right-to-Use Assets:				
Leased Building	282,697	445,822	-	728,519
Less Accumulated Amortization	89,273	103,662	-	192,935
Net Intangible Right-to-Use Assets	193,424	342,160	-	535,584
Business-Type Activities Capital Assets, Net	<u>\$ 41,107,254</u>	<u>\$ 2,572,435</u>	<u>\$ 1,763,421</u>	<u>\$ 41,916,268</u>

*The beginning balance was restated due to the merger of the North Branch Municipal Water and Light Commission. See Note 9 for additional information.

Depreciation/amortization expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 66,873
Public Safety	163,802
Public Works	1,078,940
Culture and Recreation	101,317
Total Depreciation Expense - Governmental Activities	<u>\$ 1,410,932</u>
Business-Type Activities:	
Sewer	\$ 625,813
Municipal Liquor Store	141,573
Storm Sewer Utility	281,635
Generation	175,249
Water	706,518
Total Depreciation/Amortization Expense - Business-Type	<u>\$ 1,930,788</u>

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities

1. Long-Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The reporting City's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

In 2020 the City amended the lease purchase agreement with the County HRA/EDA related to a land purchase from 2006. The modified agreement has a term of six years, no stated interest and totals \$1,231,509. The balance as of December 31, 2023 was \$603,256. The City expects to levy property taxes payable in years 2024–2026 to cover the debt service requirement. The agreement contains a provision that in the event of default, the County HRA/EDA may (1) declare the applicable prepayment price immediately due and payable, (2) have the right to sell, lease or sublease its interest in the project and apply the proceeds of the sale, lease or sublease to the amounts due with any proceeds in excess of the payments not needed to pay the obligation to the HRA/EDA being returned to the City or (3) may repossess the project via written notice of surrender until the City cures the default. Events of default are defined as fault to make a payment, observe and perform covenants, filing a voluntary petition in bankruptcy or abandoning the project for a period of 90 days.

CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

1. Long-Term Debt (Continued)

As of December 31, 2023, the long-term bonded debt consisted of the following:

	Range of Interest Rates	Original Issue	Amount Outstanding
BONDED INDEBTEDNESS			
PRIMARY GOVERNMENT			
GENERAL OBLIGATION BONDS			
2020A Refunding Bonds	1.81%	\$ 352,000	\$ 243,000
GENERAL OBLIGATION IMPROVEMENT BONDS			
2013A GO Improvement Refunding Bonds	0.55-2.00%	5,920,000	230,000
2020A Refunding Bonds	1.81%	975,000	675,000
Total General Obligation Improvement Bonds		6,895,000	905,000
GENERAL OBLIGATION REVENUE BONDS			
2017 Taxable Refunding Lease Revenue Bonds	2.50-3.97%	3,535,000	2,300,000
GENERAL OBLIGATION TAX INCREMENT BONDS			
2017B Tax Increment Refunding Bonds	3.00%	1,450,000	510,000
2017C Tax Increment Refunding Bonds	3.00-3.25%	3,105,000	3,045,000
Total General Obligation Tax Increment Bonds		4,555,000	3,555,000
Total Bond Indebtedness - Governmental Activities		15,337,000	7,003,000
Equipment Certificates of Indebtedness	2.00%	990,000	990,000
Loan Payable from Direct Borrowing	0.00%	1,231,509	603,256
Finance Purchase Arrangement	4.12%	506,000	390,815
Bond Premium		N/A	83,753
Compensated Absences		N/A	297,471
Total Indebtedness - Governmental Activities		<u>\$ 18,064,509</u>	<u>\$ 9,368,295</u>
BUSINESS-TYPE ACTIVITIES			
DIRECT BORROWING			
G.O. Revenue Note - Direct Borrowing	2.34%	\$ 11,500,000	\$ 5,030,000
GENERAL OBLIGATION REVENUE BONDS			
2009B GO Sewer Rev and Refunding Bonds	2.50-4.00%	1,760,000	205,000
2017B GO Refunding Obligation	3.00%	710,000	195,000
2017A Water Revenue Refunding Bonds	2.80%	8,024,000	3,393,000
2020A Refunding Bonds	1.81%	45,000	30,000
Total General Obligation Revenue Bonds		10,539,000	3,823,000
Equipment Certificates of Indebtedness	2.00%	555,000	555,000
Lease Liability		728,519	552,061
Bond Premium		N/A	20,678
Compensated Absences		N/A	120,599
Total City Indebtedness - Business-Type Activities		<u>\$ 23,322,519</u>	10,101,338
Total Government-Wide Long-Term Liabilities			<u>\$ 19,469,633</u>

CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

1. Long-Term Debt (Continued)

A summary of long-term debt transactions for the year ended December 31, 2023, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
PRIMARY GOVERNMENT					
GOVERNMENTAL ACTIVITIES					
General Obligation Bonds	\$ 282,000	\$ -	\$ 39,000	\$ 243,000	\$ 38,000
General Obligation Improvement Bonds	1,289,000	-	384,000	905,000	236,000
General Obligation Revenue Bonds	2,555,000	-	255,000	2,300,000	260,000
General Obligation Tax Increment Bonds	3,855,000	-	300,000	3,555,000	315,000
Equipment Certificates of Indebtedness	990,000	-	-	990,000	120,000
Loan Payable from Direct Borrowing	828,256	-	225,000	603,256	225,000
Finance Purchase Arrangement	438,090	-	47,275	390,815	49,241
Plus: Bond Premium	96,450	-	12,697	83,753	-
Compensated Absences	359,425	-	-	359,425	-
Governmental Activity Long-Term Liabilities	<u>\$ 10,693,221</u>	<u>\$ 206,844</u>	<u>\$ 1,531,778</u>	<u>\$ 9,368,295</u>	<u>\$ 1,287,080</u>
BUSINESS-TYPE ACTIVITIES					
General Obligation Bonds	\$ 8,179,000	\$ -	\$ 4,356,000	\$ 3,823,000	\$ 872,000
Revenue Note - Direct Borrowing	5,460,000	-	430,000	5,030,000	445,000
Plus: Bond Premium	28,501	-	7,823	20,678	-
Equipment Certificates of Indebtedness	555,000	-	-	555,000	55,000
Lease Liability	195,350	445,822	89,111	552,061	90,910
Compensated Absences	88,720	98,406	66,527	120,599	22,009
Business-Type Activity Long-Term Liabilities	<u>\$ 14,506,571</u>	<u>\$ 544,228</u>	<u>\$ 4,949,461</u>	<u>\$ 10,101,338</u>	<u>\$ 1,484,919</u>

*The beginning balance was restated due to the merger of the North Branch Municipal Water and Light Commission. See Note 9 for additional information.

The City's outstanding notes from direct borrowings related to business-type debt of \$5,030,000 contain (1) a provision that if the City is unable to make a payment when due, an interest penalty may be imposed and one or more of the following remedies may be exercised (a) withhold approval of any disbursement request (b) reject any pending application by the City for financial assistance (c) to the extent permitted by law, demand immediate payment of the note in full and upon such demand, the outstanding principal amount of the note will be immediately due and payable with interest accrued thereon to the date of payment (d) exercise any other remedy availability under law and (2) a provision that if the City fails to comply with any other provision within the note agreement an immediate increase in the interest rate on the loan by eliminating all interest rate discounts that were originally applied, in addition, the default remedies for failure to make a payment as listed above may be exercised.

During the year ended December 31, 2023, the City placed \$2,322,057 of existing resources in an account held by an escrow agent to defease the 2017D bonds in the amount of \$2,561,000. The defeasance was undertaken as a result of the City selling the electric utility. Total cash flows to service the defeased debt is \$2,355,157. Cash flow savings as a result of the cash defeasance totals \$494,196 with a present value of \$42,705.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

1. Long-Term Debt (Continued)

Annual debt service requirements to maturity for long-term debt are as follows:

General Obligation Bonds				Tax Increment Bonds			
Governmental Activities				Governmental Activities			
	Principal	Interest	Total		Principal	Interest	Total
2024	\$ 38,000	\$ 4,398	\$ 42,398	2024	\$ 315,000	\$ 104,087	\$ 419,087
2025	42,000	3,710	45,710	2025	325,000	94,487	419,487
2026	40,000	2,950	42,950	2026	340,000	84,512	424,512
2027	39,000	2,226	41,226	2027	175,000	76,787	251,787
2028	43,000	1,520	44,520	2028	185,000	71,387	256,387
2029-2033	41,000	742	41,742	2029-2033	1,095,000	264,535	1,359,535
2034-2038	-	-	-	2034-2038	1,120,000	75,243	1,195,243
Total	\$ 243,000	\$ 15,546	\$ 258,546	Total	\$ 3,555,000	\$ 771,038	\$ 4,326,038

General Obligation Improvement Bonds				Revolving EDA Bonds			
Governmental Activities				Governmental Activities			
	Principal	Interest	Total		Principal	Interest	Total
2024	\$ 236,000	\$ 16,688	\$ 252,688	2024	\$ 260,000	\$ 81,462	\$ 341,462
2025	209,000	12,299	221,299	2025	270,000	72,779	342,779
2026	112,000	8,326	120,326	2026	280,000	63,398	343,398
2027	114,000	6,299	120,299	2027	290,000	53,364	343,364
2028	116,000	4,235	120,235	2028	300,000	42,683	342,683
2029-2033	118,000	2,136	120,136	2029-2033	900,000	57,379	957,379
Total	\$ 905,000	\$ 49,983	\$ 954,983	Total	\$ 2,300,000	\$ 371,065	\$ 2,671,065

General Obligation Bonds				G.O. Revenue Note - Direct Borrowing			
Business-Type Activities				Business-Type Activities			
	Principal	Interest	Total		Principal	Interest	Total
2024	\$ 872,000	\$ 104,847	\$ 976,847	2024	\$ 445,000	\$ 130,830	\$ 575,830
2025	649,000	81,941	730,941	2025	455,000	119,256	574,256
2026	669,000	63,643	732,643	2026	470,000	107,421	577,421
2027	679,000	44,926	723,926	2027	480,000	95,197	575,197
2028	151,000	26,613	177,613	2028	495,000	82,712	577,712
2029-2033	803,000	68,327	871,327	2029-2033	2,685,000	213,023	2,898,023
Total	\$ 3,823,000	\$ 390,297	\$ 4,213,297	Total	\$ 5,030,000	\$ 748,439	\$ 5,778,439

Loan from Direct Borrowing				Finance Purchase Arrangement			
Governmental Activities				Governmental Activities			
	Principal	Interest	Total		Principal	Interest	Total
2024	\$ 225,000	\$ -	\$ 225,000	2024	\$ 49,241	\$ 16,261	\$ 65,502
2025	225,000	-	225,000	2025	51,290	14,213	65,503
2026	153,256	-	153,256	2026	53,423	12,081	65,504
2027	-	-	-	2027	55,646	9,859	65,505
2028	-	-	-	2028	57,960	7,546	65,506
2029-2033	-	-	-	2029-2033	123,255	7,760	131,015
Total	\$ 603,256	\$ -	\$ 603,256	Total	\$ 390,815	\$ 67,720	\$ 458,535

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

1. Long-Term Debt (Continued)

Conduit Debt Obligation

The City issued the \$4,075,000 Health Care and Facilities Refunding Note (North Branch Senior Living Project), Series 2014. The note is secured by the property financed and is payable solely from payments received on the underlying mortgage loan. Neither the City, the state, nor any political subdivision thereof, is obligated in any manner for repayment of the note. Accordingly, the note is not reported as a liability in the accompanying financial statements. The principal balance outstanding at December 31, 2023 was \$2,310,629.

The City issued the \$1,868,539 Revenue Note, Series 2015A, the \$216,600 Taxable Revenue Note, Series 2015B, and the \$1,579,518 Revenue Note, Series 2015C to finance the Family Pathways Project. Neither the City, State, nor any political subdivision thereof, is obligated in any manner for repayment of the notes. Accordingly, the notes are not reported as a liability in the accompanying financial statements. The principal balance outstanding at December 31, 2023 was \$2,638,086.

As of December 31, 2023 the City was in compliance with the provisions of the revenue bonds which require a 100% debt coverage requirement. The City will continue to monitor rates and expenses to ensure compliance.

2. Leases

Lessee

In July 2017, the City entered into a long-term, noncancelable lease agreement for the leasing of property referred to as North Branch Marketplace to be utilized as the Municipal liquor store. The lease will expire on February 28, 2030 and bears an implicit interest rate of 2%.

Total lease payments under lease agreements are as follows:

	Principal	Interest	Total
2024	\$ 90,910	\$ 1,294	\$ 92,204
2025	86,574	6,936	93,510
2026	87,075	6,696	93,771
2027	88,832	4,939	93,771
2028	90,625	3,146	93,771
2029-2030	108,045	1,355	109,400
Total	<u>\$ 552,061</u>	<u>\$ 24,366</u>	<u>\$ 576,427</u>

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Fund Balance

The fund balance classifications of the governmental funds as of December 31, 2023 were as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid Items	\$ 378,547	\$ -	\$ -	\$ 1,346	\$ 379,893
Restricted:					
Tax Increments	-	-	-	130,950	130,950
Housing	49,929	-	-	-	49,929
Public Safety	486,396	-	-	-	486,396
Debt Payments	-	2,436,816	2,300,000	-	4,736,816
Donor Purposes	-	-	-	157,532	157,532
Economic Development	-	-	-	349,073	349,073
Committed:					
Communications	-	-	-	79,389	79,389
Assigned:					
Capital Projects	-	-	6,636,552	-	6,636,552
Unassigned:	4,454,940	-	-	(203,514)	4,251,426
Total Fund Balances	<u>\$ 5,369,812</u>	<u>\$ 2,436,816</u>	<u>\$ 8,936,552</u>	<u>\$ 514,776</u>	<u>\$ 17,257,956</u>

NOTE 4 PENSION PLANS

A. Plan Description

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

1. 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.

2. 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 local relief associations that elected to merge with and transfer assets and administration to PERA.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

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.

1. 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 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. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. 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. 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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

2. Police and Fire Plan Benefits

Benefits for 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 ten years up to 100% after twenty 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.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. Police and Fire Plan Benefits (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is 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. 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.

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2023, were \$213,626. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2023 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2023, were \$254,145. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2023, the City reported a liability of \$1,945,978 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 \$53,705.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

The net pension liability was measured as of June 30, 2023, 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0348% at the end of the measurement period and 0.0336% for the beginning of the period.

City's Proportionate Share of the Net Pension Liability	\$ 1,945,978
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	53,705
Total	<u>\$ 1,999,683</u>

For the year ended December 31, 2023, the City recognized pension expense of \$415,731 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$241 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, 2023 the City reported its proportionate share of General Employees Fund's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 63,907	\$ 13,406
Changes in Actuarial Assumptions	315,026	533,376
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	72,774
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	218,009	-
City Contributions Subsequent to the Measurement Date	106,217	-
Total	<u>\$ 703,159</u>	<u>\$ 619,556</u>

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

The \$106,217 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, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ 169,805
2025	(213,758)
2026	63,557
2027	(42,218)

2. Police and Fire Fund Pension Costs

At December 31, 2023, the City reported a liability of \$1,840,843 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1066% at the end of the measurement period and 0.1019% for the beginning of the period.

The state of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2022. 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 supplemental 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.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs (Continued)

The state of Minnesota is included as a nonemployer 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 \$9 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 June 30, 2023, the City recognized pension expense of \$611,844 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$4,466 as grant revenue and expense for its proportionate share of the state of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

The state of Minnesota is not included as a nonemployer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$9,594 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the Police and Fire Fund.

City's Proportionate Share of the Net Pension Liability	\$ 1,840,843
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	74,155
Total	<u>\$ 1,914,998</u>

At December 31, 2023, the City's proportionate share of Police and Fire Fund's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources is as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 507,582	\$ -
Changes in Actuarial Assumptions	2,136,150	2,588,248
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	88,369
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	169,962	2,858
City Contributions Subsequent to the Measurement Date	125,212	-
Total	<u>\$ 2,938,906</u>	<u>\$ 2,679,475</u>

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs (Continued)

\$125,212 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ 142,409
2025	51,579
2026	480,364
2027	(95,097)
2028	(445,036)

3. Total Pension Expense

The total pension expense for all PERA plans recognized by the City of North Branch for the year ended December 31, 2023, was \$1,032,282.

E. Long-Term Expected Return on Investment

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 Expected Real Rate of Return</u>
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	<u>100 %</u>	

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan and 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan. The Police and Fire Plan benefit increase is fixed at 1% per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan is based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience studies for the Police and Fire were completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions occurred in 2023:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

F. Actuarial Methods and Assumptions (Continued)

General Employees Fund

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.5 percent to 7.00 percent.
- The single discount rate changed from 5.4 percent to 7.0 percent.

Changes in Plan Provisions:

- Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100 percent after 10 years.
- A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

G. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees, Police and Fire and Correctional Plans 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.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

H. Pension Liability Sensitivity

The following presents the City 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 proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate 6.00%	Current Discount Rate 7.00%	1% Increase in Discount Rate 8.00%
City's Proportionate Share of the General Employees Fund Net Pension Liability	\$ 3,442,590	\$ 1,945,978	\$ 714,956
City Proportionate Share of the Police and Fire Fund Net Pension Liability	\$ 3,652,453	\$ 1,840,843	\$ 351,458

I. 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.

J. Summary

The aggregate amount net pension liability, net pension asset, deferred outflows of resources, deferred inflows of resources and pension expense for the City's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual fund in which the employees' costs are associated.

	General Employees Plan	Police and Fire Plan	Fire Relief Association	Total
Net Pension Asset	\$ -	\$ -	\$ 365,951	\$ 365,951
Net Pension Liability	1,945,978	1,840,843	-	3,786,821
Deferred Outflows of Resources Related to Pensions	703,159	2,938,906	105,801	3,747,866
Deferred Inflows of Resources Related to Pensions	619,556	2,679,475	87,177	3,386,208
Pension Expense (Revenue)	415,972	616,310	(70,433)	961,849

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PENSION PLANS (CONTINUED)

K. Defined Contribution Plan

Four of the elected officials of the City are covered by the Defined Contribution Plan, a multiple-employer, deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code, and all contribution by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (0.25%) of the assets in each member's account annually.

Total Contributions made by the City during fiscal year 2023 were:

	<u>Employee</u>	<u>Employer</u>
Contribution Amount	\$ 11,760	\$ 11,760
Percentage of Covered Payroll	5.00%	5.00%

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 FIREFIGHTERS RELIEF ASSOCIATION DEFINED BENEFIT PENSION PLAN

A. Plan Description

Firefighters of the City of North Branch are members of the North Branch Firefighters Relief Association (the Association). The Association is the administrator of the single-employer defined benefit pension plan available to firefighters. The plan is administered pursuant to Minnesota Statutes, Chapter 69, Chapter 424A, and the Association's by-laws. As of December 31, 2023, membership includes 24 active participants, 1 participant separated but benefits did not vest, and 10 terminated employees entitled to benefit but not yet receiving them.

B. Benefits Provided

Authority for payment of pension benefits is established in Minnesota Statutes §69.77 and may be amended only by the Minnesota State Legislature. Each member who is at least 50 years of age, has retired from the Fire Department, has served at least 20 years of active service with such department before retirement shall be entitled to a lump sum service pension in the amount of \$4,000 for each year of active Fire Department service but not exceeding the maximum amount per year of service allowed by law for the minimum average amount of available financing per firefighter as prescribed by law.

Pursuant to Minnesota Statutes §424A.02, Subds. 2 and 4, members who retire with ten years of service and have reached the age of 50 years are eligible for a retirement benefit. Members who retire before full retirement age and years of service requirements are eligible for a reduced benefit, based on the vesting schedule as set forth in Minnesota Statutes §424A.02, Subd. 2(c). During the time a member is on early vested pension, they will not be eligible for disability benefits.

If a member of the Association shall become permanently or totally disabled, the Association shall pay the sum \$4,000 for each year the member was an active member of the North Branch Fire Department. If a member who received a disability pension subsequently recovers and returns to active duty, the disability pension is deducted from the service pension. A death benefit is also available, which is payable to a survivor.

Minnesota Statutes Section 424A.10 provides for the payment of a supplemental benefit equal to 10% of a regular lump sum distribution up to a maximum of \$1,000. The supplemental benefit is in lieu of state income tax exclusion for lump sum distributions and will no longer be available if state tax law is modified to exclude lump sum distributions from state income tax. The Association qualifies for these benefits.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**NOTE 5 FIREFIGHTERS RELIEF ASSOCIATION DEFINED BENEFIT PENSION PLAN
(CONTINUED)**

C. Contributions

Minnesota Statutes Chapter 69.772 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from state aid are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a 10-year period. The significant actuarial assumptions used to compute the municipal support are the same as those used to compute the accrued pension liability. The association is comprised of volunteers; therefore, there are no payroll expenditures (i.e., there are no covered payroll percentage calculations). The minimum contribution from the City of North Branch and state aid is determined as follows:

	Normal Cost
+	Amortization Payment on Unfunded Accrued Liability Prior to Any Change
+	Amortization Contribution on Unfunded Accrued Liability Attributed to Any Change
+	Administrative Expenses
-	Anticipated State Aid
-	Projected Investment Earnings
=	<u>Total Contribution Required</u>

The Plan is funded in part by fire state aid and, if necessary, City contributions. The state of Minnesota distributed to the City \$103,601 in fire state aid paid by the City to the Relief Association for the year ended December 31, 2023. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily required contribution to the plan for the year ended December 31, 2023 was \$-0-.

D. Pension Costs

At December 31, 2023, the City reported an asset of \$365,951 for the Association's net pension asset. The net pension asset was measured as of December 31, 2023, and the total pension assets used to calculate the net pension asset was determined by an actuarial valuation as January 1, 2023.

As a result of its requirement to contribute to the Relief Association, the City recognized pension expense (revenue) of (\$70,433) the year ended December 31, 2023. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ -	\$ 76,482
Changes in Actuarial Assumptions	6,518	10,695
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	99,283	-
Total	<u>\$ 105,801</u>	<u>\$ 87,177</u>

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**NOTE 5 FIREFIGHTERS RELIEF ASSOCIATION DEFINED BENEFIT PENSION PLAN
(CONTINUED)**

D. Pension Costs (Continued)

The City did not make any contributions to the Association subsequent to the measurement date. Other amounts reported as deferred outflows and inflows of resources related to the Association's pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ (23,798)
2025	2,236
2026	23,345
2027	45,826
2028	(10,061)
Thereafter	(18,924)

E. Actuarial Assumptions

The actuarial total pension liability was determined as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	1/1/2023
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar
Remaining Amortization Period:	
Normal Cost	20 Years
Prior Service Cost	10 Years
Asset Valuation Method	Market
Actuarial Assumptions:	
Investment Rate of Return	6.25%
Project Salary Increases	2.50%
Inflation at 0%	N/A
Cost-of-Living Adjustments	None
Age of Service Retirement	50
Post-Retirement Benefit Increase	None

The best-estimate of expected future real rates of return were developed by aggregating data from several published capital market assumption surveys and deriving a single best-estimate based on the average survey values. These capital market assumptions reflect both historical market experience as well as diverse views regarding anticipated future returns. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**NOTE 5 FIREFIGHTERS RELIEF ASSOCIATION DEFINED BENEFIT PENSION PLAN
(CONTINUED)**

F. Discount Rate

The discount rate used to measure the total pension liability was 6.25%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments were discounted by year using expected assets return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate of return. The equivalent single rate is the discount rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

G. Pension Asset Sensitivity

The following presents the City of North Branch's proportionate share of the net pension asset of the Association, calculated using the discount rate of 6.25%, as well as what the Association's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%) than the current rate:

	1% Decrease	Selected Discount Rate	1% Increase
Net Pension Liability (Asset)	\$ (341,118)	\$ (365,951)	\$ (389,278)
Discount Rate	5.25%	6.25%	7.25%

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**NOTE 5 FIREFIGHTERS RELIEF ASSOCIATION DEFINED BENEFIT PENSION PLAN
(CONTNUED)**

H. Plan's Fiduciary Net Position

Detailed information about the Plan's fiduciary's net position is available in a separately issued report. That report may be obtained by writing to North Branch Firefighter's Association, 37917 Forest Blvd, North Branch, MN or by calling (651)674-7908.

Information about the changes in the Plan's net pension asset is as follows:

<u>Total Pension Asset</u>	
Service Cost	\$ 46,732
Interest	59,986
Changes in Assumptions	(12,223)
Gain or Loss	(63,489)
Benefit Payments, Including Member Refunds	<u>(153,734)</u>
Net Change in Total Pension Liability	(122,728)
 Total Pension Liability - Beginning of Year	 <u>1,073,375</u>
Total Pension Liability - End of Year (a)	<u>950,647</u>
 <u>Plan Fiduciary Net Position</u>	
State Contributions	96,767
Net Investment Income (Loss)	88,941
Gain or Loss	(284,866)
Benefit Payments	(153,734)
Administrative Expenses	<u>(11,605)</u>
Net Change in Fiduciary Net Position	(264,497)
 Fiduciary Net Position - Beginning of Year	 <u>1,581,095</u>
Fiduciary Net Position - End of Year (b)	<u>1,316,598</u>
 Association's Net Pension Liability/(Asset) - End of Year (a) - (b)	 <u>\$ (365,951)</u>

NOTE 6 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.

Workers' compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers' Compensation Reinsurance Association (WCRA) as required by law. For workers' compensation, the City is subject to a deductible of \$1,000 per occurrence. The City's workers' compensation coverage is retrospectively rated. With the type of coverage, 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.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 RISK MANAGEMENT (CONTINUED)

Property and casualty insurance coverage is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portions. These deductibles are 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 fiscal years.

NOTE 7 SUMMARY OF OTHER ITEMS

Claims and Litigation

Existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance, of an immaterial amount; or in the judgment of City management, are remotely recoverable by plaintiffs.

Grants

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial. The financial assistance received is subject to an audit pursuant to the Uniform Grant Guidance or audits by the grantor agency.

Joint Ventures

The City of North Branch, in conjunction with other governmental entities, has formed the joint ventures listed below:

East Central Cable Commission – The City participates in a joint powers agreement with the municipalities of Princeton, Mora, Braham, Pine City, Harris, Pokegama Township, and Pine City Township to form the East Central Cable Commission. The Agreement is authorized by Minn. Stat. §471.59 and §238.08.

The purpose of the Agreement is to establish an organization to study topics related to cable television; to prepare, adopt, grant and coordinate a single nonexclusive cable communications franchise in member municipalities in the East Central Cable Service Territory to the extent permitted herein; and to study cable system access issues and develop any concepts or organizations necessary to encourage and facilitate access to any system developed pursuant to the Agreement.

During 2023, the City of North Branch collected \$47,667 of franchise fees paid by the cable communications company.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 SUMMARY OF OTHER ITEMS (CONTINUED)

Construction Commitments

The City entered into construction contracts during 2023. As of December 31, 2023, \$578,257 remains as a construction commitment on the Water Tower Rehabilitation and 2023 overlay projects.

NOTE 8 TAX ABATEMENTS

Pay-As-You-Go TIF

The City has four tax increment pay-as-you-go agreements pursuant to MN Statutes 469.001 through 469.047. These agreements are not a general obligation of the City and are payable solely from available tax increments. Accordingly, these agreements are not reflected in the financial statements of the City. No other commitments were made by the City as part of this agreements. Details of the pay-as-you-go agreements are as follows:

North Branch Senior Living TIF (Ecumen) Fund 281

The agreement for the North Branch Senior Living TIF provides for the payment of 90% of the tax increment received until the maximum of \$471,014 plus 5% interest or until the year 2027. For the year ended December 31, 2023, the City paid excess tax increment in the amount of \$-0-.

Flashing by Design TIF Fund 289

The agreement for the Flashing by Design TIF provides for the payment of 100% of the tax increment received until the maximum of \$240,104 plus 4% interest or until the year 2028. For the year ended December 31, 2023, the City paid excess tax increment in the amount of \$-0-.

Willow Grove TIF Fund 291

The agreement for the Willow Grove TIF provides for the payment of 80% of the tax increment received until the maximum of \$306,176 plus 4% interest or until the year 2047. For the year ended December 31, 2023, the City paid excess tax increment in the amount of \$12,818.

Everlong Holdings LLC TIF Fund 292

The agreement for the Everlong Holdings LLC TIF provides for the payment of 80% of the tax increment received until the maximum of \$382,760 plus 4% interest or until the year 2030. For the year ended December 31, 2023, the City paid excess tax increment in the amount of \$-0-.

CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 GOVERNMENT MERGER AND DISPOSAL OF ELECTRIC ASSETS

In 2023, the North Branch Municipal Water and Light Commission (Commission) sold the electric distribution system to East Central Energy, a member-owned electric cooperative serving east central Minnesota and northwestern Wisconsin. The proceeds of the sale totaled \$5,493,696. The Commission retained ownership to the electric generators and will report the operating activity in the generation enterprise fund. As part of the sale, the parties entered into a non-exclusive lease for the use of the substation yard and a portion of the utility building.

Sales Proceeds	\$ 5,493,696
Book Value of Equipment	(1,691,634)
Assumed PTO	16,880
Special Item - Gain on Sale of Assets	<u>\$ 3,818,942</u>

Subsequent to the sale, the citizens of the City of North Branch voted to decommission the utility. The City reported the activity of the Commission in the newly created Generation and Water enterprise fund as a merger, defined by GASB Statement No. 69 as of the beginning of the reporting period. The amounts recognized in the Generation and Water fund as of the merger date are as follows:

	<u>Generation Fund</u>	<u>Water Fund</u>
Current	\$ 4,406,394	\$ 2,748,632
Capital Assets	6,093,757	14,192,605
Other Assets	<u>1,361,639</u>	<u>2,165,477</u>
Total Assets	11,861,790	19,106,714
Deferred Outflows of Resources	118,274	74,268
Current Liabilities	1,306,261	995,479
Long-Term Liabilities	<u>3,191,511</u>	<u>3,406,810</u>
Total Liabilities	4,497,772	4,402,289
Deferred Inflows of Resources	<u>262,473</u>	<u>738,320</u>
Net Position:		
Net Investment In Capital Assets	2,740,757	10,031,605
Restricted	1,344,708	1,564,992
Unrestricted	<u>3,134,354</u>	<u>2,443,776</u>
Total Net Position	<u>\$ 7,219,819</u>	<u>\$ 14,040,373</u>

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 RESTATEMENT

Beginning net position related to business-type activities and the Sewer Fund were restated by \$60,796 to account for the unbilled utility revenues not recorded as revenue in 2022.

	Sewer Fund	Business-Type Activities
Net Position - Beginning of the Year	\$ 10,066,040	\$ 37,241,812
Restatement - Correction of an Error	60,796	60,796
Net Position - Beginning of Year, As Restated	<u>\$ 10,126,836</u>	<u>\$ 37,302,608</u>

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A**

CITY OF NORTH BRANCH, MINNESOTA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN MEASUREMENT PERIODS

	Measurement Date June 30, 2023	Measurement Date June 30, 2022	Measurement Date June 30, 2021	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015
General Employees Fund									
City's Proportion of the Net Pension Liability	0.0348%	0.0336%	0.0293%	0.0264%	0.0263%	0.0241%	0.0225%	0.0198%	0.0183%
City's Proportionate Share of the Net Pension Liability	\$ 1,945,978	\$ 2,661,131	\$ 1,251,241	\$ 1,582,801	\$ 1,454,068	\$ 1,336,969	\$ 1,436,385	\$ 1,607,662	\$ 948,401
State's Proportionate Share of the Net Pension Liability Associated with the City	53,705	78,050	38,217	48,783	45,165	43,872	18,083	20,997	-
Total Proportionate Share of the Net Pension Liability Associated with the City	<u>\$ 1,999,683</u>	<u>\$ 2,739,181</u>	<u>\$ 1,289,458</u>	<u>\$ 1,631,584</u>	<u>\$ 1,499,233</u>	<u>\$ 1,380,841</u>	<u>\$ 1,454,468</u>	<u>\$ 1,628,659</u>	<u>\$ 948,401</u>
City's Covered Payroll	<u>\$ 2,850,621</u>	<u>\$ 2,419,160</u>	<u>\$ 2,107,191</u>	<u>\$ 1,883,998</u>	<u>\$ 1,798,244</u>	<u>\$ 1,610,165</u>	<u>\$ 1,477,706</u>	<u>\$ 1,203,346</u>	<u>\$ 1,077,025</u>
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	70.15%	113.23%	61.19%	86.60%	83.37%	85.76%	98.43%	135.34%	88.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.10%	76.70%	87.00%	79.06%	80.23%	79.50%	75.90%	68.90%	78.20%
Police and Fire Fund									
City's Proportion of the Net Pension Liability	0.1066%	0.1019%	0.0949%	0.0930%	0.0935%	0.0829%	0.0800%	0.0710%	0.0720%
City's Proportionate Share of the Net Pension Liability	\$ 1,840,843	\$ 4,434,285	\$ 732,527	\$ 1,225,840	\$ 1,840,843	\$ 883,629	\$ 1,080,095	\$ 2,849,354	\$ 818,088
State's Proportionate Share of the Net Pension Liability Associated with the City	74,155	193,802	32,910	28,881	-	-	-	-	-
Total Proportionate Share of the Net Pension Liability Associated with the City	<u>\$ 1,914,998</u>	<u>\$ 4,628,087</u>	<u>\$ 765,437</u>	<u>\$ 1,254,721</u>	<u>\$ 1,840,843</u>	<u>\$ 883,629</u>	<u>\$ 1,080,095</u>	<u>\$ 2,849,354</u>	<u>\$ 818,088</u>
City's Covered Payroll	<u>\$ 1,375,143</u>	<u>\$ 1,224,795</u>	<u>\$ 1,121,351</u>	<u>\$ 1,049,655</u>	<u>\$ 923,811</u>	<u>\$ 873,684</u>	<u>\$ 826,665</u>	<u>\$ 684,753</u>	<u>\$ 655,606</u>
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	133.87%	362.04%	65.33%	116.79%	199.27%	101.14%	130.66%	416.11%	124.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.50%	70.50%	93.70%	87.19%	89.26%	88.80%	85.43%	63.90%	86.60%

NOTE: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

See accompanying Notes to Required Supplementary Information.

**CITY OF NORTH BRANCH, MINNESOTA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Employees Fund										
Statutorily Required Contribution	\$ 213,626	\$ 200,004	\$ 170,742	\$ 149,042	\$ 140,376	\$ 120,726	\$ 110,423	\$ 98,867	\$ 85,884	\$ 77,821
Contributions in Relation to the Statutorily Required Contribution	(213,626)	(200,004)	(170,742)	(149,042)	(140,376)	(120,726)	(110,423)	(98,867)	(85,884)	(77,821)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	<u>\$ 2,848,347</u>	<u>\$ 2,666,720</u>	<u>\$ 2,276,560</u>	<u>\$ 1,987,227</u>	<u>\$ 1,871,680</u>	<u>\$ 1,609,680</u>	<u>\$ 1,472,307</u>	<u>\$ 1,318,227</u>	<u>\$ 1,145,115</u>	<u>\$ 1,065,945</u>
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.30%
Police and Fire Fund										
Statutorily Required Contribution	\$ 254,145	\$ 234,872	\$ 206,700	\$ 189,925	\$ 172,438	\$ 141,537	\$ 134,617	\$ 122,718	\$ 113,738	\$ 94,728
Contributions in Relation to the Statutorily Required Contribution	(254,145)	(234,872)	(206,700)	(189,925)	(172,438)	(141,537)	(134,617)	(122,718)	(113,738)	(94,728)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	<u>\$ 1,435,847</u>	<u>\$ 1,326,960</u>	<u>\$ 1,167,797</u>	<u>\$ 1,120,501</u>	<u>\$ 1,064,432</u>	<u>\$ 873,685</u>	<u>\$ 830,969</u>	<u>\$ 757,518</u>	<u>\$ 702,086</u>	<u>\$ 619,137</u>
Contributions as a Percentage of Covered Payroll	17.70%	17.70%	17.70%	16.95%	16.20%	16.20%	16.20%	16.20%	16.20%	15.30%
Fire Relief Association Plan										
Statutorily Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,938	\$ 36,524	\$ 61,125
Contributions in Relation to the Statutorily Required Contribution	-	-	-	-	-	-	-	(25,938)	(36,524)	(61,125)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See accompanying Notes to Required Supplementary Information.

**CITY OF NORTH BRANCH, MINNESOTA
NORTH BRANCH VOLUNTEER FIRE RELIEF ASSOCIATION – SCHEDULE OF
CHANGES IN THE NET PENSION ASSET AND RELATED RATIOS
LAST TEN MEASUREMENT PERIODS**

	Measurement Date December 31, 2022	Measurement Date December 31, 2021	Measurement Date December 31, 2020	Measurement Date December 31, 2019	Measurement Date December 31, 2018	Measurement Date December 31, 2017	Measurement Date December 31, 2016	Measurement Date December 31, 2015	Measurement Date December 31, 2014
Total Pension Asset									
Service Cost	\$ 46,732	\$ 42,173	\$ 40,079	\$ 39,101	\$ 39,814	\$ 38,843	\$ 33,447	\$ 34,915	\$ 34,064
Interest	59,986	55,451	52,280	51,518	49,243	46,413	49,669	42,682	42,383
Differences Between Expected and Actual Experience	-	-	-	-	-	-	(61,194)	-	-
Plan Changes	-	66,689	39,763	-	-	-	-	-	-
Changes in Assumptions	(12,223)	-	-	-	-	-	29,317	-	-
Changes in Benefit Terms	-	-	-	-	(9,771)	-	56,154	-	-
Gain or Loss	(63,489)	-	(4,777)	-	-	-	-	-	-
Benefit Payments, Including Member Refunds	(153,734)	(26,272)	(122,300)	(34,375)	(43,654)	(30,353)	-	(22,443)	(121,923)
Net Change in Total Pension Asset	(122,728)	138,041	5,045	56,244	35,632	54,903	107,393	55,154	(45,476)
Total Pension Asset - Beginning of Year	1,073,375	935,334	930,289	874,045	838,413	783,510	676,117	620,963	666,439
Total Pension Asset - End of Year (a)	950,647	1,073,375	935,334	930,289	874,045	838,413	783,510	676,117	620,963
Plan Fiduciary Net Position									
Municipal Contributions	5,000	5,000	-	-	-	25,938	26,985	36,524	61,125
State Contributions	91,767	83,703	82,372	75,602	73,845	68,299	69,347	70,145	60,989
Net Investment Income (Loss)	88,941	78,453	69,389	59,043	(20,085)	115,141	19,860	50,516	33,721
Gain or Loss	(284,866)	112,409	87,820	130,184	-	-	-	-	-
Benefit Payments	(153,734)	(26,272)	(122,300)	(34,375)	(43,654)	(30,353)	-	(22,443)	(121,923)
Administrative Expenses	(11,605)	(10,763)	(10,885)	(9,001)	(9,734)	(8,004)	(7,056)	(10,229)	(6,500)
Other Changes	-	-	-	-	-	-	-	(78,983)	(1,473)
Net Change in Fiduciary Net Position	(264,497)	242,530	106,396	221,453	372	171,021	109,136	45,530	25,939
Fiduciary Net Position - Beginning of Year	1,581,095	1,338,565	1,232,169	1,010,716	1,010,344	839,323	730,187	684,657	658,718
Fiduciary Net Position - End of Year (b)	1,316,598	1,581,095	1,338,565	1,232,169	1,010,716	1,010,344	839,323	730,187	684,657
Association's Net Pension Liability/(Asset) - End of Year (a) - (b)	<u>\$ (365,951)</u>	<u>\$ (507,720)</u>	<u>\$ (403,231)</u>	<u>\$ (301,880)</u>	<u>\$ (136,671)</u>	<u>\$ (171,931)</u>	<u>\$ (55,813)</u>	<u>\$ (54,070)</u>	<u>\$ (63,694)</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	138.49%	147.30%	143.11%	132.45%	115.64%	120.51%	107.12%	108.00%	110.26%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NOTE: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

See accompanying Notes to Required Supplementary Information.

**CITY OF NORTH BRANCH, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance With Budget Over (Under)
REVENUES				
Taxes	\$ 4,584,519	\$ 4,584,519	\$ 4,578,379	\$ (6,140)
Licenses and Permits	393,500	393,500	408,798	15,298
Special Assessments	2,597	2,597	2,270	(327)
Intergovernmental	1,291,252	1,291,254	1,925,794	634,540
Charges for Services	66,500	66,500	82,894	16,394
Fines and Forfeits	16,950	16,950	17,669	719
Interest Earnings	10,000	10,000	199,701	189,701
Contributions and Donations	-	-	8,537	8,537
Refunds and Reimbursements	49,000	49,000	110,868	61,868
Miscellaneous	16,800	16,800	25,517	8,717
Total Revenues	6,431,118	6,431,120	7,360,427	929,307
EXPENDITURES				
Current:				
General Government:				
Mayor and Council	37,212	37,212	28,472	(8,740)
Administration	172,364	172,364	275,381	103,017
Clerks	131,924	131,924	148,319	16,395
Financial Administration	336,591	336,591	408,606	72,015
City Attorney	50,000	50,000	119,782	69,782
City Engineer	40,000	40,000	-	(40,000)
Planning and Zoning	175,890	175,890	184,772	8,882
Contractual Services	-	-	27,107	27,107
Governmental Buildings	253,190	253,190	252,694	(496)
Miscellaneous	80,217	80,217	112,760	32,543
Total General Government	1,277,388	1,277,388	1,557,893	280,505
Public Safety:				
Police Protection	2,460,367	2,460,367	2,642,764	182,397
Fire Protection	388,799	417,779	407,748	(10,031)
Building Inspection	355,420	355,420	336,462	(18,958)
Other Protection	76,025	76,025	80,121	4,096
Total Public Safety	3,280,611	3,309,591	3,467,095	157,504
Highways and Streets:				
Street Maintenance	1,025,369	1,025,369	1,145,847	120,478
Culture and Recreation:				
Parks	373,552	373,552	390,802	17,250
Debt Service:				
Principal	47,275	47,275	47,275	-
Interest and Fiscal Charges	18,225	18,225	18,225	-
Total Debt Service	65,500	65,500	65,500	-
Capital Outlay:				
Capital Equipment	567,298	764,299	1,373,489	609,190
Total Expenditures	6,589,718	6,815,699	8,000,626	1,184,927

See accompanying Notes to Required Supplementary Information.

**CITY OF NORTH BRANCH, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance With Budget Over (Under)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (158,600)	\$ (384,579)	\$ (640,199)	\$ (255,620)
OTHER FINANCING SOURCES (USES)				
Transfers In	158,600	158,600	424,154	265,554
Transfers Out	-	-	(50,000)	(50,000)
Insurance Recoveries	-	-	17,046	17,046
Sales of Capital Assets	-	-	204,245	204,245
Total Other Financing Sources (Uses)	<u>158,600</u>	<u>158,600</u>	<u>595,445</u>	<u>436,845</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (225,979)</u>	(44,754)	<u>\$ 181,225</u>
Fund Balance - Beginning of Year			<u>5,414,566</u>	
FUND BALANCE - END OF YEAR			<u>\$ 5,369,812</u>	

See accompanying Notes to Required Supplementary Information.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 1 LEGAL COMPLIANCE BUDGETS

The General Fund budget is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level for the General Fund.

**NOTE 2 DEFINED BENEFIT PENSION PLAN – CHANGES IN SIGNIFICANT PLAN PROVISIONS
ACTUARIAL METHODS, AND ASSUMPTIONS**

General Employees Fund

2023

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2021

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

**NOTE 2 DEFINED BENEFIT PENSION PLAN – CHANGES IN SIGNIFICANT PLAN PROVISIONS
ACTUARIAL METHODS, AND ASSUMPTIONS**

General Employees Fund (Continued)

2020

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

**NOTE 2 DEFINED BENEFIT PENSION PLAN – CHANGES IN SIGNIFICANT PLAN PROVISIONS
ACTUARIAL METHODS, AND ASSUMPTIONS**

General Employees Fund (Continued)

2019

Changes in Actuarial Assumptions:

- The morality 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 in Actuarial Assumptions:

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

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.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

**NOTE 2 DEFINED BENEFIT PENSION PLAN – CHANGES IN SIGNIFICANT PLAN PROVISIONS
ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

General Employees Fund (Continued)

2017

Changes in Actuarial Assumptions:

- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and non-vested deferred members. The revised CSA load are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for non-vested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00% per year for all years to 1.00% per year through 2044 and 2.50% 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 in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study June 30, 2015. 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 in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% 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 increase 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 NORTH BRANCH, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

**NOTE 2 DEFINED BENEFIT PENSION PLAN – CHANGES IN SIGNIFICANT PLAN PROVISIONS
ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

Police and Fire Fund

2023

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.5 percent to 7.00 percent.
- The single discount rate changed from 5.4 percent to 7.0 percent.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.5 percent to 5.4 percent.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2021

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

**NOTE 2 DEFINED BENEFIT PENSION PLAN – CHANGES IN SIGNIFICANT PLAN PROVISIONS
ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

Police and Fire Fund (Continued)

2021 (Continued)

Changes in Actuarial Assumptions:

- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2020

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 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.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

**NOTE 2 DEFINED BENEFIT PENSION PLAN – CHANGES IN SIGNIFICANT PLAN PROVISIONS
ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

Police and Fire Fund (Continued)

2018

Changes in Actuarial Assumptions:

- The morality 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 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 combined service annuity (CSA) load was 30.00% for vested and nonvested, deferred members. The CSA has been changed to 33.00% for vested members and 2.00% for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

**CITY OF NORTH BRANCH, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

**NOTE 2 DEFINED BENEFIT PENSION PLAN – CHANGES IN SIGNIFICANT PLAN PROVISIONS
ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

Police and Fire Fund (Continued)

2017 (Continued)

Changes in Actuarial Assumptions (Continued):

- Assumed percentage of married female members was decreased from 65.00% to 60.00%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The single discount rate was changed from 5.60% per annum to 7.50% per annum.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2016

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2037 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%.
- 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 in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2037 and 2.50% per year thereafter.

Changes in Plan Provisions:

- The postretirement benefit increase to be paid after the attainment of the 90.00% funding threshold was changed from inflation up to 2.50%, to a fixed rate of 2.50%.

SUPPLEMENTARY INFORMATION

**CITY OF NORTH BRANCH, MINNESOTA
COMBINING BALANCE SHEET – NONMAJOR FUNDS
DECEMBER 31, 2023**

	SPECIAL REVENUE FUNDS			
	201	208	260	270
	EDA FUND	FIRE DEPARTMENT EQUIPMENT DONATION	TAX ABATEMENT	REVOLVING LOAN
ASSETS				
Cash and Investments	\$ -	\$ 157,532	\$ 21,572	\$ 324,242
Receivables:				
Accounts	18,400	-	-	-
Taxes	5,158	-	1	-
Accrued Interest	-	-	-	3,258
Land Held for Resale	465,127	-	-	-
Due From Other Governments	-	-	-	-
Prepaid Items	1,346	-	-	-
Total Assets	<u>\$ 490,031</u>	<u>\$ 157,532</u>	<u>\$ 21,573</u>	<u>\$ 327,500</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 9,600	\$ -	\$ -	\$ -
Accrued Wages	6,427	-	-	-
Due to Other Funds	520,668	-	-	-
Advance From Other Funds	-	-	-	-
Due to Other Governments	304	-	-	-
Total Liabilities	536,999	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Other	-	-	-	-
Unavailable Revenue - Property Taxes	3,558	-	-	-
Total Deferred Inflows of Resources	3,558	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	1,346	-	-	-
Restricted	-	157,532	21,573	327,500
Committed	-	-	-	-
Unassigned	(51,872)	-	-	-
Total Fund Balances (Deficits)	<u>(50,526)</u>	<u>157,532</u>	<u>21,573</u>	<u>327,500</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 490,031</u>	<u>\$ 157,532</u>	<u>\$ 21,573</u>	<u>\$ 327,500</u>

CITY OF NORTH BRANCH, MINNESOTA
COMBINING BALANCE SHEET – NONMAJOR FUNDS (CONTINUED)
DECEMBER 31, 2023

	SPECIAL REVENUE FUNDS		
	276	281	289
	CABLE FRANCHISE	ECUMEN TIF DISTRICT	FLASHING BY DESIGN TIF
ASSETS			
Cash and Investments	\$ 79,389	\$ 22,389	\$ 51,017
Receivables:			
Accounts	-	-	-
Taxes	-	-	-
Accrued Interest	-	-	-
Land Held for Resale	-	-	-
Due From Other Governments	11,420	-	-
Prepaid Items	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 90,809</u>	<u>\$ 22,389</u>	<u>\$ 51,017</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Wages	-	-	-
Due to Other Funds	-	-	-
Advance From Other Funds	-	-	202,659
Due to Other Governments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	-	-	202,659
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Other	11,420	-	-
Unavailable Revenue - Property Taxes	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	11,420	-	-
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted	-	22,389	-
Committed	79,389	-	-
Unassigned	-	-	(151,642)
	<u>-</u>	<u>-</u>	<u>(151,642)</u>
Total Fund Balances (Deficits)	<u>79,389</u>	<u>22,389</u>	<u>(151,642)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 90,809</u>	<u>\$ 22,389</u>	<u>\$ 51,017</u>

CITY OF NORTH BRANCH, MINNESOTA
COMBINING BALANCE SHEET – NONMAJOR FUNDS (CONTINUED)
DECEMBER 31, 2023

	SPECIAL REVENUE FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	290	291	292	
	HOUSING SUPPORT	WILLOW GROVE	EVERLONG TIF	
ASSETS				
Cash and Investments	\$ 52,951	\$ 9,673	\$ 45,937	\$ 764,702
Receivables:				
Accounts	-	-	-	18,400
Taxes	-	-	-	5,159
Accrued Interest	-	-	-	3,258
Land Held for Resale	-	-	-	465,127
Due From Other Governments	-	-	-	11,420
Prepaid Items	-	-	-	1,346
Total Assets	<u>\$ 52,951</u>	<u>\$ 9,673</u>	<u>\$ 45,937</u>	<u>\$ 1,269,412</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 9,600
Accrued Wages	-	-	-	6,427
Due to Other Funds	-	-	-	520,668
Advance From Other Funds	-	-	-	202,659
Due to Other Governments	-	-	-	304
Total Liabilities	-	-	-	739,658
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Other	-	-	-	11,420
Unavailable Revenue - Property Taxes	-	-	-	3,558
Total Deferred Inflows of Resources	-	-	-	14,978
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	1,346
Restricted	52,951	9,673	45,937	637,555
Committed	-	-	-	79,389
Unassigned	-	-	-	(203,514)
Total Fund Balances (Deficits)	<u>52,951</u>	<u>9,673</u>	<u>45,937</u>	<u>514,776</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 52,951</u>	<u>\$ 9,673</u>	<u>\$ 45,937</u>	<u>\$ 1,269,412</u>

**CITY OF NORTH BRANCH, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR FUNDS
YEAR ENDED DECEMBER 31, 2023**

	SPECIAL REVENUE FUNDS			
	201	208	260	270
	EDA FUND	FIRE DEPARTMENT EQUIPMENT DONATION	TAX ABATEMENT	REVOLVING LOAN
REVENUES				
Taxes	\$ 166,273	\$ -	\$ -	\$ -
Tax Increments	-	-	-	-
Tax Abatement	-	-	106	-
Intergovernmental	812	-	-	-
Interest Earnings	-	5,167	823	15,667
Contributions and Donations	-	93,844	-	-
Miscellaneous	4,600	-	-	-
Total Revenues	171,685	99,011	929	15,667
EXPENDITURES				
Current:				
General Government	180,997	-	-	-
Public Safety	-	22,276	-	-
Capital Outlay	6,675	-	-	-
Total Expenditures	187,672	22,276	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15,987)	76,735	929	15,667
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(34,050)	-	-
Total Other Financing Sources (Uses)	-	(34,050)	-	-
NET CHANGE IN FUND BALANCES	(15,987)	42,685	929	15,667
Fund Balances - Beginning of Year	(34,539)	114,847	20,644	311,833
FUND BALANCES - END OF YEAR	<u>\$ (50,526)</u>	<u>\$ 157,532</u>	<u>\$ 21,573</u>	<u>\$ 327,500</u>

CITY OF NORTH BRANCH, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	SPECIAL REVENUE FUNDS		
	276	281	289
	CABLE FRANCHISE	ECUMEN TIF DISTRICT	FLASHING BY DESIGN TIF
REVENUES			
Taxes	\$ -	\$ -	\$ -
Tax Increments	-	135,220	21,953
Tax Abatement	-	-	-
Intergovernmental	-	-	-
Interest Earnings	3,963	2,959	2,870
Contributions and Donations	-	-	-
Miscellaneous	47,667	-	-
Total Revenues	51,630	138,179	24,823
EXPENDITURES			
Current:			
General Government	-	662	795
Public Safety	-	-	-
Capital Outlay	-	-	-
Total Expenditures	-	662	795
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	51,630	137,517	24,028
OTHER FINANCING SOURCES (USES)			
Transfers Out	(50,000)	(140,000)	(240,104)
Total Other Financing Sources (Uses)	(50,000)	(140,000)	(240,104)
NET CHANGE IN FUND BALANCES	1,630	(2,483)	(216,076)
Fund Balances - Beginning of Year	77,759	24,872	64,434
FUND BALANCES - END OF YEAR	\$ 79,389	\$ 22,389	\$ (151,642)

CITY OF NORTH BRANCH, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	SPECIAL REVENUE FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	290	291	292	
	HOUSING SUPPORT	WILLOW GROVE	EVERLONG TIF	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 166,273
Tax Increments	-	15,557	27,131	199,861
Tax Abatement	-	-	-	106
Intergovernmental	-	-	-	812
Interest Earnings	2,026	270	1,286	35,031
Contributions and Donations	-	-	-	93,844
Miscellaneous	-	-	-	52,267
Total Revenues	2,026	15,827	28,417	548,194
EXPENDITURES				
Current:				
General Government	-	13,746	663	196,863
Public Safety	-	-	-	22,276
Capital Outlay	-	-	-	6,675
Total Expenditures	-	13,746	663	225,814
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,026	2,081	27,754	322,380
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	(464,154)
Total Other Financing Sources (Uses)	-	-	-	(464,154)
NET CHANGE IN FUND BALANCES	2,026	2,081	27,754	(141,774)
Fund Balances - Beginning of Year	50,925	7,592	18,183	656,550
FUND BALANCES - END OF YEAR	<u>\$ 52,951</u>	<u>\$ 9,673</u>	<u>\$ 45,937</u>	<u>\$ 514,776</u>

CITY OF NORTH BRANCH, MINNESOTA
COMBINING SCHEDULE OF BALANCE SHEET – DEBT SERVICE FUND BY BOND ISSUE
DECEMBER 31, 2023

	DEBT SERVICE FUNDS		
	315	316	322
	G.O. REFUNDING BONDS OF 2010B	G.O. REFUNDING BONDS OF 2013	STREET RECONSTRUCTION BONDS OF 2009A REFUNDED BY 2020A
ASSETS			
Cash and Investments	\$ -	\$ 523,874	\$ 29,557
Receivables:			
Accounts, Net	-	-	-
Taxes	67	-	1,253
Special Assessments	-	144	-
Accrued Interest	-	10,146	-
	<u>-</u>	<u>10,146</u>	<u>-</u>
Total Assets	<u>\$ 67</u>	<u>\$ 534,164</u>	<u>\$ 30,810</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Due to Other Funds	\$ 4,337	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	-	-	869
Unavailable Revenue - Special Assessments	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>869</u>
FUND BALANCES			
Restricted	<u>(4,270)</u>	<u>534,164</u>	<u>29,941</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 67</u>	<u>\$ 534,164</u>	<u>\$ 30,810</u>

CITY OF NORTH BRANCH, MINNESOTA
COMBINING SCHEDULE OF BALANCE SHEET – DEBT SERVICE FUND BY BOND ISSUE
(CONTINUED)
DECEMBER 31, 2023

	DEBT SERVICE FUNDS			
	323	387	393	394
	G.O. TIF BONDS OF 2009D	EDA LEASE REVENUE BONDS OF 2009	2006B TAX INCREMENT REFUNDING BONDS	G.O. BONDS OF 2006C
ASSETS				
Cash and Investments	\$ 222,645	\$ 519,298	\$ 470,468	\$ 21,233
Receivables:				
Accounts, Net	-	3,363	-	-
Taxes	26	9,777	-	-
Special Assessments	-	-	-	-
Accrued Interest	-	-	-	-
Total Assets	<u>\$ 222,671</u>	<u>\$ 532,438</u>	<u>\$ 470,468</u>	<u>\$ 21,233</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Due to Other Funds	\$ -	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	9,765	-	-
Unavailable Revenue - Special Assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>9,765</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	<u>222,671</u>	<u>522,673</u>	<u>470,468</u>	<u>21,233</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 222,671</u>	<u>\$ 532,438</u>	<u>\$ 470,468</u>	<u>\$ 21,233</u>

CITY OF NORTH BRANCH, MINNESOTA
COMBINING SCHEDULE OF BALANCE SHEET – DEBT SERVICE FUND BY BOND ISSUE
(CONTINUED)
DECEMBER 31, 2023

	DEBT SERVICE FUNDS			TOTAL DEBT SERVICE FUND
	397	398	399	
	G.O. BONDS OF 2007A	G.O. BONDS OF 2008A REFUNDED BY 2020A	CERTIFICATE OF INDEBTEDNESS OF 2022A	
ASSETS				
Cash and Investments	\$ -	\$ 582,208	133,975	\$ 2,503,258
Receivables:				
Accounts, Net	-	-	-	3,363
Taxes	4	-	4,133	15,260
Special Assessments	-	596,847	-	596,991
Accrued Interest	-	-	-	10,146
Total Assets	<u>\$ 4</u>	<u>\$ 1,179,055</u>	<u>\$ 138,108</u>	<u>\$ 3,129,018</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Due to Other Funds	\$ 77,454	\$ -	\$ -	\$ 81,791
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	2,930	13,564
Unavailable Revenue - Special Assessments	-	596,847	-	596,847
Total Deferred Inflows of Resources	<u>-</u>	<u>596,847</u>	<u>2,930</u>	<u>610,411</u>
FUND BALANCES				
Restricted	<u>(77,450)</u>	<u>582,208</u>	<u>135,178</u>	<u>2,436,816</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4</u>	<u>\$ 1,179,055</u>	<u>\$ 138,108</u>	<u>\$ 3,129,018</u>

**CITY OF NORTH BRANCH, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – DEBT SERVICE FUND BY BOND ISSUE
YEAR ENDED DECEMBER 31, 2023**

	DEBT SERVICE FUNDS			
	315	316	322	323
	STREET RECONSTRUCTION BONDS OF 2009A REFUNDED BY 2020A			G.O. TIF BONDS OF 2009D
	G.O. REFUNDING BONDS OF 2010B	G.O. REFUNDING BONDS OF 2013		
REVENUES				
Taxes	\$ -	\$ -	\$ 43,844	\$ 1,419
Tax Increments	-	-	-	90,291
Special Assessments	-	-	-	-
Interest Earnings	-	31,353	638	1,908
Total Revenues	-	31,353	44,482	93,618
EXPENDITURES				
Debt Service:				
Principal	-	125,000	39,000	140,000
Fiscal Agent Fees	-	4,250	-	3,962
Interest	-	5,564	4,751	96,238
Total Expenditures	-	134,814	43,751	240,200
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(103,461)	731	(146,582)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	140,000
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	140,000
NET CHANGE IN FUND BALANCES	-	(103,461)	731	(6,582)
Fund Balances - Beginning of Year	(4,270)	637,625	29,210	229,253
FUND BALANCES - END OF YEAR	<u>\$ (4,270)</u>	<u>\$ 534,164</u>	<u>\$ 29,941</u>	<u>\$ 222,671</u>

CITY OF NORTH BRANCH, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – DEBT SERVICE FUND BY BOND ISSUE (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	DEBT SERVICE FUNDS			
	387	393	394	397
	EDA LEASE REVENUE BONDS OF 2009	2006B TAX INCREMENT REFUNDING BONDS	G.O. BONDS OF 2006C	G.O. BONDS OF 2007A
REVENUES				
Taxes	\$ 388,242	\$ -	\$ -	\$ -
Tax Increments	-	182,274	-	-
Special Assessments	-	-	11,730	-
Interest Earnings	14,057	13,766	455	-
Total Revenues	402,299	196,040	12,185	-
EXPENDITURES				
Debt Service:				
Principal	255,000	160,000	-	155,000
Fiscal Agent Fees	3,199	1,055	-	3,031
Interest	86,709	18,313	-	3,680
Total Expenditures	344,908	179,368	-	161,711
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	57,391	16,672	12,185	(161,711)
OTHER FINANCING SOURCES (USES)				
Transfers In	15,000	-	-	-
Transfers Out	-	(15,000)	-	-
Total Other Financing Sources (Uses)	15,000	(15,000)	-	-
NET CHANGE IN FUND BALANCES	72,391	1,672	12,185	(161,711)
Fund Balances - Beginning of Year	450,282	468,796	9,048	84,261
FUND BALANCES - END OF YEAR	<u>\$ 522,673</u>	<u>\$ 470,468</u>	<u>\$ 21,233</u>	<u>\$ (77,450)</u>

CITY OF NORTH BRANCH, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – DEBT SERVICE FUND BY BOND ISSUE (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	DEBT SERVICE FUNDS			
	398	399		
	G.O. BONDS OF 2008A REFUNDED BY 2020A	CERTIFICATE OF INDEBTEDNESS OF 2022A	INTERNAL ELIMINATIONS	TOTAL DEBT SERVICE FUND
REVENUES				
Taxes	\$ -	\$ 144,645	\$ -	\$ 578,150
Tax Increments	-	-	-	272,565
Special Assessments	504,555	-	-	516,285
Interest Earnings	7,848	1,382	-	71,407
Total Revenues	512,403	146,027	-	1,438,407
EXPENDITURES				
Debt Service:				
Principal	104,000	-	-	978,000
Fiscal Agent Fees	-	950	-	16,447
Interest	13,159	27,554	-	255,968
Total Expenditures	117,159	28,504	-	1,250,415
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	395,244	117,523	-	187,992
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	(15,000)	140,000
Transfers Out	-	-	15,000	-
Total Other Financing Sources (Uses)	-	-	-	140,000
NET CHANGE IN FUND BALANCES	395,244	117,523	-	327,992
Fund Balances - Beginning of Year	186,964	17,655	-	2,108,824
FUND BALANCES - END OF YEAR	<u>\$ 582,208</u>	<u>\$ 135,178</u>	<u>\$ -</u>	<u>\$ 2,436,816</u>

CITY OF NORTH BRANCH, MINNESOTA
COMBINING SCHEDULE OF BALANCE SHEET- CAPITAL PROJECTS FUND BY CAPITAL
PROJECT
YEAR ENDED DECEMBER 31, 2023

	CAPITAL PROJECTS				
	400 FIXED WIRELESS CAPITAL FUND	401 REVOLVING CAPITAL	403 PARK IMPROVEMENTS	432 EQUIPMENT REVOLVING FUND	455 ROAD IMPROVEMENTS
ASSETS					
Cash and Investments	\$ -	\$ -	\$ 51,887	\$ 2,069	\$ -
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Special Assessments	-	891	-	-	52,914
Accrued Interest	-	5,610	-	-	-
Due From Other Governments	-	74,144	-	-	-
Land Held for Resale	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 80,645</u>	<u>\$ 51,887</u>	<u>\$ 2,069</u>	<u>\$ 52,914</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenue	-	11,765	11,810	-	-
Due to Other Funds	17,032	24,824	-	-	134,462
Total Liabilities	<u>17,032</u>	<u>36,589</u>	<u>11,810</u>	<u>-</u>	<u>134,462</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	-	-	-	-	-
Unavailable Revenue - Special Assessments	-	891	-	-	52,611
Unavailable Revenue - State Aid	-	74,144	-	-	-
Total Deferred Inflows of Resources	-	75,035	-	-	52,611
FUND BALANCES (DEFICITS)					
Restricted	-	-	-	-	-
Assigned	(17,032)	(30,979)	40,077	2,069	(134,159)
Total Fund Balances (Deficit)	<u>(17,032)</u>	<u>(30,979)</u>	<u>40,077</u>	<u>2,069</u>	<u>(134,159)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	<u>\$ -</u>	<u>\$ 80,645</u>	<u>\$ 51,887</u>	<u>\$ 2,069</u>	<u>\$ 52,914</u>

CITY OF NORTH BRANCH, MINNESOTA
COMBINING SCHEDULE OF BALANCE SHEET- CAPITAL PROJECTS FUND BY CAPITAL
PROJECT (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	CAPITAL PROJECTS			
	458 ROAD MAINTENANCE - FRAN FEE	475 LIBRARY/ COMMUNITY CENTER	476 INDUSTRIAL PARK IV	478 PALLETMAN
ASSETS				
Cash and Investments	\$ -	\$ 172,194	\$ 207,998	\$ -
Receivables:				
Accounts	87,279	-	-	-
Taxes	-	-	18,398	-
Special Assessments	-	-	-	-
Accrued Interest	-	-	-	-
Due From Other Governments	-	-	-	-
Land Held for Resale	-	-	7,791,181	-
	<u>-</u>	<u>-</u>	<u>7,791,181</u>	<u>-</u>
Total Assets	<u>\$ 87,279</u>	<u>\$ 172,194</u>	<u>\$ 8,017,577</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 40,313	\$ -	\$ -	\$ -
Unearned Revenue	-	-	-	-
Due to Other Funds	24,958	-	-	8,007
Total Liabilities	<u>65,271</u>	<u>-</u>	<u>-</u>	<u>8,007</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	14,982	-
Unavailable Revenue - Special Assessments	-	-	-	-
Unavailable Revenue - State Aid	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	-	-	14,982	-
FUND BALANCES (DEFICITS)				
Restricted	-	-	2,300,000	-
Assigned	22,008	172,194	5,702,595	(8,007)
Total Fund Balances (Deficit)	<u>22,008</u>	<u>172,194</u>	<u>8,002,595</u>	<u>(8,007)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	<u>\$ 87,279</u>	<u>\$ 172,194</u>	<u>\$ 8,017,577</u>	<u>\$ -</u>

CITY OF NORTH BRANCH, MINNESOTA
COMBINING SCHEDULE OF BALANCE SHEET- CAPITAL PROJECTS FUND BY CAPITAL
PROJECT (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	CAPITAL PROJECTS				TOTAL CAPITAL PROJECTS FUND
	486 RECREATION CENTER	492 HOUSING PROJECT	503 399th IMPROVEMENT PROJECT	701 EQUIPMENT REPLACEMENT	
ASSETS					
Cash and Investments	\$ 494,784	\$ 8,313	\$ 332,714	\$ 111,186	\$ 1,381,145
Receivables:					
Accounts	-	-	-	-	87,279
Taxes	-	-	-	-	18,398
Special Assessments	-	-	-	-	53,805
Accrued Interest	-	-	-	-	5,610
Due From Other Governments	-	-	-	-	74,144
Land Held for Resale	-	-	-	-	7,791,181
Total Assets	\$ 494,784	\$ 8,313	\$ 332,714	\$ 111,186	\$ 9,411,562
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 59,071	\$ -	\$ -	\$ 140	\$ 99,524
Unearned Revenue	-	-	-	-	23,575
Due to Other Funds	-	-	-	-	209,283
Total Liabilities	59,071	-	-	140	332,382
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	-	-	-	-	14,982
Unavailable Revenue - Special Assessments	-	-	-	-	53,502
Unavailable Revenue - State Aid	-	-	-	-	74,144
Total Deferred Inflows of Resources	-	-	-	-	142,628
FUND BALANCES (DEFICITS)					
Restricted	-	-	-	-	2,300,000
Assigned	435,713	8,313	332,714	111,046	6,636,552
Total Fund Balances (Deficit)	435,713	8,313	332,714	111,046	8,936,552
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 494,784	\$ 8,313	\$ 332,714	\$ 111,186	\$ 9,411,562

CITY OF NORTH BRANCH, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
– CAPITAL PROJECTS FUND BY CAPITAL PROJECT
YEAR ENDED DECEMBER 31, 2023

	CAPITAL PROJECTS			
	400 FIXED WIRELESS CAPITAL FUND	401 REVOLVING CAPITAL	403 PARK IMPROVEMENTS	432 EQUIPMENT REVOLVING FUND
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	579,689	-	-
Special Assessments	-	-	-	-
Interest Earnings	-	15,655	1,961	-
Refunds and Reimbursements	-	-	10,500	-
Miscellaneous	-	-	3,300	-
Total Revenues	-	595,344	15,761	-
EXPENDITURES				
Current:				
General Government	-	-	-	-
Capital Outlay	-	483,593	22,680	-
Debt Service:				
Principal	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total Expenditures	-	483,593	22,680	-
NET CHANGE IN FUND BALANCES	-	111,751	(6,919)	-
Fund Balances (Deficit) - Beginning of Year	(17,032)	(142,730)	46,996	2,069
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (17,032)</u>	<u>\$ (30,979)</u>	<u>\$ 40,077</u>	<u>\$ 2,069</u>

CITY OF NORTH BRANCH, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – CAPITAL PROJECTS FUND BY CAPITAL PROJECT (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	CAPITAL PROJECTS				
	455	458	475	476	478
	ROAD	ROAD	LIBRARY/	INDUSTRIAL	
	IMPROVEMENTS	MAINTENANCE -	COMMUNITY	PARK IV	PALLETMAN
		FRAN FEE	CENTER		
REVENUES					
Taxes	\$ -	\$ 335,849	\$ -	\$ 480,410	\$ -
Intergovernmental	-	-	-	-	-
Special Assessments	7,787	-	-	-	-
Interest Earnings	543	6,609	6,590	3,033	-
Refunds and Reimbursements	-	-	-	13,234	-
Miscellaneous	-	-	-	-	-
Total Revenues	8,330	342,458	6,590	496,677	-
EXPENDITURES					
Current:					
General Government	-	-	-	25,697	-
Capital Outlay	124,956	535,947	-	-	-
Debt Service:					
Principal	-	-	-	225,000	-
Bond Issuance Costs	-	-	-	-	-
Total Expenditures	124,956	535,947	-	250,697	-
NET CHANGE IN FUND BALANCES	(116,626)	(193,489)	6,590	245,980	-
Fund Balances (Deficit) - Beginning of Year	(17,533)	215,497	165,604	7,756,615	(8,007)
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (134,159)</u>	<u>\$ 22,008</u>	<u>\$ 172,194</u>	<u>\$ 8,002,595</u>	<u>\$ (8,007)</u>

CITY OF NORTH BRANCH, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – CAPITAL PROJECTS FUND BY CAPITAL PROJECT (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	CAPITAL PROJECTS				TOTAL CAPITAL PROJECTS FUND
	486 RECREATION CENTER	492 HOUSING PROJECT	503 399th IMPROVEMENT PROJECT	701 EQUIPMENT REPLACEMENT	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 816,259
Intergovernmental	91,032	-	-	-	670,721
Special Assessments	-	-	-	-	7,787
Interest Earnings	21,195	318	12,733	11,936	80,573
Refunds and Reimbursements	7,000	-	-	-	30,734
Miscellaneous	18,000	-	-	-	21,300
Total Revenues	137,227	318	12,733	11,936	1,627,374
EXPENDITURES					
Current:					
General Government	-	-	-	-	25,697
Capital Outlay	314,191	-	-	-	1,481,367
Debt Service:					
Principal	-	-	-	-	225,000
Bond Issuance Costs	-	-	-	289	289
Total Expenditures	314,191	-	-	289	1,732,353
NET CHANGE IN FUND BALANCES	(176,964)	318	12,733	11,647	(104,979)
Fund Balances (Deficit) - Beginning of Year	612,677	7,995	319,981	99,399	9,041,531
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 435,713</u>	<u>\$ 8,313</u>	<u>\$ 332,714</u>	<u>\$ 111,046</u>	<u>\$ 8,936,552</u>

OTHER REPORTS SECTION



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

Honorable Mayor and Members of the City Council
City of North Branch
North Branch, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Branch (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 27, 2024.

Report on 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.

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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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.

We consider the deficiencies described in the accompanying schedule of findings and responses as items 2023-001, 2023-002, 2023-003, 2023-004 and 2023-005 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. We consider the deficiency described in the accompany schedule of findings and responses as item 2023-006 to be a significant deficiency.

Report on 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*.

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



CliftonLarsonAllen LLP

Alexandria, Minnesota
August 27, 2024



INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and Members of the City Council
City of North Branch
North Branch, 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 accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of North Branch (the City), as of December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 27, 2024.

In connection with our audit, we noted that the City failed to comply with provisions of the depositories of public funds and public investments and miscellaneous provisions sections of *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters as described in the schedule of findings and responses as items 2023-007 and 2023-008. Also, in connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting – bid laws, conflicts of interest, claims and disbursements, public indebtedness, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the legal compliance findings identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for Cities* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Alexandria, Minnesota
August 27, 2024

**CITY OF NORTH BRANCH, MINNESOTA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL STATEMENT FINDINGS

2023-001 AUDIT ADJUSTMENTS/RESTATEMENT

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: As part of the audit, material adjustments were proposed to properly state assets, liabilities, revenues and expenditures. In addition, beginning net position for sewer fund and business-type activities was restated to correct an error in the previously issued financial statements.

Criteria of Specific Requirement: The City of North Branch's management is responsible for establishing and maintaining internal controls for the proper recording of all the City's accounting transactions, including account coding, reporting of accruals and net position, and cash flows.

Effect: The design of the internal controls over recording transactions and year-end accruals limits the ability of the City to provide accurate accrual basis financial information.

Cause: Accounts were not fully reconciled and reviewed prior to the start of the financial statement audit.

Recommendation: We recommend City management and financial personnel continue to increase their awareness and knowledge of all procedures and processes involved in recording transactions and reclassifications and develop internal control policies to ensure proper recording of these items.

Management's Response: There is no disagreement with the audit finding.

**CITY OF NORTH BRANCH, MINNESOTA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2023-002 FINANCIAL STATEMENT PREPARATION

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The City does not have an internal control policy in place over annual financial reporting that would enable management to prepare its annual financial statements and related footnote disclosures, are complete, and presented in accordance with GAAP. In addition, management has informed us that they do not have the necessary staff capacity to prepare the annual financial statements including footnote disclosures.

Criteria or Specific Requirement: Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements including the related disclosures, in conformity with U.S. generally accepted accounting principles (GAAP).

Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the City's internal controls.

Cause: The City relies on the audit firm to prepare the annual financial statements and related footnote disclosures. However, they have reviewed and approved the annual financial statements and the related footnote disclosures.

Recommendation: Management should continue to evaluate their internal staff capacity to determine if an internal control policy over the annual financial reporting is beneficial.

Management's Response: There is no disagreement with the audit finding. The City will continue to utilize the expertise of the audit firm to prepare the financial statements and related footnote disclosures and will review and approve these prior to the issuance of the annual financial statements.

**CITY OF NORTH BRANCH, MINNESOTA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2023-003 CASH RECONCILIATIONS

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The City does not have a formal process in place to reconcile the document the reconciliation of cash held in banks to cash reported in the accounting system on a monthly basis.

Criteria or Specific Requirement: Without a proper reconciliation process, the City cannot ensure that all cash transactions have been recorded accurately and completely.

Effect: Incomplete cash reconciliations could result in inaccurate financial statements and misappropriation of funds.

Cause: Past practice and employee turnover.

Recommendation: It is recommended that the City establish a formal process for reconciling cash on a regular basis, including procedures for identifying and resolving discrepancies. This will help to ensure the accuracy and completeness of the City's financial records and reduce the risk of errors and fraud.

Management's Response: There is no disagreement with the audit finding.

2023-004 BALANCE SHEET RECONCILIATIONS

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The City took over utility operations in December 2023, during the audit it was noted that processes are not in place to ensure account balances are reconciled to supporting documentation at year end.

Criteria or Specific Requirement: Without a proper reconciliation process, the City cannot ensure that all transactions have been recorded accurately and completely.

Effect: Incomplete account reconciliations could result in inaccurate financial statements and misappropriation of funds.

Cause: Merger of the Water and Light Commission.

Recommendation: It is recommended that the City establish a formal process for reconciling accounts on a regular basis, including procedures for identifying and resolving discrepancies. Utility receivables should be adjusted at year end to account for balances earned but unbilled at year end. This will help to ensure the accuracy and completeness of the City's financial records and reduce the risk of errors and fraud.

Management's Response: There is no disagreement with the audit finding.

**CITY OF NORTH BRANCH, MINNESOTA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2023-005 IT CONTROL ENVIRONMENT

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: During the audit, we noted a lack of IT policies and procedures, inadequate tracking and review of user access, absences of IT risk assessments, vulnerability assessments and disaster recovery plans, and insufficient use of anti-virus/anti-malware tools. Additionally, a lack of documentation provided during the IT review prevented the audit firm from determining if IT general controls have been implemented.

Criteria or Specific Requirement: A strong IT environment ensures the financial data is accurate and complete and critical financial systems can be restored in the event of a disaster or system failure. This includes controls related to data backup, system restore, and disaster recovery planning.

Effect: The lack of formal policies and procedures related to password standards, user access, and user access review, as well as the absence of an IT budget and disaster recovery plan, and the failure to conduct periodic user access reviews, system restores, and IT risk assessments, all contribute to an increased risk of unauthorized access, data loss, and system downtime.

Cause: Limited department size and resources.

Recommendation: We recommend the City formal IT policies and procedures, conduct system wide user access reviews, establish an IT budget, consider the benefits of external penetration testing, and vulnerability assessments, document IT risk assessments, implement anti-virus and malware programs and develop a disaster recover plan.

Management's Response: There is no disagreement with the audit finding.

**CITY OF NORTH BRANCH, MINNESOTA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2023-006 LACK OF SEGREGATION OF DUTIES

Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting

Condition: Adequate segregation of the accounting functions necessary to ensure adequate internal accounting control, is not in place. The City has reassigned a number of the previously identified responsibilities; however, due to the number of employees available to assign responsibilities, some weaknesses still exist.

Criteria or Specific Requirement: City management should constantly be aware of the need to have adequate segregation of duties regarding the processing of transactions for the City. In addition, City management should be aware that the concentration of duties and responsibilities in one or a very few individuals is not desirable from an internal control perspective.

Effect: The design of the internal controls over financial reporting could affect the ability of the City to record, process, summarize, and report financial data consistently with the assertions of management in the financial statements. In addition, this lack of segregation of duties may result in the City's inability to prevent/detect misappropriation of assets.

Cause: Size and budget constraints limit the number of personnel within the City.

Recommendation: We recommend City management be aware of the lack of segregation of duties within the accounting functions and provide oversight to ensure the internal control policies and procedures are being implemented by City staff. Bank reconciliations should be performed timely, reconciled to the general ledger and reviewed by someone independent of the preparation process.

Management's Response: There is no disagreement with the audit finding. The City will continue to explore the possible further segregation of duties within the City office to minimize the potential risk until it is no longer cost effective for the City.

**CITY OF NORTH BRANCH, MINNESOTA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

MINNESOTA LEGAL COMPLIANCE:

2023-007 UNCLAIMED PROPERTY

Condition: The City held unclaimed property for greater than three years without reporting and delivering to the State Commissioner of Commerce.

Criteria or Specific Requirement: Minnesota Statute §345.38-43 requires governmental entities holding unclaimed or uncashed checks or other intangible property for more than three years, to report and deliver the property to the State Commissioner of Commerce.

Effect: Noncompliance with Minnesota Statute §345.38-43.

Cause: Employee turnover/unaware of compliance requirement.

Recommendation: We recommend the City establish procedures to ensure unclaimed property is reported and delivered to the state as required by statute.

Management's Response: There is no disagreement with the audit finding.

2023-008 COLLATERAL COVERAGE

Condition: At December 31, 2023, the City was undercollateralized at one financial institute.

Criteria or Specific Requirement: Minnesota Statute §118A.03 requires that, to the extent deposited funds exceed federal deposit insurance, the City must obtain an assignment of pledged collateral in an amount equal to 110% of the amount of deposits plus accrued interest.

Effect: Noncompliance with Minnesota Statute §118A.03.

Cause: Employee turnover/unaware of compliance requirement.

Recommendation: We recommend the City establish procedures to ensure deposits are adequately collateralized throughout the year.

Management's Response: There is no disagreement with the audit finding.



Prepared By: Ragini Varma, City Clerk / IT Director

Presenter: Ragini Varma, City Clerk / IT Director

Date: 08/06/2024

Board & Commission: City Council

Subject: Claims

The Council is presented with the monthly claims for approval.

Voting Requirements:

Voting Options Simple Majority

City of North Branch

ACH Checks

5543 to 5563 - \$631,872.20

Checks

90011 to 90081- \$333,522.71

Credit Card Transactions

07/05/2024 to 08/06/2024 Transactions

Total paid to US Bank Paid 08/20/2024

\$ 73,219.40

Payroll

August 30, 2024 - \$109,038.40

Accounts Payable

Check Detail

User: TiffaniFolstad
Printed: 09/06/2024 - 3:37PM



Check Number	Check Date	Amount
1033 - Associated Bank		
5562	08/14/2024	
Inv Assoc Bank Aug		54.25
5562 Total:		54.25
1033 - Associated Bank Total:		54.25
1044 - Bank Charges, Miscellaneous		
5553	08/07/2024	
Inv RT 8/7/2024		81.30
5553 Total:		81.30
1044 - Bank Charges, Miscellaneous Total:		81.30
1362 - Minnesota Dept of Revenue		
5560	08/12/2024	
Inv LS ST July 24		37,709.00
5560 Total:		37,709.00
5561	08/12/2024	
Inv Water Tax August		2,488.00
5561 Total:		2,488.00
1362 - Minnesota Dept of Revenue Total:		40,197.00
1372 - Minnesota State Retirement		
5543	08/16/2024	
Inv 0816MSRS		1,000.00
5543 Total:		1,000.00
5549	08/30/2024	
Inv 0830 MSRS		1,050.00
5549 Total:		1,050.00
1372 - Minnesota State Retirement Total:		2,050.00

Check Number	Check Date	Amount
1397 - MN PFA		
5551	08/16/2024	
Inv MNPFA 8/1/2024		510,415.15
5551 Total:		510,415.15
1397 - MN PFA Total:		510,415.15
1431 - Nationwide Retirement Solution		
5550	08/30/2024	
Inv 0830 NAT		5.00
5550 Total:		5.00
1431 - Nationwide Retirement Solution Total:		5.00
1468 - PERA (Payroll W/H)		
5546	08/30/2024	
Inv 0830 PERA		30,987.72
5546 Total:		30,987.72
1468 - PERA (Payroll W/H) Total:		30,987.72
1475 - Pitney Bowes Bank Inc Purchase Power		
5545	08/20/2024	
Inv 48379523		502.25
5545 Total:		502.25
1475 - Pitney Bowes Bank Inc Purchase Power Total:		502.25
1477 - Pitney Bowes Global Financial Srvs LLC		
5544	08/15/2024	
Inv 3106783965		164.55
5544 Total:		164.55
1477 - Pitney Bowes Global Financial Srvs LLC Total:		164.55
1585 - United States Treasury		
5548	08/30/2024	
Inv 0830 FED		33,865.88
5548 Total:		33,865.88
1585 - United States Treasury Total:		33,865.88
1592 - US Postal Service		
5559	08/29/2024	

Check Number	Check Date	Amount
	Inv USPS Aug 2024	986.44
5559 Total:		986.44
1592 - US Postal Service Total:		986.44
1941 - WEX, Inc.		
5554	08/02/2024	
	Inv VEBA 8/2/2024	574.74
5554 Total:		574.74
5555	08/05/2024	
	Inv ER HSA 8/5/24	106.46
5555 Total:		106.46
5556	08/05/2024	
	Inv EE HSA 8/5/2024	5,394.33
5556 Total:		5,394.33
5557	08/19/2024	
	Inv EE HSA 8/19/24	5,394.33
5557 Total:		5,394.33
5558	08/26/2024	
	Inv WEX August	105.75
5558 Total:		105.75
1941 - WEX, Inc. Total:		11,575.61
2096 - Xpress Solutions Inc		
5563	08/06/2024	
	Inv XBP 8/1/2024	274.18
5563 Total:		274.18
2096 - Xpress Solutions Inc Total:		274.18
2170 - Pathpoint Merchant Services LLC		
5552	08/02/2024	
	Inv CC Fee August	712.87
5552 Total:		712.87
2170 - Pathpoint Merchant Services LLC Total:		712.87

Check Number	Check Date	Amount
Total:		631,872.20

Accounts Payable

Computer Check Proof List by Vendor

User: TiffaniFolstad
Printed: 08/29/2024 - 11:44AM
Batch: 00006.08.2024 - 08292024



Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: 1646	Ameritas			Check Sequence: 1	ACH Enabled: False
0830 AMER	OTHER RETIREMENT 08/30 PAYROLL WH	90.00	08/29/2024	101-00000-21705	
	Check Total:	90.00			
Vendor: 1076	Business Essentials			Check Sequence: 2	ACH Enabled: False
641218	BATH TISSUES/TOWELS	200.00	08/29/2024	609-49750-50210	
641218	BATH TISSUES/TOWELS	500.00	08/29/2024	101-41940-50401	
641218	BATH TISSUES/TOWELS	277.14	08/29/2024	101-45500-50300	
	Check Total:	977.14			
Vendor: 1905	Cemstone Products Co., Inc.			Check Sequence: 3	ACH Enabled: False
7534746	NORTHWOODS PARK DNR GRANT	2,654.00	08/29/2024	486-46500-50506	
7538127	NORTHWOODS PARK DNR GRANT	3,200.00	08/29/2024	486-46500-50506	
7539698	NORTHWOODS PARK DNR GRANT	3,300.00	08/29/2024	486-46500-50506	
7543145	NORTHWOODS PARK DNR GRANT	3,200.00	08/29/2024	486-46500-50506	
	Check Total:	12,354.00			
Vendor: 1092	Central Pension Fund			Check Sequence: 4	ACH Enabled: False
FOR AUG 2024	PAYROLL W/H FOR AUG 2024	7,500.09	08/29/2024	101-00000-21705	
	Check Total:	7,500.09			
Vendor: 2171	Gordy's Custom Cabinets			Check Sequence: 5	ACH Enabled: False
BP 12454	BP 12454 REFUND PERMIT FEE	60.00	08/29/2024	602-00000-37250	
	Check Total:	60.00			
Vendor: 1269	IUOE Local 49 Fringe Benefit			Check Sequence: 6	ACH Enabled: False

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
FOR OCT 2024	PW HEALTH - FOR OCTOBER 2024	17,700.00	08/29/2024	101-00000-21706	
	Check Total:	17,700.00			
Vendor: 2061	Unbound Construction			Check Sequence: 7	ACH Enabled: False
08272024	ESCROW REFUND	3,971.00	08/29/2024	101-00000-21161	
	Check Total:	3,971.00			
	Total for Check Run:	42,652.23			
	Total of Number of Checks:	7			

Accounts Payable

Computer Check Proof List by Vendor

User: TiffaniFolstad
Printed: 09/06/2024 - 1:11PM
Batch: 00001.09.2024 - 09062024



Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: 1005	Ace Solid Waste			Check Sequence: 1	ACH Enabled: False
10927255T067	REFUSE	97.57	09/06/2024	615-49550-50387	
10927255T067	REFUSE	308.52	09/06/2024	101-43000-50387	
10927255T067	REFUSE	190.35	09/06/2024	101-41940-50387	
10927255T067	REFUSE	65.02	09/06/2024	101-42280-50387	
10927255T067	REFUSE	58.13	09/06/2024	620-49600-50387	
10927255T067	REFUSE	245.56	09/06/2024	602-49450-50387	
10927255T067	REFUSE	140.44	09/06/2024	609-49750-50387	
10927255T067	REFUSE	102.31	09/06/2024	101-45500-50387	
	Check Total:	1,207.90			
Vendor: 2012	Alltrees, LLC			Check Sequence: 2	ACH Enabled: False
2576	REPLACE NETWORK SWITCH CITY HALL/	330.00	09/06/2024	101-41940-50207	
	Check Total:	330.00			
Vendor: 1025	Anderson and Koch Ford			Check Sequence: 3	ACH Enabled: False
504370	ALIGNMENT/99PT INSP 2020 EXPLORER	120.00	09/06/2024	101-42110-50404	
	Check Total:	120.00			
Vendor: 1029	Artisan Beer Company			Check Sequence: 4	ACH Enabled: False
3704494	BEER	98.50	09/06/2024	609-48000-50252	
3708114	BEER	110.80	09/06/2024	609-49750-50252	
	Check Total:	209.30			
Vendor: 1036	AT & T Mobility			Check Sequence: 5	ACH Enabled: False
287294264933X09	MOBILE SERVICES	261.37	09/06/2024	101-42280-50321	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
287294264933X09	MOBILE SERVICES	1,896.80	09/06/2024	101-42110-50300	
287294264933X09	MOBILE SERVICES	123.69	09/06/2024	615-49550-50380	
287294264933X09	MOBILE SERVICES	38.23	09/06/2024	609-48000-50243	
287294264933X09	MOBILE SERVICES	38.23	09/06/2024	609-49750-50243	
287294265529X09	MOBILE SERVICES	89.44	09/06/2024	609-49750-50321	
287294265529X09	MOBILE SERVICES	87.99	09/06/2024	620-49600-50321	
287294265529X09	MOBILE SERVICES	44.72	09/06/2024	101-41310-50320	
287294265529X09	MOBILE SERVICES	44.72	09/06/2024	609-48000-50321	
287294265529X09	MOBILE SERVICES	225.44	09/06/2024	615-49550-50321	
287294265529X09	MOBILE SERVICES	89.33	09/06/2024	101-41910-50321	
287294265529X09	MOBILE SERVICES	89.44	09/06/2024	101-42400-50321	
287294265529X09	MOBILE SERVICES	175.98	09/06/2024	602-49450-50321	
287294265529X09	MOBILE SERVICES	44.72	09/06/2024	101-41500-50321	
287294265529X09	MOBILE SERVICES	491.59	09/06/2024	101-43000-50321	
	Check Total:	3,741.69			
Vendor: 1049	Bellboy Corporation			Check Sequence: 6	ACH Enabled: False
0108783500	OPERATING SUPPLIES	248.13	09/06/2024	609-49750-50210	
0108817100	N/A SALES	344.98	09/06/2024	609-49750-50250	
0108817300	N/A SALES	70.83	09/06/2024	609-48000-50250	
0204752500	LIQUOR CREDIT	-288.65	09/06/2024	609-48000-50251	
0204758200	LIQUOR	1,601.22	09/06/2024	609-49750-50251	
0204758500	LIQUOR	1,649.75	09/06/2024	609-48000-50251	
0204845500	LIQUOR	3,407.05	09/06/2024	609-49750-50251	
0204845500	THC	446.00	09/06/2024	609-49750-50254	
0204845900	LIQUOR	979.55	09/06/2024	609-48000-50251	
0204845900	WINE	211.30	09/06/2024	609-48000-50253	
0204845900	THC FOR RESALE	440.60	09/06/2024	609-48000-50254	
0204899000	LIQUOR CREDIT	-26.00	09/06/2024	609-49750-50251	
	Check Total:	9,084.76			
Vendor: 1052	Bernicks			Check Sequence: 7	ACH Enabled: False
10254743	BEER	1,533.30	09/06/2024	609-48000-50252	
10254743	N/A SALES	65.60	09/06/2024	609-48000-50250	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
10257493	BEER	6,028.30	09/06/2024	609-49750-50252	
10257493	N/A SALES	191.80	09/06/2024	609-49750-50250	
10257494	N/A SALES	36.88	09/06/2024	609-49750-50250	
10257495	BEER CREDIT	-41.48	09/06/2024	609-49750-50252	
10257503	BEER	1,896.24	09/06/2024	609-48000-50252	
10259900	BEER CREDIT	-66.16	09/06/2024	609-49750-50252	
10259901	THC	277.00	09/06/2024	609-49750-50254	
10259902	N/A SALES	28.70	09/06/2024	609-49750-50250	
10259902	BEER	8,162.90	09/06/2024	609-49750-50252	
10259903	N/A SALES	69.63	09/06/2024	609-49750-50250	
	Check Total:	18,182.71			
Vendor: 1054	Bjorklund Companies			Check Sequence: 8	ACH Enabled: False
100176	MN TWINS GRANT -TOWER FIELDS	6,329.82	09/06/2024	486-46500-50506	
	Check Total:	6,329.82			
Vendor: 1061	Boyer Trucks			Check Sequence: 9	ACH Enabled: False
093P19869.02	Parts Order: 19869 FIRE #4308 PS PUMP	949.28	09/06/2024	101-42280-50404	
	Check Total:	949.28			
Vendor: 1066	Breakthru Beverage MN			Check Sequence: 10	ACH Enabled: False
117349155	LIQUOR	730.48	09/06/2024	609-48000-50251	
117349376	N/A SALES	162.32	09/06/2024	609-49750-50250	
117349377	LIQUOR	4,911.62	09/06/2024	609-49750-50251	
117457223	N/A SALES	76.95	09/06/2024	609-49750-50250	
117457225	LIQUOR	5,573.95	09/06/2024	609-49750-50251	
411851505	LIQUOR CREDIT	-277.80	09/06/2024	609-49750-50251	
411959098	LIQUOR CREDIT	-133.89	09/06/2024	609-49750-50251	
412112990	LIQUOR CREDIT	-226.65	09/06/2024	609-49750-50251	
412528841	LIQUOR CREDIT	-554.58	09/06/2024	609-49750-50251	
	Check Total:	10,262.40			
Vendor: 1082	Capitol Beverage Sales LP			Check Sequence: 11	ACH Enabled: False
3024228	BEER	2,474.35	09/06/2024	609-49750-50252	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
3024228	LIQUOR	88.50	09/06/2024	609-49750-50251	
3024228	N/A	68.00	09/06/2024	609-49750-50250	
3024229	BEER	562.80	09/06/2024	609-48000-50252	
3024229	LIQUOR	88.50	09/06/2024	609-48000-50251	
3024229	N/A	43.00	09/06/2024	609-48000-50250	
	Check Total:	3,325.15			
Vendor: 1905	Cemstone Products Co., Inc.			Check Sequence: 12	ACH Enabled: False
7547888	NORTHWOODS PARK DNA GRANT	3,200.00	09/06/2024	486-46500-50506	
7549663	NORTHWOODS PARK DNA GRANT	3,200.00	09/06/2024	486-46500-50506	
7554123	NORTHWOODS PARK DNA GRANT	2,264.00	09/06/2024	486-46500-50506	
	Check Total:	8,664.00			
Vendor: 1103	Chisago County Recorder			Check Sequence: 13	ACH Enabled: False
202400000178	A 677444 A 677443 - AGREEMENTS	92.00	09/06/2024	101-41400-50443	
202400000178	A 677616 - VACATION	46.00	09/06/2024	101-00000-21138	
	Check Total:	138.00			
Vendor: 1122	Crystal Springs Ice			Check Sequence: 14	ACH Enabled: False
1005568	N/A SALES	104.64	09/06/2024	609-48000-50250	
1005571	N/A SALES	211.76	09/06/2024	609-49750-50250	
1005654	N/A SALES	99.52	09/06/2024	609-48000-50250	
1005657	N/A SALES	191.12	09/06/2024	609-49750-50250	
	Check Total:	607.04			
Vendor: 1129	Dahlheimer Distributing			Check Sequence: 15	ACH Enabled: False
2266038	BEER	4,755.25	09/06/2024	609-48000-50252	
2266168	LIQUOR	10,787.00	09/06/2024	609-49750-50251	
2266168	BEER	9,071.34	09/06/2024	609-49750-50252	
2266301	N/A SALES	352.55	09/06/2024	609-49750-50250	
2266330	N/A SALES	28.25	09/06/2024	609-48000-50250	
2267173	LIQUOR CREDIT	-918.00	09/06/2024	609-49750-50251	
2271852	N/A SALES	418.35	09/06/2024	609-49750-50250	
2271852	THC	992.00	09/06/2024	609-49750-50254	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
2271853	BEER	17,939.10	09/06/2024	609-49750-50252	
2271853	LIQUOR	49.00	09/06/2024	609-49750-50251	
2274054	BEER CREDIT	-109.20	09/06/2024	609-49750-50252	
2717226	LIQUOR	918.00	09/06/2024	609-48000-50251	
	Check Total:	44,283.64			
Vendor: 2169	Diesel Dogs Fuel Service, Inc.			Check Sequence: 16	ACH Enabled: False
116433	DIESEL	2,000.00	09/06/2024	602-49450-50212	
116433	DIESEL	1,000.00	09/06/2024	101-43000-50212	
116433	DIESEL	1,560.12	09/06/2024	101-45000-50212	
116433	DIESEL	1,000.00	09/06/2024	615-49550-50212	
	Check Total:	5,560.12			
Vendor: 1143	Dr Pepper Snapple Group			Check Sequence: 17	ACH Enabled: False
4849200547	N/A SALES	184.36	09/06/2024	609-49750-50250	
	Check Total:	184.36			
Vendor: 1160	Emergency Equip. Connections			Check Sequence: 18	ACH Enabled: False
2328	RADAR SWAP SQUAD 120	129.88	09/06/2024	101-42110-50404	
	Check Total:	129.88			
Vendor: 1170	ESRI			Check Sequence: 19	ACH Enabled: False
94781457	AGREEMENT FEE SOFTWARE/MAINT. 10/3	15,000.00	09/06/2024	101-41940-50300	
	Check Total:	15,000.00			
Vendor: 1178	Farrell Equipment			Check Sequence: 20	ACH Enabled: False
159985	NORTHWOODS PARK DNR GRANT OR24-01	1,600.00	09/06/2024	486-46500-50506	
159986	NORTHWOODS PARK DNR GRANT OR24-01	831.25	09/06/2024	486-46500-50506	
	Check Total:	2,431.25			
Vendor: 1180	Ferguson US Holdings, Inc			Check Sequence: 21	ACH Enabled: False
535818	METER COUPLERS	57.00	09/06/2024	615-49550-50210	
	Check Total:	57.00			

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: 1706	Flaherty & Hood, P.A.			Check Sequence: 22	ACH Enabled: False
FOR JULY	REAL ESTATE MATTERS- MEMBERS COOP	1,435.00	09/06/2024	101-00000-21172	
FOR JULY	GENERAL MUNICIPAL MATTERS	2,443.75	09/06/2024	101-41910-50304	
FOR JULY	GENERAL REAL ESTATE MATTERS	256.25	09/06/2024	201-46500-50304	
FOR JULY	REAL ESTATE MATTERS- KELLER CARTW/	768.75	09/06/2024	101-00000-21166	
	Check Total:	4,903.75			
Vendor: 1190	Flexible Pipe Tool Company			Check Sequence: 23	ACH Enabled: False
30193	Grease Release (5 gallon jug)	995.55	09/06/2024	602-49450-50407	
	Check Total:	995.55			
Vendor: 2172	Tiffani Folstad			Check Sequence: 24	ACH Enabled: False
	AIRFARE -SPRINGBROOK CONFERENCE	223.57	09/06/2024	101-41500-50331	
	Check Total:	223.57			
Vendor: 2131	GMP Consultants			Check Sequence: 25	ACH Enabled: False
24-674	COM. DEV. DIR EVAL INV 1 OF 2	3,000.00	09/06/2024	101-41310-50300	
	Check Total:	3,000.00			
Vendor: 1216	Gopher State One-Call, Inc.			Check Sequence: 26	ACH Enabled: False
4080641	207 BILLABLE LOCATES	93.15	09/06/2024	612-49700-50300	
4080641	207 BILLABLE LOCATES	93.15	09/06/2024	602-49450-50300	
4080641	207 BILLABLE LOCATES	93.15	09/06/2024	615-49550-50300	
	Check Total:	279.45			
Vendor: 1908	GTG Properties, LLC			Check Sequence: 27	ACH Enabled: False
FOR SEPT 2024	ADVERTISING PYLON SIGN	100.00	09/06/2024	609-48000-50340	
	Check Total:	100.00			
Vendor: 1237	Hasser Garage Doors			Check Sequence: 28	ACH Enabled: False
26751	ADJUST DOOR CABLES	200.00	09/06/2024	101-42280-50404	
	Check Total:	200.00			
Vendor: 1239	Hawkins, Inc.			Check Sequence: 29	ACH Enabled: False

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
6847697	CHEMICALS	5,685.07	09/06/2024	602-49450-50210	
6853143	CHEMICALS	8,814.02	09/06/2024	615-49550-50210	
	Check Total:	14,499.09			
Vendor: 1246	Hohensteins, Inc.			Check Sequence: 30	ACH Enabled: False
745858	BEER	565.50	09/06/2024	609-49750-50252	
	Check Total:	565.50			
Vendor: 1251	Hose Pros, LLC			Check Sequence: 31	ACH Enabled: False
8085	WATER PLANT #1 REPAIRS	109.06	09/06/2024	615-49550-50404	
	Check Total:	109.06			
Vendor: 1798	Interpretations, LLC			Check Sequence: 32	ACH Enabled: False
11867-24	INTERPRETATION SERVICES	200.00	09/06/2024	101-42110-50300	
	Check Total:	200.00			
Vendor: 1265	Isanti-Chisago County Star			Check Sequence: 33	ACH Enabled: False
1841677	PLAN COMM	7.58	09/06/2024	101-41910-50351	
1841678	PLAN COMM	13.23	09/06/2024	101-41910-50351	
1841679	ORDINANCE 378-24	24.57	09/06/2024	101-41910-50351	
1841680	ORDINANCE 379-24	15.75	09/06/2024	101-41910-50351	
	Check Total:	61.13			
Vendor: 1279	Johnson Brothers Liquor Co.			Check Sequence: 34	ACH Enabled: False
2601182	LIQUOR	107.24	09/06/2024	609-49750-50251	
2604661	LIQUOR	480.64	09/06/2024	609-49750-50251	
2608964	LIQUOR	81.82	09/06/2024	609-48000-50251	
2608965	WINE	1.82	09/06/2024	609-48000-50253	
2608965	N/A SALES	0.00	09/06/2024	609-48000-50250	
2608966	LIQUOR	1,766.98	09/06/2024	609-49750-50251	
2608967	LIQUOR	2,514.17	09/06/2024	609-49750-50251	
2608968	WINE	783.45	09/06/2024	609-49750-50253	
2608969	LIQUOR	4,398.76	09/06/2024	609-49750-50251	
2608970	WINE	877.48	09/06/2024	609-49750-50253	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
2608971	LIQUOR	1,089.53	09/06/2024	609-48000-50251	
2608972	LIQUOR	676.86	09/06/2024	609-48000-50251	
2608973	WINE	629.35	09/06/2024	609-48000-50253	
2608974	LIQUOR	1,433.18	09/06/2024	609-48000-50251	
2608975	WINE	261.10	09/06/2024	609-48000-50253	
2613811	LIQUOR	3,671.64	09/06/2024	609-49750-50251	
2613813	LIQUOR	1,435.32	09/06/2024	609-49750-50251	
2613814	WINE	91.64	09/06/2024	609-49750-50253	
2613815	N/A SALES	49.82	09/06/2024	609-49750-50250	
2613817	LIQUOR	1,268.26	09/06/2024	609-49750-50251	
2613818	N/A SALES	38.82	09/06/2024	609-49750-50250	
2613819	WINE	173.46	09/06/2024	609-49750-50253	
6835398	WINE	1,062.88	09/06/2024	609-48000-50253	
	Check Total:	22,894.22			
Vendor: 1302	Law Enforcement Labor Services			Check Sequence: 35	ACH Enabled: False
FOR SEPT 2024	UNION DUES FOR SEPT 2024	846.00	09/06/2024	101-00000-21708	
	Check Total:	846.00			
Vendor: 1308	LegalShield			Check Sequence: 36	ACH Enabled: False
FOR SEPT 2024	PAYROLL DEDUCTIONS	15.95	09/06/2024	101-00000-21712	
	Check Total:	15.95			
Vendor: 1330	Main Street Hardware			Check Sequence: 37	ACH Enabled: False
157159	BATTERIES	23.98	09/06/2024	101-42280-50401	
157165	GRILL SPATULA/CLEANER	47.55	09/06/2024	101-42280-50401	
157236	CARPET CARE/GORILLA GLUE/RENTAL	38.97	09/06/2024	101-42280-50401	
	Check Total:	110.50			
Vendor: 1643	McDonald Distributing			Check Sequence: 38	ACH Enabled: False
5760542	BEER	-18.60	09/06/2024	609-48000-50252	
763779	BEER	4,968.50	09/06/2024	609-48000-50252	
763854	BEER	-397.40	09/06/2024	609-48000-50252	
763855	LIQUOR	178.50	09/06/2024	609-49750-50251	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
763856	BEER	7,408.15	09/06/2024	609-49750-50252	
763856	LIQUOR	134.40	09/06/2024	609-49750-50251	
763975	BEER CREDIT	-348.65	09/06/2024	609-49750-50252	
764943	BEER CREDIT	-225.40	09/06/2024	609-49750-50252	
764987	LIQUOR	5,310.49	09/06/2024	609-48000-50251	
764987	LIQUOR	178.50	09/06/2024	609-48000-50251	
765075	LIQUOR	893.80	09/06/2024	609-49750-50251	
765076	BEER	11,727.20	09/06/2024	609-49750-50252	
765076	N/A SALES	145.90	09/06/2024	609-49750-50250	
766038	THC	469.23	09/06/2024	609-49750-50254	
	Check Total:	30,424.62			
Vendor: 1644	Mega Beer			Check Sequence: 39	ACH Enabled: False
IN-14576	BEER	377.75	09/06/2024	609-48000-50252	
	Check Total:	377.75			
Vendor: 1348	Metro Sales Inc.			Check Sequence: 40	ACH Enabled: False
2595657	5 YR COPIER LEASE	20.00	09/06/2024	609-48000-50219	
2595657	5 YR COPIER LEASE	20.00	09/06/2024	609-49750-50219	
2595657	5 YR COPIER LEASE	20.00	09/06/2024	101-43000-50219	
2595657	5 YR COPIER LEASE	20.00	09/06/2024	101-42280-50219	
2595657	5 YR COPIER LEASE	20.00	09/06/2024	602-49450-50219	
2595657	5 YR COPIER LEASE	40.00	09/06/2024	101-42110-50219	
2595657	5 YR COPIER LEASE	79.00	09/06/2024	101-41940-50219	
2595657	5 YR COPIER LEASE	40.00	09/06/2024	615-49550-50219	
	Check Total:	259.00			
Vendor: 1353	Midcontinent			Check Sequence: 41	ACH Enabled: False
16640100114238	INTERNET 08/25 TO 09/24/2024	113.00	09/06/2024	602-49450-50243	
16640100114238	INTERNET 08/25 TO 09/24/2024	113.39	09/06/2024	620-49600-50243	
16640100114238	INTERNET 08/25 TO 09/24/2024	113.00	09/06/2024	101-43000-50243	
16640100114238	INTERNET 08/25 TO 09/24/2024	113.00	09/06/2024	609-48000-50243	
16640100114238	INTERNET 08/25 TO 09/24/2024	226.00	09/06/2024	615-49550-50243	
16640100114238	INTERNET 08/25 TO 09/24/2024	113.00	09/06/2024	609-49750-50243	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
16640100114238	INTERNET 08/25 TO 09/24/2024	113.00	09/06/2024	101-42280-50243	
	Check Total:	904.39			
Vendor: 1392	MN Dept. of Transp.-Commissioner			Check Sequence: 42	ACH Enabled: False
18868	MATERIAL TESTING & INSPECTION	230.44	09/06/2024	615-49550-50530	
	Check Total:	230.44			
Vendor: 1404	MN Teamsters #320			Check Sequence: 43	ACH Enabled: False
FOR SEPT 2024	UNION DUES FOR SEPT 2024	1,697.00	09/06/2024	101-00000-21708	
	Check Total:	1,697.00			
Vendor: 1903	Momentum ECM, LLC			Check Sequence: 44	ACH Enabled: False
20240259	CLOUD PARTICIPANT USERS	1,430.00	09/06/2024	101-41400-50300	
	Check Total:	1,430.00			
Vendor: 1411	Moose Lake Brewing Co. LLC			Check Sequence: 45	ACH Enabled: False
SB37-012	BEER	53.00	09/06/2024	609-48000-50252	
SB37-013	BEER	81.00	09/06/2024	609-49750-50252	
	Check Total:	134.00			
Vendor: 2047	NEONLINK LLC			Check Sequence: 46	ACH Enabled: False
2902	Web Portal Access & Electronic Payments	279.53	09/06/2024	612-49700-50300	
2902	Web Portal Access & Electronic Payments	279.54	09/06/2024	602-49450-50300	
2902	Web Portal Access & Electronic Payments	279.53	09/06/2024	615-49550-50300	
	Check Total:	838.60			
Vendor: 1456	Oneneck IT Solutions, LLC			Check Sequence: 47	ACH Enabled: False
45244	SmartNet & AnyConnect 9/27/2024-8/31/2026	1,917.59	09/06/2024	101-42110-50300	
45306	HPE Renewal 2024 (2yr)	2,827.46	09/06/2024	101-42110-50300	
	Check Total:	4,745.05			
Vendor: 1465	Paustis Wine Company			Check Sequence: 48	ACH Enabled: False
245061	WINE	1,156.50	09/06/2024	609-49750-50253	
245063	WINE	470.00	09/06/2024	609-48000-50253	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
	Check Total:	1,626.50			
Vendor: 1474	Phillips Wine & Spirits, Inc.			Check Sequence: 49	ACH Enabled: False
6831730	LIQUOR	242.35	09/06/2024	609-48000-50251	
6831734	LIQUOR	282.83	09/06/2024	609-48000-50251	
6831735	WINE	316.74	09/06/2024	609-48000-50253	
6835395	LIQUOR	1,806.14	09/06/2024	609-49750-50251	
6835396	WINE	1,573.24	09/06/2024	609-49750-50253	
6835397	LIQUOR	2,302.46	09/06/2024	609-48000-50251	
6839176	LIQUOR	659.21	09/06/2024	609-49750-50251	
6839177	WINE	91.64	09/06/2024	609-49750-50253	
	Check Total:	7,274.61			
Vendor: 1482	Post Haste Business Solutions			Check Sequence: 50	ACH Enabled: False
133573	21 FULL COLOR BADGES	272.79	09/06/2024	208-42280-50210	
133916	HAY DAYS SIGN	732.00	09/06/2024	101-41110-50300	
	Check Total:	1,004.79			
Vendor: 1487	Prophoenix Corporation			Check Sequence: 51	ACH Enabled: False
2024438	CONFERENCE REGISTRATION-RV	845.00	09/06/2024	101-41400-50332	
	Check Total:	845.00			
Vendor: 2066	RMB Environmental Laboratories, Inc.			Check Sequence: 52	ACH Enabled: False
14333	WEEKLY TESTING	158.20	09/06/2024	602-49450-50315	
14464	WEEKLY TESTING	158.20	09/06/2024	602-49450-50315	
	Check Total:	316.40			
Vendor: 1534	Southern Glazers Wine & Spirits of Minnesota			Check Sequence: 53	ACH Enabled: False
2519563	WINE	224.56	09/06/2024	609-48000-50253	
2519563	LIQUOR	1,335.52	09/06/2024	609-48000-50251	
2520045	LIQUOR	2,361.05	09/06/2024	609-49750-50251	
2520046	WINE	531.53	09/06/2024	609-49750-50253	
2522783	LIQUOR	9,454.49	09/06/2024	609-49750-50251	
2522784	WINE	500.04	09/06/2024	609-49750-50253	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
	Check Total:	14,407.19			
Vendor: 1542	Staples			Check Sequence: 54	ACH Enabled: False
7001831375	OFFICE SUPPLIES	305.80	09/06/2024	101-41940-50210	
	Check Total:	305.80			
Vendor: 1550	Streichers			Check Sequence: 55	ACH Enabled: False
1710271	UNIFORM ITEMS -TL	199.97	09/06/2024	101-42110-50237	
1715514	HOLSTER-DS	174.99	09/06/2024	101-42110-50237	
1716327	EQUIPMENT	1,999.95	09/06/2024	101-42110-50201	
	Check Total:	2,374.91			
Vendor: 1566	The Dama - MP Inc.			Check Sequence: 56	ACH Enabled: False
16809	11 LOCK BOXES	2,238.00	09/06/2024	208-42280-50210	
	Check Total:	2,238.00			
Vendor: 1598	Viking Coca-Cola Bottling Co.			Check Sequence: 57	ACH Enabled: False
3490551	N/A SALES	205.60	09/06/2024	609-49750-50250	
3508609	N/A SALES	183.90	09/06/2024	609-49750-50250	
	Check Total:	389.50			
Vendor: 1611	Watson Company			Check Sequence: 58	ACH Enabled: False
144623	OPERATIONS SUPPLIES	16.16	09/06/2024	609-49750-50210	
144623	N/A SALES	1,725.33	09/06/2024	609-49750-50250	
	Check Total:	1,741.49			
Vendor: 2119	Winberg Companies, LLC			Check Sequence: 59	ACH Enabled: False
PAY REQUEST 3	NORTHWOODS DNR GRANT	31,788.89	09/06/2024	486-46500-50506	
	Check Total:	31,788.89			
Vendor: 1621	Windstream			Check Sequence: 60	ACH Enabled: False
2024 AUG	SERVICE FROM 8/25 TO 9/24/2024 011734975	44.94	09/06/2024	602-49450-50321	
AUG 2024	SERVICE FROM 8/25 TO 9/24/2024 011734875	39.89	09/06/2024	101-42110-50321	
AUG 2024	SERVICE FROM 8/25 TO 9/24/2024 011734875	39.89	09/06/2024	609-49750-50321	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
AUG 2024	SERVICE FROM 8/25 TO 9/24/2024 011734875	39.89	09/06/2024	101-42280-50321	
AUG 2024	SERVICE FROM 8/25 TO 9/24/2024 011734875	39.89	09/06/2024	602-49450-50321	
AUG 2024	SERVICE FROM 8/25 TO 9/24/2024 011734875	111.67	09/06/2024	101-41940-50321	
	Check Total:	316.17			
Vendor: 1622	Wine Merchants			Check Sequence: 61	ACH Enabled: False
7485577	WINE	1,168.20	09/06/2024	609-49750-50253	
7485578	WINE	998.20	09/06/2024	609-48000-50253	
	Check Total:	2,166.40			
Vendor: 1788	Witmer Public Safety Group, Inc.			Check Sequence: 62	ACH Enabled: False
454722	12 HELMETS	823.10	09/06/2024	101-42280-50201	
467418	WILDLAND BRUSH PANT X1	565.00	09/06/2024	101-42280-50201	
471318	2 HELMETS	143.03	09/06/2024	101-42280-50201	
525875	2 FIRE HOOKS	294.78	09/06/2024	101-42280-50201	
	Check Total:	1,825.91			
Vendor: 1637	Ziegler Cat			Check Sequence: 63	ACH Enabled: False
511700	GEN SCADA UPGRADE	630.00	09/06/2024	620-49600-50580	
	Check Total:	630.00			
Vendor: 1638	Zoll			Check Sequence: 64	ACH Enabled: False
4035112	8 LITHIUM BATTERIES	776.00	09/06/2024	101-42110-50210	
	Check Total:	776.00			
	Total for Check Run:	290,870.48			
	Total of Number of Checks:	64			

Fund	Dept #	Account	Amount	Vendor	Employee	Date
101	41940	50322	5.58	USPS PO 2668905056	CARLA GOLDEN	20240729
609	49750	50300	336.55	THRYV	CARLA GOLDEN	20240805
609	49750	50300	60.00	SQ *SQUARE PAID SERVICES	CARLA GOLDEN	20240805
609	48000	50300	60.00	SQ *SQUARE PAID SERVICES	CARLA GOLDEN	20240805
101	45000	50210	111.00	OLSON POWER & EQUIPMENT	RICHARD FAIRBANKS	20240711
620	49600	50404	13.59	ZIEGLER INC COLUMBUS	RICHARD FAIRBANKS	20240711
101	45000	50404	116.70	ANDERSON AND KOCH FORD IN	RICHARD FAIRBANKS	20240718
101	45000	50210	385.25	SITEONE LANDSCAPE SUPPLY	RICHARD FAIRBANKS	20240719
101	45000	50210	247.84	SITEONE LANDSCAPE SUPPLY	RICHARD FAIRBANKS	20240724
615	49550	50404	4.93	MAIN STREET HARDWARE	RICHARD FAIRBANKS	20240725
101	43000	50210	0.99	APPLE.COM/BILL	RICHARD FAIRBANKS	20240725
101	42110	50404	120.00	ANDERSON AND KOCH FORD IN	RICHARD FAIRBANKS	20240726
101	43000	50240	1,088.00	JEREMY GROVEN SNAP ON	RICHARD FAIRBANKS	20240726
101	45000	50210	59.98	OLSON POWER & EQUIPMENT	RICHARD FAIRBANKS	20240729
101	43000	50210	3.27	MAIN STREET HARDWARE	RICHARD FAIRBANKS	20240731
101	42110	50404	127.38	ANDERSON AND KOCH FORD IN	RICHARD FAIRBANKS	20240801
101	42110	50404	188.10	ANDERSON AND KOCH FORD IN	RICHARD FAIRBANKS	20240805
612	49700	50407	(15.02)	MAIN STREET HARDWARE	BRADY STERBENTZ	20240710
612	49700	50407	15.02	MAIN STREET HARDWARE	BRADY STERBENTZ	20240710
612	49700	50407	13.99	MAIN STREET HARDWARE	BRADY STERBENTZ	20240710
612	49700	50407	219.67	PETERSON'S NORTH BRANCH	BRADY STERBENTZ	20240710
101	45000	50210	2.39	MAIN STREET HARDWARE	BRADY STERBENTZ	20240716
101	45000	50210	59.93	MAIN STREET HARDWARE	BRADY STERBENTZ	20240717
101	42280	50401	7.58	MAIN STREET HARDWARE	BRADY STERBENTZ	20240717
101	45000	50210	26.85	MAIN STREET HARDWARE	BRADY STERBENTZ	20240718
101	45000	50210	31.38	MAIN STREET HARDWARE	BRADY STERBENTZ	20240723
101	43000	50210	10.80	MAIN STREET HARDWARE	BRADY STERBENTZ	20240724
101	45000	50210	13.99	MAIN STREET HARDWARE	BRADY STERBENTZ	20240730
101	45000	50210	75.47	MAIN STREET HARDWARE	BRADY STERBENTZ	20240730
101	45000	50210	39.80	MAIN STREET HARDWARE	BRADY STERBENTZ	20240730
101	42110	50404	679.75	ANDERSON AND KOCH FORD IN	BRADY STERBENTZ	20240802
615	49550	50210	21.98	MAIN STREET HARDWARE	BRADY STERBENTZ	20240802
101	42110	50404	101.18	ANDERSON AND KOCH FORD IN	BRADY STERBENTZ	20240805
101	42280	50332	220.00	MINNESOTA STATE FIRE CHIE	PATRICK HEINEN	20240711
208	42280	50401	4,189.99	SP TJ OFFICE FURNITU	PATRICK HEINEN	20240712
208	42280	50401	400.00	SP TJ OFFICE FURNITU	PATRICK HEINEN	20240718
101	42280	50210	26.94	AMAZON MKTPL*RS1822E91	PATRICK HEINEN	20240718
101	42280	50210	68.14	AMAZON MKTPL*RS9S86220	PATRICK HEINEN	20240718
101	42280	50210	37.47	AMAZON MKTPL*RJ3XA4MS0	PATRICK HEINEN	20240722
101	42280	50210	53.68	AMAZON MKTPL*RV0PW0NQ0	PATRICK HEINEN	20240729
101	42280	50207	162.00	GOOGLE *GSUITE_CI.NORT	RAGINI VARMA	20240802

101	41940	50207	756.00	GOOGLE *GSUITE_CI.NORT	RAGINI VARMA	20240802
602	49450	50207	36.00	GOOGLE *GSUITE_CI.NORT	RAGINI VARMA	20240802
609	49750	50207	36.00	GOOGLE *GSUITE_CI.NORT	RAGINI VARMA	20240802
609	48000	50207	18.00	GOOGLE *GSUITE_CI.NORT	RAGINI VARMA	20240802
105	40000	50300	108.00	GOOGLE *GSUITE_CI.NORT	RAGINI VARMA	20240802
101	41940	50380	777.42	EAST CENTRAL ENERGY	ACCOUNTS PAYABLE	20240710
101	42110	50380	89.63	EAST CENTRAL ENERGY	ACCOUNTS PAYABLE	20240710
101	42280	50380	408.40	EAST CENTRAL ENERGY	ACCOUNTS PAYABLE	20240710
101	42500	50380	312.36	EAST CENTRAL ENERGY	ACCOUNTS PAYABLE	20240710
101	42800	50233	670.91	EAST CENTRAL ENERGY	ACCOUNTS PAYABLE	20240710
101	42800	50262	4,672.82	EAST CENTRAL ENERGY	ACCOUNTS PAYABLE	20240710
101	43000	50380	520.17	EAST CENTRAL ENERGY	ACCOUNTS PAYABLE	20240710
101	45000	50380	524.14	EAST CENTRAL ENERGY	ACCOUNTS PAYABLE	20240710
101	45500	50380	1,798.82	EAST CENTRAL ENERGY	ACCOUNTS PAYABLE	20240710
602	49450	50380	2,357.88	EAST CENTRAL ENERGY	ACCOUNTS PAYABLE	20240710
609	48000	50380	620.37	EAST CENTRAL ENERGY	ACCOUNTS PAYABLE	20240710
609	49750	50380	1,109.61	EAST CENTRAL ENERGY	ACCOUNTS PAYABLE	20240710
615	49550	50380	5,902.80	EAST CENTRAL ENERGY	ACCOUNTS PAYABLE	20240710
620	49600	50380	2,183.15	EAST CENTRAL ENERGY	ACCOUNTS PAYABLE	20240710
602	49450	50380	8,198.35	EAST CENTRAL ENERGY	ACCOUNTS PAYABLE	20240710
609	49750	50321	163.95	ZULTY S INC	ACCOUNTS PAYABLE	20240719
609	48000	50321	93.42	ZULTY S INC	ACCOUNTS PAYABLE	20240719
101	41940	50321	925.69	ZULTY S INC	ACCOUNTS PAYABLE	20240719
101	45500	50380	37.99	NORTH BRANCH WATER & LIG	ACCOUNTS PAYABLE	20240724
609	49750	50380	76.48	NORTH BRANCH WATER & LIG	ACCOUNTS PAYABLE	20240724
101	41940	50321	926.54	ZULTY S INC	ACCOUNTS PAYABLE	20240806
609	48000	50321	93.47	ZULTY S INC	ACCOUNTS PAYABLE	20240806
609	49750	50321	164.02	ZULTY S INC	ACCOUNTS PAYABLE	20240806
101	43000	50237	(359.85)	CINTAS CORP	SHAWN WILLIAMS	20240709
101	43000	50321	40.59	VERIZON*CONNECT	SHAWN WILLIAMS	20240710
609	48000	50300	42.65	CINTAS CORP	SHAWN WILLIAMS	20240710
101	41940	50300	42.96	CINTAS CORP	SHAWN WILLIAMS	20240710
602	49450	50237	46.28	CINTAS CORP	SHAWN WILLIAMS	20240710
101	45000	50237	12.24	CINTAS CORP	SHAWN WILLIAMS	20240710
101	43000	50237	110.73	CINTAS CORP	SHAWN WILLIAMS	20240710
101	45000	50210	689.58	MENARDS FOREST LAKE MN	SHAWN WILLIAMS	20240715
620	49600	50404	25.46	NAPA AUTO 0023892	SHAWN WILLIAMS	20240715
101	43000	50210	14.99	AMAZON PRIME*RY90N97B0	SHAWN WILLIAMS	20240715
620	49600	50404	27.68	ZIEGLER INC COLUMBUS	SHAWN WILLIAMS	20240715
620	49600	50210	8.59	MAIN STREET HARDWARE	SHAWN WILLIAMS	20240716
101	45000	50404	893.71	SQ *FROST INC.	SHAWN WILLIAMS	20240716
609	48000	50380	1.13	XCEL EZ-PAY FEE WEB	SHAWN WILLIAMS	20240716
609	48000	50380	51.21	XCEL EZ-PAY WEB	SHAWN WILLIAMS	20240716

602	49450	50404	816.92	CORE & MAIN 901	SHAWN WILLIAMS	20240717
615	49550	50210	563.91	CORE & MAIN 901	SHAWN WILLIAMS	20240717
101	43000	50401	97.19	ULINE *SHIP SUPPLIES	SHAWN WILLIAMS	20240717
620	49600	50401	97.17	ULINE *SHIP SUPPLIES	SHAWN WILLIAMS	20240717
101	45500	50401	97.17	ULINE *SHIP SUPPLIES	SHAWN WILLIAMS	20240717
101	42280	50401	48.58	ULINE *SHIP SUPPLIES	SHAWN WILLIAMS	20240717
101	45000	50237	12.24	CINTAS CORP	SHAWN WILLIAMS	20240717
602	49450	50237	22.83	CINTAS CORP	SHAWN WILLIAMS	20240717
609	49750	50300	47.92	CINTAS CORP	SHAWN WILLIAMS	20240717
101	43000	50237	99.58	CINTAS CORP	SHAWN WILLIAMS	20240717
101	45000	50404	1,324.11	GRAINGER	SHAWN WILLIAMS	20240717
101	43000	50406	530.00	MHLTHFVEPIC6126726724	SHAWN WILLIAMS	20240717
615	49550	50210	(76.49)	NAPA AUTO 0023892	SHAWN WILLIAMS	20240718
620	49600	50210	163.84	MENARDS CAMBRIDGE MN	SHAWN WILLIAMS	20240718
615	49550	50210	76.49	NAPA AUTO 0023892	SHAWN WILLIAMS	20240718
615	49550	50404	17.99	NAPA AUTO 0023892	SHAWN WILLIAMS	20240718
620	49600	50401	169.00	AMAZON.COM*RS7BC7IW0	SHAWN WILLIAMS	20240719
620	49600	50300	716.68	PER MAR SECURITY	SHAWN WILLIAMS	20240719
602	49450	50404	1,235.56	CUMMINS INC - E4	SHAWN WILLIAMS	20240719
602	49450	50415	4,000.00	OLSON POWER & EQUIPMENT	SHAWN WILLIAMS	20240722
101	45000	50415	5,200.00	OLSON POWER & EQUIPMENT	SHAWN WILLIAMS	20240722
101	45000	50404	47.50	MENARDS CAMBRIDGE MN	SHAWN WILLIAMS	20240722
101	45000	50404	13.06	NAPA AUTO 0023892	SHAWN WILLIAMS	20240722
101	45000	50404	27.09	NAPA AUTO 0023892	SHAWN WILLIAMS	20240722
615	49550	50210	7.65	AMAZON.COM*RJ1BJ2LE1	SHAWN WILLIAMS	20240722
101	43000	50210	15.15	CULLIGAN PINE CITY	SHAWN WILLIAMS	20240722
101	43000	50404	124.33	SHERWIN WILLIAMS 703261	SHAWN WILLIAMS	20240722
615	49550	50210	22.49	O'REILLY 1540	SHAWN WILLIAMS	20240723
101	43000	50237	191.51	HIVIS & SUMMIT SAFETY	SHAWN WILLIAMS	20240724
101	42110	50404	278.06	NAPA AUTO 0023892	SHAWN WILLIAMS	20240724
101	42280	50300	9.49	CINTAS CORP	SHAWN WILLIAMS	20240724
101	45500	50300	25.96	CINTAS CORP	SHAWN WILLIAMS	20240724
602	49450	50237	22.83	CINTAS CORP	SHAWN WILLIAMS	20240724
101	45000	50237	12.24	CINTAS CORP	SHAWN WILLIAMS	20240724
101	43000	50237	249.15	CINTAS CORP	SHAWN WILLIAMS	20240724
615	49550	50404	98.89	GIH*GLOBALINDUSTRIALEQ	SHAWN WILLIAMS	20240725
615	49550	50210	15.09	POST-HASTE BUSINESS SOLUT	SHAWN WILLIAMS	20240726
101	45000	50415	2,600.00	OLSON POWER & EQUIPMENT	SHAWN WILLIAMS	20240726
602	49450	50210	119.94	MENARDS CAMBRIDGE MN	SHAWN WILLIAMS	20240726
620	49600	50401	158.88	MENARDS CAMBRIDGE MN	SHAWN WILLIAMS	20240726
615	49550	50210	19.99	MENARDS CAMBRIDGE MN	SHAWN WILLIAMS	20240726
101	43000	50210	97.88	MENARDS CAMBRIDGE MN	SHAWN WILLIAMS	20240726
612	49700	50210	25.00	TACTACAM	SHAWN WILLIAMS	20240729

612	49700	50407	378.14	PETERSON'S NORTH BRANCH	SHAWN WILLIAMS	20240729
101	45000	50410	2,050.00	LAKESHORE RECYCLING SYST	SHAWN WILLIAMS	20240730
101	43000	50226	519.80	FASTENAL COMPANY 01MNTC3	SHAWN WILLIAMS	20240730
615	49550	50315	16.97	POST-HASTE BUSINESS SOLUT	SHAWN WILLIAMS	20240731
101	42110	50404	29.97	NAPA AUTO 0023892	SHAWN WILLIAMS	20240731
615	49550	50404	73.98	O'REILLY 1540	SHAWN WILLIAMS	20240731
101	43000	50321	40.59	VERIZON*CONNECT	SHAWN WILLIAMS	20240731
101	45000	50237	12.24	CINTAS CORP	SHAWN WILLIAMS	20240731
609	48000	50300	42.65	CINTAS CORP	SHAWN WILLIAMS	20240731
602	49450	50237	22.83	CINTAS CORP	SHAWN WILLIAMS	20240731
615	49550	50300	11.80	CINTAS CORP	SHAWN WILLIAMS	20240731
101	43000	50237	119.25	CINTAS CORP	SHAWN WILLIAMS	20240731
101	43000	50404	35.97	NTE 5412	SHAWN WILLIAMS	20240731
101	43000	50404	1,906.32	WINNICK SUPPLY	SHAWN WILLIAMS	20240801
101	45000	50401	124.37	MENARDS FOREST LAKE MN	SHAWN WILLIAMS	20240801
101	45500	50401	71.80	MENARDS FOREST LAKE MN	SHAWN WILLIAMS	20240801
101	45000	50210	268.45	MENARDS CAMBRIDGE MN	SHAWN WILLIAMS	20240801
101	43000	50210	7.68	NAPA AUTO 0023892	SHAWN WILLIAMS	20240801
101	42280	50404	75.98	O'REILLY 1540	SHAWN WILLIAMS	20240801
615	49550	50210	40.43	MENARDS CAMBRIDGE MN	SHAWN WILLIAMS	20240802
101	42110	50404	45.60	NAPA AUTO 0023892	SHAWN WILLIAMS	20240802
101	45000	50210	36.99	MAIN STREET HARDWARE	SHAWN WILLIAMS	20240802
602	49450	50210	151.00	CORE & MAIN 901	SHAWN WILLIAMS	20240805
602	49450	50237	160.00	SCHEELS ALL SPORTS INC	SHAWN WILLIAMS	20240805
101	45000	50404	(49.50)	NAPA AUTO 0023892	SHAWN WILLIAMS	20240806
602	49450	50210	417.02	LOCATORS & SUPPLIES INC	SHAWN WILLIAMS	20240806
615	49550	50210	104.37	LOCATORS & SUPPLIES INC	SHAWN WILLIAMS	20240806
101	45000	50404	199.43	NAPA AUTO 0023892	SHAWN WILLIAMS	20240806
615	49550	50404	29.99	O'REILLY 1540	SHAWN WILLIAMS	20240806
602	49450	50404	29.99	O'REILLY 1540	SHAWN WILLIAMS	20240806
602	49450	50401	13.96	MAIN STREET HARDWARE	SHAWN WILLIAMS	20240806
609	48000	50380	1.30	XCEL EZ-PAY FEE WEB	SHAWN WILLIAMS	20240806
609	48000	50380	59.00	XCEL EZ-PAY WEB	SHAWN WILLIAMS	20240806
612	49700	50404	610.95	BARIBEAU IMPLEMENT SCF	SHAWN WILLIAMS	20240806
101	42110	50332	15.00	LEAGUE OF MINNESOTA CITI	DANIEL T MEYER	20240712
851	42110	50430	240.60	TABLECOVERSN	DANIEL T MEYER	20240717
101	42110	50332	495.00	AXON	DANIEL T MEYER	20240722
101	42110	50210	275.58	THE UPS STORE 5039	DANIEL T MEYER	20240724
101	42110	50433	225.13	THOMSON WEST*TCD	DANIEL T MEYER	20240725
101	42110	50210	203.75	UPS*1Z84GT8W0325424026	DANIEL T MEYER	20240805
101	42110	50433	39.67	GETSLING.COM	DANIEL T MEYER	20240806

TOTAL	73,219.40
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Prepared By: Shawn Williams, Public Works Director

Presenter: Shawn Williams, Public Works Director

Date: 08/30/2024

Board & Commission: City Council

Subject: 2024 Local and State Aid Overlay Project Bid Award

The City's 2024 street overlay project was advertised and four bids were opened August 15th, 2024. WSB checked the bids for mathematical accuracy and the low bid was from Knife River Corporation-North Central for the amount of \$1,394,908.50. Funding for the project will come from the City's state aid account for the state aid roads and the local streets will come from pavement improvement fund which includes tax levy dollars and franchise fees. I am asking council to consider approving this project as planned.

Contractor	Grand Total Bid
Knife River Corporation-North Central	\$1,394,908.50
Asphalt Surface Technologies Corporation	\$1,519,759.80
North Valley Inc.	\$1,572,808.11
Bituminous Road Ways Inc.	\$1,878,361.50
<i>Engineers Estimate</i>	<i>\$1,757,620.00</i>

Below is a project recap.

Each year, the city's goal is to perform road maintenance to the city's collective 110 miles of streets to preserve and enhance this asset. As the council is aware, our streets, water, sanitary and storm sewers are the most valuable and costly infrastructure that city has to maintain. Doing routine maintenance at the right time preserves and protects this investment. Our street system collectively consists of 30 miles of gravel surface and the remaining 80 miles are asphalt.

The initial pavement life cycle when newly constructed is based on a 20 year span, providing the key maintenance is done at the right times during this life cycle. This key maintenance consists of crack sealing every three to five years and overlaying the street at 20 years. North Branch is doing all of this. However, our street improvement budget is short on funding to maintain annually what is needed based on this 20 cycle. With that

said, we have made huge strides and are moving forward since funding was attained in 2017, by means of Franchise fees and levy funds that council has added to our street improvement fund each year thereafter. Our levy funding goal for our local street improvement fund needs to be at \$1M/year, currently it is at \$400K.

The 2024 Street Overlay project is made up of local and state aid streets that are identified in our street overlay plan in need of surface pavement replacement.

The first step for this project is to authorize preparation of plans and specifications and approve a contract with WSB for design and construction services.

It is understood that the existing roadway widths will be maintained and minimal impact will be made outside the curb or edge of bituminous, with the exception of as-needed curb replacement or shoulder work. This project will consist of a 2 inch asphalt overlay on the local and state aid streets. On the state aid portion of this project it also includes the addition of adding turn lanes on Flink Ave. at 392 St. for north and south-bound traffic. Turn lanes for this intersection have been planned since 2016. However, there have been some challenges along the way hindering their installation. The turn lanes are needed as 392nd St. is a through street to Hwy. 95 and with developments, the turn movements have significantly increased supporting this need. Parks Director Sondrol is also seeking grant funding when available to finish the walking trail on the west side of Flink from 392 St. to the southern connection point on Flink, so by completing this turn lane now the trail work will not be hindered. The proposed roads are listed below:

Flink Ave from Hwy. 95 to 412th St.	370th St-(Kates Estates)
Old Main St. from Oakview Ave to 14th Ave	371 St.-(Kates Estate)
Elm St. from 14th Ave to 100 west of 12th Ave	372 St.-(Kates Estates)
Oakview Ave from Hwy. 95 to Elm St	373 St. -(Kates Estates)
14th Ave from Old Main to Elm	374 St. -(Kates Estates)
Fenway Ave-(Kates Estates)	375th St.-(Kates Estates)
Fill Ave (Kates Estates)	**if bids come in under budget and or funding remains it will be used to overlay
Flink Turn Lanes-north and south bound at 392 St	**additional streets in our overlay plan as we did last year to maximize the funding.

The total project budget is \$1,869,618.30. The state aid project portion is \$1,210,671.40, and the local project portion is \$658,946.93. As a reminder State Aid Funding comes from the state, and is not city tax dollars and can only be used to fund state aid road construction projects. Cities that are over 5K in population are eligible to designate 20% of their roads as state aid to receive funding for them, and we have done that. The fee for WSB to design the local and state aid plans, includes all proposed overlay costs as well as all engineering, administrative, inspection, materials testing and contingency costs is \$134,580.00 The project will be funded from the street improvement fund.

The roadways identified on the map in red and blue are designated for the overlay. Project completion is estimated to be late summer of 2024.

Voting Requirements:

Voting Options Simple Majority

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

CITY COUNCIL RESOLUTION NO. R-80-2024

Resolution R-80-2024 Awarding 2024 Overlay Low Bid to Knife River Corp.

WHEREAS, the city has a pavement preservation plan which includes street reconstruction and asphalt overlays and,

WHEREAS, WSB the city engineer has estimated the 2024 overlay project cost at \$1,757,620.00 for the local and state aid street overlay, including adding turn lanes at Flink Ave. and 392 St. and the fees for WSB engineering to complete the plans and specifications as noted in the attached report for a fee of \$134,580.00, and the fee will be split accordingly based on the requirements for the local and state aid said projects.

WHEREAS, the city advertised bids in their legal paper the Chisago-Isanti County Star and on Quest CDN for the 2024 overlay project and on August 15, four bids were received and read aloud. The low bid was received from Knife River Corporation-North Central for the amount of \$1,394,908.50.

Now, Therefore, Be It Resolved That: The City of North Branch Council approve the 2024 Overlay Project with the low bid from Bid to Knife River Corporation-North Central for the amount of \$1,394,908.50 and the streets as outlined in the said report for the 2024 local and state aid streets as presented.

August 15, 2024

Honorable Mayor and City Council
City of North Branch
6408 Elm Street
North Branch, MN 55056

Re: 2024 Street Overlay Project
City of North Branch
SAP No. 225-118-003, 225-120-004, 225-106-004
WSB Project No. 025057-000

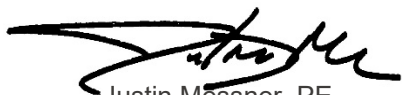
Dear Mayor and Council Members:

Bids were received for the above-referenced project on Thursday, August 15, 2024, and were opened and read aloud. Four bids were received. The bids were checked for mathematical accuracy. Please find enclosed the bid summary indicating the low bid as submitted by Knife River Corporation – North Central of Sauk Rapids, MN in the amount of \$1,394,908.50. The Engineer's Estimate was \$1,757,620.00.

We recommend that the City Council consider these bids and award a contract in the amount of \$1,394,908.50 to Knife River Corporation – North Central based on the results of the bids received.

Sincerely,

WSB



Justin Messner, PE
Director, Municipal Services

Attachments

cc: Katie Koscielak, WSB

ams

BID TABULATION SUMMARY

PROJECT:

**2024 Street Overlay Project
City of North Branch**

SAP PROJECT NO.:

225-118-003, 225-120-004, 225-106-004

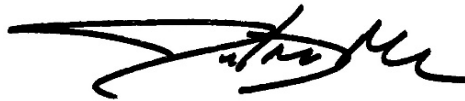
WSB PROJECT NO.:

025057-000

Bids Opened: Thursday, August 15, 2024, at 10:00 am

Contractor		Bid Security (5%)	Grand Total Bid
1	Knife River Corporation - North Central	X	\$1,394,908.50
2	Asphalt Surface Technologies Corp.	X	\$1,519,759.80
3	North Valley, Inc.	X	\$1,572,808.11
4	Bituminous Roadways, Inc.	X	\$1,878,361.50
Engineer's Opinion of Cost			\$1,757,620.00

I hereby certify that this is a true and correct tabulation of the bids as received on August 15, 2024.



Justin Messner, Professional Engineer

 Denotes corrected figure



Prepared By: Linda Woulfe, Interim City Administrator

Presenter: Shawn Williams, Public Works Director

Date: 09/04/2024

Board & Commission: City Council

Subject: Ordinance 380-24 Granting Minnesota Energy Resources Permission to Erect A Gas Distribution System

The City adopted Ordinance 43 on September 13, 1999, granting a gas franchise agreement with Minnesota Energy Resources. That ordinance is set to expire this September. The City began the renewal process with Minnesota Energy this spring. Flaherty and Hood has drafted the enclosed ordinance using their model language from other cities that have approved franchise agreements with Minnesota Energy Resources. Staff is recommending adoption of the ordinance as presented and authorizing staff to publish a summary of the ordinance. The motion to approve the ordinance as presented must include permission to publish the summary.

Please note this ordinance permits the gas distribution system to exist. Franchise fees are covered in a separate ordinance.

Voting Requirements:

Voting Options: Simple Majority

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

ORDINANCE NO. 380-24

AN ORDINANCE GRANTING TO MINNESOTA ENERGY RESOURCES, A SUBSIDIARY OF WEC ENERGY GROUP, A WISCONSIN CORPORATION, ITS SUCCESSORS AND ASSIGNS, PERMISSION TO ERECT A GAS DISTRIBUTION SYSTEM FOR THE PURPOSES OF CONSTRUCTING, OPERATING, REPAIRING AND MAINTAINING IN THE CITY OF NORTH BRANCH, MINNESOTA, THE NECESSARY GAS PIPES, MAINS AND APPURTENANCES FOR THE TRANSMISSION OR DISTRIBUTION OF GAS TO THE CITY AND ITS INHABITANTS, AND OTHERS AND TRANSMITTING GAS INTO AND THROUGH THE CITY AND TO USE THE PUBLIC GROUNDS AND PUBLIC WAYS OF THE CITY FOR SUCH PURPOSES.

THE CITY COUNCIL OF THE CITY OF NORTH BRANCH DOES ORDAIN THAT

SECTION 1. Definitions.

For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

1.1 City or Grantor. The City of North Branch, Chisago County, State of Minnesota.

1.2 City Utility System. Facilities used for providing public utility service owned or operated by City or an agency thereof, including sewer, storm sewer, street lighting and traffic signals, and water service, but excluding facilities for providing heating, lighting or other forms of energy.

1.3 Commission. The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all or part of the authority to regulate Gas retail rates now vested in the Minnesota Public Utilities Commission.

1.4 Company or Grantee. Minnesota Energy Resources, a subsidiary of WEC Energy Group, a Wisconsin corporation, its successors and assigns including all successors or assignees that own or operate any part or parts of the Gas Facilities subject to this franchise.

1.5 Gas. "Gas" as used herein shall be held to include natural gas, manufactured gas, or other form of gaseous energy as provided by a "public utility" as defined under Minnesota Statutes, Chapter 216A.02.

1.6 Gas Facilities. Gas transmission and distribution pipes, mains, regulators, and other

necessary equipment and appurtenances owned or operated by Company for the purpose of providing gas service for public use.

1.7 **Notice.** A writing served by one party or parties on the other party or parties. Notice to Company shall be mailed to Minnesota Energy Resources, 2685 145th Street, Rosemount, MN 55068. Notice to the City shall be mailed to the City Administrator at PO Box 910 North Branch, MN 55056. Either party may change its respective address for the purpose of this Ordinance by written notice to the other party.

1.8 **Public Ground.** Land owned or otherwise controlled by the City for park, open space or similar purpose, which is held for use in common by the public.

1.9 **Public Way.** Any street, alley, walkway or other public right-of-way within the City.

SECTION 2. **Adoption of Franchise.**

2.1 Grant of Franchise. Grantor hereby grants a non-exclusive franchise to Company, its lessees, successors and assigns. Grantee is hereby granted the right, privilege, franchise, permission and authority to lay, construct, install, maintain, operate and extend in, along, over or across the present and future streets, alleys, avenues, bridges, public rights-of-way and public places as are now within the present or future limits of said Grantor, a natural gas distribution system and Gas Facilities necessary for the purpose of supplying natural gas or processed gas for all purposes to the inhabitants of said Grantor and consumers in the vicinity thereof, and for the distribution of natural gas from or through said Grantor to points beyond the limits thereof. Such Gas Facilities shall include, but not be limited to, all mains, services, pipes, conduits and appliances necessary or convenient for transmitting, transporting, distributing and supplying natural gas for all purposes for which it may be used, and to do all other things necessary and proper in providing natural gas service to the inhabitants of Grantor and in carrying on such business, subject however to all applicable law, including but not limited to State and Federal pipeline safety regulations, and such reasonable regulations as may be imposed by the City pursuant to ordinance or permit requirements, provided, however, that if there is a conflict between City ordinances and State or Federal pipeline safety regulation such State or Federal regulation shall control.

2.2 Term. The rights and privileges granted by this Ordinance shall remain in effect for a period of twenty (20) years from the effective date of this Ordinance.

2.3 Publication Expense. The expense of publication of this Ordinance will be paid by Grantor and reimbursed to Grantor by Grantee.

2.4 Dispute Resolution. If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute.

If the dispute is not resolved within 30 days of the date of written notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used, or if the parties are unable to resolve the dispute within 30 days after first meeting with the selected mediator, either party may commence an action in District Court in Chisago County, Minnesota to interpret and enforce this Franchise or for such other relief as may be permitted by law or equity, or either party may take any other action permitted by law.

2.5. Continuation of Franchise. If the City and the Company are unable to agree on the terms of a new franchise by the time this Franchise expires, this Franchise will remain in effect until a new franchise is agreed upon, or until 90 days after the City or the Company serves written Notice to the other party of its intention to allow the Franchise to expire. However, in no event shall this Franchise continue for more than one year after expiration of the term set forth in paragraph 2.1 of this section.

SECTION 3. Government Rules and Regulations.

3.1 Regulation. This Ordinance is granted subject to all conditions, limitations and immunities now provided for, or as hereafter amended, and applicable to the operations of a public utility, by State or Federal law and such reasonable regulations as may be imposed by the City pursuant to ordinance or permit requirements.

3.2 Service and Rates. The service to be provided and the rates to be charged by Grantee for Gas service in City are subject to the jurisdiction of the Commission. The rates to be charged by Grantee for service within the present or future corporate limits of Grantor and the rules and regulations regarding the character, quality and standards of service to be furnished by Grantee shall be under the jurisdiction and control of such regulatory body or bodies as may, from time to time, be vested by law with authority and jurisdiction over the rates, regulations and quality and standards of service to be supplied by Grantee. Provided however, should any judicial, regulatory or legislative body, having proper jurisdiction, take any action that precludes Grantee from recovering from its customers any cost associated with services provided hereunder, then Grantee and Grantor shall renegotiate the terms of this Ordinance in accordance with the action taken, so as to attempt in good faith to allow Grantee, going forward, to recover from its customers the cost associated with future services provided hereunder. Grantor does not guarantee, financially or otherwise, that Grantee will be able to recover any cost from its customers for services provided hereunder. In determining the rights and duties of the Grantee, the terms of this Franchise Ordinance shall take precedence over any conflicting terms or requirements contained in any other Ordinance enacted by the Grantor.

If an energy supplier is unable to furnish an adequate supply of energy due to an emergency, an order or decision of a public regulatory body, or other acts beyond the control of the Grantee, then the Grantee shall have the right and authority to adopt reasonable rules and regulations limiting, curtailing or allocating extensions of service or supply of energy to any customers or prospective customers, and withholding the supply of energy to new customers,

provided that such rules and regulations shall be uniform as applied to each class of customers or prospective customers, and shall be non-discriminatory as between communities receiving service from the Grantee, and shall otherwise comply with applicable law.

SECTION 4. Construction and Maintenance of Gas Facilities.

4.1 Location of Facilities. Gas Facilities shall be located, constructed and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt, to the extent reasonably practicable, normal operation of any City Utility System. Gas Facilities shall be located on Public Grounds as determined by the City. Company may abandon underground gas facilities in place, provided at the City's request, Company, at its own expense, will remove abandoned metal pipe or concrete encased conduit or other Facilities interfering with a City improvement project, but only to the extent such metal pipe or conduit is uncovered as part of the City improvement project.

4.2 Field Locations and Mapping Information. Grantee shall provide field locations for its underground Gas Facilities within City consistent with the requirements of Minnesota Statutes, Chapter 216D. At the Grantor's request, Grantee must promptly provide mapping information for any of its underground Gas Facilities in accordance with Minnesota Rules parts 7819.4000 and 7819.4100, as the same may be amended from time to time.

4.3 Construction and Maintenance. Any pavements, sidewalks or curbing taken up and any and all excavations made shall be done in such a manner as to cause only such inconvenience to the inhabitants of Grantor and to the general public as is reasonably necessary; and repairs and replacements shall be made promptly by Grantee, leaving such properties in as good as condition as existed immediately prior to excavation.

Grantee agrees that for the term of this Franchise, it will use its best efforts to maintain Gas Facilities and equipment sufficient to meet the current and future energy requirements of Grantor, its inhabitants and industries. While maintaining its Gas Facilities and equipment, Grantee shall not open or disturb the surface of any Public Ground or Public Way for any purpose without first having obtained a permit from the City, or otherwise complying with the requirements of City ordinances, except that in emergency situations requiring the immediate repair of Gas Facilities, Grantee shall take immediate unilateral actions as it determines are necessary to protect the public health, safety, and welfare; in which case, Grantee shall notify Grantor as soon as reasonably possible. In a reasonable time thereafter, Grantee shall seek from Grantor any required permits and shall pay any required permit fees. Permit conditions imposed on Grantee shall not be more burdensome than those imposed on other utilities for similar facilities or work.

4.4 Restoration. After undertaking any work requiring the opening of any Public Ground or Public Way, Company shall restore the same in accordance with Minnesota Rules, part 7819.1100, as the same may be amended from time to time, and applicable City ordinances to the extent consistent with law. The work shall be completed as promptly as weather permits,

and if Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Ground or Public Way in the said condition, the City shall have, after written demand to Company to cure and the passage of a reasonable period of time following the demand, but not to exceed ten days, the right to make the restoration at the expense of Company. Company shall pay to the City the cost of such work done for or performed by the City or its designee. This remedy shall be in addition to any other remedy available to the City for noncompliance with this paragraph.

4.5 Avoid Damage to Gas Facilities. Nothing in this Ordinance relieves any person from liability arising out of the failure to exercise reasonable care to avoid damaging Gas Facilities while performing any activity.

4.6 Notice of Improvements. Grantor will give Grantee reasonable notice of plans for improvements within the Public Grounds or Public Ways where the improvement and any paving or resurfacing of a permanent nature may affect Grantee's Gas Facilities. The notice shall contain the nature and character of the improvements, the Public Grounds and Public Ways upon which the improvements are to be made, the extent of the improvements and the time when the Grantor will start the work, and, if more than one Public Ground or Public Way is involved, the order in which this work is to proceed. The notice shall be given to the Grantee a sufficient length of time, considering seasonable working conditions, in advance of the actual commencement of the work to permit the Grantee to make any additions, alterations, or repairs to its Gas Facilities.

4.7 Extension of Gas Facilities. Upon receipt and acceptance of a valid application for service from a prospective customer, Grantee shall, subject to its own economic feasibility criteria, make reasonable extensions of its Gas Facilities to serve customers located within the current or future corporate limits of City. If there are multiple utility companies capable of providing the requested service extension, the City may select the provider to complete the extension at their sole discretion, based upon the best interest of the Community while considering both public safety and the efficiency of the proposed utility layout.

SECTION 5. Relocation of Gas Facilities.

5.1 Relocation of Gas Facilities in Public Ways and Public Grounds. The Grantee shall comply with Minnesota Rules, part 7819.3100 and applicable law, and any applicable City ordinances consistent with law regarding relocation of Gas Facilities in Public Ways and Public Grounds. If Grantor elects to change the grade of or otherwise alter any street, alley, avenue, bridge, public right-of-way or public place for a public purpose, Grantee, upon reasonable notice from Grantor, shall remove and relocate its facilities or equipment situated in the public rights-of-way, if such removal is necessary to prevent interference and not merely for the convenience of the Grantor, at the cost and expense of Grantee.

5.2 Relocation Requests and Notice. If Grantor orders or requests Grantee to relocate its facilities or equipment for the primary benefit of a commercial or private project, or as a

result of the initial request of a commercial or private developer or other non-public entity, and such removal is necessary to prevent interference and not merely for the convenience of the Grantor or other right-of-way user, Grantee shall receive payment for the cost of such relocation as a precondition to relocating its Gas Facilities or equipment. Grantor shall consider reasonable alternatives in designing its public works projects so as not arbitrarily to cause Grantee unreasonable additional expense in exercising its authority under this section. Grantor shall also provide a reasonable alternative location for Grantee's facilities. Grantor shall give Grantee written notice of vacating of a public right-of-way. Vacating of a public right-of-way shall not deprive the Grantee of its right to operate and maintain existing facilities, until the reasonable cost of relocating the same are first paid to the Grantee.

Any person or corporation desiring to move a building or other structure along, or to make any unusual use of any street, alley, avenue, bridge, public right-of-way or public place which shall interfere with the Gas Facilities or equipment of the Grantee, shall first give notice to the Grantor and the Grantee and pay a sum sufficient to cover the expense and damage incident to the moving of Grantee's Gas Facilities and equipment.

5.3 Projects with Federal Funding. Relocation, removal or rearrangement of any Company Gas Facilities made necessary because of the extension into or through City of a federally-aided highway project shall be governed by the provisions of Minnesota Statutes, Section 161.46, as supplemented or amended.

SECTION 6. Vacation of Public Ways.

The City shall give Company at least two weeks prior written notice of a proposed vacation of a Public Way. Pursuant to Minnesota Rules, Part 7819.3200, if the City vacates a Public Way that contains Gas Facilities of Company and the vacation requires the relocation of the Company's Gas Facilities, payment of the relocation costs must be determined as follows: (1) if the vacation proceedings are initiated by the Company, the Company must pay the relocation costs; (2) if the vacation proceedings are initiated by the City for a public project, the Company must pay the relocation costs unless otherwise agreed to by the City and Company; or (3) if the vacation proceedings are initiated for the purpose of benefiting a person other than the Company, the benefited person must pay the relocation costs. Except where required for a City project, the vacation of any Public Way, after the installation of Gas Facilities, shall not operate to deprive Company of its rights to operate and maintain such Gas Facilities, until the reasonable cost of relocating the same are first paid to Company by the nongovernmental entity in favor of whom the vacation was granted. In no case, however, shall City be liable to Company for failure to specifically preserve a right-of-way under Minnesota Statutes, Section 160.29. The City and the Company shall comply with Minnesota Rules, 7819.3200 and applicable ordinances consistent with law applicable to right-of-way vacation.

Vacating of a public right-of-way shall not deprive the Grantee of its right to operate and maintain existing Gas facilities, until the reasonable cost of relocating the same are first paid to the Grantee. In accordance with Minnesota Rules, Part 7819.3200, if the City vacates a Public

Way, which contains Gas Facilities of Company and the vacation does not require relocation of Company's Gas Facilities, the vacation proceedings shall not be deemed to deprive Company of its right to continue to use the right-of-way of the former Public Way for its Gas Facilities installed prior to such order of vacation.

SECTION 7. Indemnification.

7.1 Hold Harmless. Grantee, during the term of this Ordinance, agrees to indemnify, save and hold harmless Grantor from and against all claims, demands, losses and expenses on account of injury to persons or damage to property arising directly out of the negligence of Grantee, its employee or agents in the constructing, operating, inspecting and maintaining of the Gas Facilities or appliances of Grantee located in the Public Grounds and Public Ways; provided, however, that Grantee need not indemnify, save and hold harmless Grantor from claims, demands, losses and expenses directly arising out of the negligence of Grantor, its officials, employees or agents.

7.2 Defense of City. If Company is required to indemnify and defend, it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City and Company, in defending any action on behalf of the City shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf. This Franchise Agreement shall not be interpreted to constitute a waiver by the City of any of its defenses of immunities or limitations on liability under Minnesota Statutes, Chapter 466.

SECTION 8. Franchise Fee.

8.1 Fee Schedule. During the term of the Franchise hereby granted, and in addition to any permit or other fees being imposed on Company, the City may impose on Company a Franchise Fee by separate franchise fee ordinance.

8.2 Separate Ordinance. The Franchise Fee ordinance or changes thereto shall not be adopted until at least 90 days after written notice enclosing such proposed ordinance has been served upon Company by certified mail. The Franchise Fee may be changed by ordinance from time to time; however, each change shall meet the same notice requirements and not occur more often than annually. The time and manner of collecting the Franchise Fee is subject to the approval of the Commission. No Franchise Fee shall be payable by Company if Company is legally unable to first collect an amount equal to the Franchise Fee from its customers in each applicable class of customers by imposing a surcharge in Company's applicable rates for gas service. Notwithstanding the forgoing, the City's current Franchise Fee ordinance, namely, Ordinance No. 284-18, passed and approved by the City of North Branch City Council on April 10th, 2018, shall continue in force and effect until repealed, replaced, or amended pursuant to the terms of this Agreement.

8.3. Continuation of Franchise Fee. If this Franchise expires and the City and the Company are unable to agree upon terms of a new franchise, the Franchise Fee, if any being imposed by the City at the time this Franchise expires, will remain in effect until a new franchise is agreed upon, notwithstanding the term set forth in paragraph 2.2 of Section 2.

SECTION 9. **Provisions of Ordinance.**

9.1 Severability. If any clause, sentence or section of this Ordinance is deemed invalid by any judicial, regulatory or legislative body having proper jurisdiction, the remaining provisions shall not be affected.

9.2 Limitation on Applicability. This Ordinance constitutes a franchise agreement between the City and Company as the only parties, and no provision of this Franchise shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

9.3 Confidential Information. Grantor is subject to the Minnesota Government Data Practices Act (the "Act"). To the extent the following is in compliance with the Act as determined on a case by case basis, Grantor acknowledges that certain information it might request pursuant to this Franchise may be of a proprietary and confidential nature. Subject to the Act, if Grantee requests that any information provided by Grantee to Grantor be kept confidential due to such proprietary or commercial value, Grantor and its employees, agents, and representatives shall maintain the confidentiality of that information, to the extent allowed by law. If Grantor is requested or required by legal or administrative process to disclose any such confidential information, Grantor shall promptly notify Grantee of such request or requirement so that Grantee may seek an appropriate protective order or other relief. Grantor, to the extent permitted by the Act, shall use all reasonable efforts to ensure that the confidentiality of Grantee's confidential information is maintained.

9.4 Force Majeure. It shall not be a breach or default under this Franchise if either party fails to perform its obligations hereunder due to Force Majeure. Force Majeure shall include, but not be limited to, the following: 1) physical events such as acts of God, landslides, lightning, earthquakes, fires, freezing, storms, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery, equipment or distribution or transmission lines; 2) acts of others such as strikes, work-force stoppages, riots, sabotage, insurrections or wars; 3) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, executive order, or regulation promulgated by a governmental authority having jurisdiction; and any other causes, whether of the kind herein enumerated or otherwise not reasonably within the control of the affected party to prevent or overcome. Each party shall make reasonable efforts to avoid Force Majeure and to resolve such event as promptly as reasonably possible once it occurs in order to resume performance; provided, however, that this provision shall not obligate a party to settle any labor strike.

9.5 Non-Waiver. Any waiver of any obligation or default under this Franchise shall not be construed as a waiver of any future defaults, whether of like or different character.

9.6 Effect and Interpretation of Ordinance. The captions which precede each section of this Ordinance are for convenience in reference only and shall not be taken into consideration in the interpretation of any of the provisions of this Ordinance.

SECTION 10. Amendment Procedure.

Either party to this Franchise Agreement may at any time propose that the agreement be amended to address a subject of concern and the other party will consider whether it agrees that the amendment is mutually appropriate. If an amendment is agreed upon, this Ordinance may be amended at any time by the City passing a subsequent ordinance declaring the provisions of the amendment, which amendatory ordinance shall become effective upon the filing of Company's written consent thereto with the City Clerk within 90 days after the date of final passage by the City of the amendatory ordinance.

SECTION 11. Previous Franchises Superseded.

This Ordinance, when accepted by Grantee as provided below, shall constitute the entire agreement between the Grantor and the Grantee relating to this Franchise and the same shall supersede all prior ordinances pertaining to this franchise agreement, and any terms and conditions of such prior ordinances or parts of ordinances in conflict herewith are hereby repealed. Ordinance No. 43, enacted by the City Council of the City of North Branch, Minnesota, on September 13th, 1999, is hereby repealed as of the effective date hereof.

SECTION 12. Effective Date and Acceptance.

This Ordinance shall become effective and be a binding contract between the Grantor and Grantee, upon its final passage, publication, and approval by Grantor, in accordance with applicable laws and regulations, and upon acceptance by Grantee by written instrument within sixty (60) days of passage by the governing body, and filed with the City Clerk of the City of North Branch, Minnesota. The City Clerk shall sign and affix the community seal to acknowledge receipt of such acceptance, and return one copy to Grantee. If Grantee does not, within sixty (60) days following passage of this Ordinance, express in writing its objections to any terms or provisions contained therein, or reject this ordinance in its entirety, Grantee shall be deemed to have accepted this ordinance and all of its terms and conditions.

**ACCEPTANCE OF CITY OF NORTH BRANCH, MINNESOTA
ORDINANCE NO. 380-24; NATURAL GAS FRANCHISE ORDINANCE**

WHEREAS, the City Council of the City of North Branch, Chisago County, Minnesota, on the 10th day of August, 2024, passed and adopted Ordinance No. 380-24, a Gas Franchise Ordinance for Minnesota Energy Resources, a subsidiary of WEC Energy Group, a Wisconsin Corporation, its successors and assigns, which Ordinance was duly published according to law on the 19th day of September, 2024, in the *Isanti-Chisago County Star*, a newspaper circulated in and serving as the legal newspaper for the City of North Branch.

NOW THEREFORE, Minnesota Energy Resources, a subsidiary of WEC Energy Group, a Wisconsin Corporation, its successors and assigns, does hereby accept and agree to be bound by all of the terms and conditions contained in said Gas Franchise Ordinance.

IN WITNESS WHEREOF, Minnesota Energy Resources, a subsidiary of WEC Energy Group, a Wisconsin Corporation, has caused this document to be executed in its name by its duly authorized representative(s) on this ____ day of _____, 2024.

MINNESOTA ENERGY RESOURCES

By: _____
_____, Its: _____

ATTEST: _____
_____, Its: _____

**SUMMARY PUBLICATION OF CITY OF NORTH BRANCH
ORDINANCE NO. 380-24**

AN ORDINANCE GRANTING TO MINNESOTA ENERGY RESOURCES, A SUBSIDIARY OF WEC ENERGY GROUP, A WISCONSIN CORPORATION, ITS SUCCESSORS AND ASSIGNS, PERMISSION TO ERECT A GAS DISTRIBUTION SYSTEM FOR THE PURPOSES OF CONSTRUCTING, OPERATING, REPAIRING AND MAINTAINING IN THE CITY OF NORTH BRANCH, MINNESOTA, THE NECESSARY GAS PIPES, MAINS AND APPURTENANCES FOR THE TRANSMISSION OR DISTRIBUTION OF GAS TO THE CITY AND ITS INHABITANTS, AND OTHERS AND TRANSMITTING GAS INTO AND THROUGH THE CITY AND TO USE THE PUBLIC GROUNDS AND PUBLIC WAYS OF THE CITY FOR SUCH PURPOSES.

Summary

Ordinance No. 380-24 is a 20-year franchise agreement granting Minnesota Energy Resources, a subsidiary of WEC Energy Group, a Wisconsin corporation, its successors and assigns, permission to construct, install, operate, repair and maintain a gas distribution system for the purpose of transmitting and distributing natural gas for public and private use within the City of North Branch.

The complete text of Ordinance No. 380-24 may be obtained at no charge at City Hall (6408 Elm Street, North Branch, MN 55056) or on the City's website at <http://www.ci.north-branch.mn.us/>

Published: September 19, 2024



Prepared By: Ragini Varma, City Clerk / IT Director

Presenter: Ragini Varma, City Clerk / IT Director

Date: 09/09/2024

Board & Commission: City Council

Subject:

Ordinance 382-24 Authorizing the Summary Publication of Ordinance 380-24 Granting Minnesota Energy Resources Permission to Erect a Gas Distribution System

The summary ordinance will be published in lieu of a complete ordinance of 380-24 to save costs on publication as per the guidelines of state statutes.

Voting Requirements:

Voting Options Simple Majority

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

ORDINANCE NO. 382-24

THE CITY COUNCIL OF THE CITY OF NORTH BRANCH DOES ORDAIN THAT

The following is the Official Summary of Ordinance No. 380-24 approved by the City Council of North Branch on September 10, 2024. A complete copy of this Ordinance is available with the City Clerk as well as on the City Code Website.

SECTION 1 SUMMARY OF APPROVED ORDINANCE

Ordinance 380-24 Granting Minnesota Energy Resources Permission to Erect A Gas Distribution System

SECTION 2 EFFECTIVE DATE

These Ordinances shall take full effect and be in full force after its passage and publication according to law.



Prepared By: Linda Woulfe, Interim City Administrator

Presenter: Ragini Varma, City Clerk / IT Director

Date: 09/04/2024

Board & Commission: City Council

Subject: Ordinance 381-24 Creating Chapter 18 Business, Article XII Cannabis Regulation

The City should adopt an ordinance on cannabis businesses. This ordinance is modeled after the Office of Cannabis Management's model ordinances for local governments. We recommend its adoption as presented.

Voting Requirements:

Voting Options: Simple Majority

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

ORDINANCE NO. 381-24

CREATING CHAPTER 18 BUSINESS, ARTICLE XII CANNABIS REGULATION

THE CITY COUNCIL OF THE CITY OF NORTH BRANCH DOES ORDAIN THAT

Section 18-359 Findings and Purpose

The City of North Branch makes the following findings:

The purpose of this Ordinance is to implement the provisions of Minnesota Statutes Chapter 342, which authorizes the City of North Branch to protect the public health, safety, and welfare of its residents by regulating cannabis businesses within the legal boundaries of the City. The City finds and concludes that the proposed provisions are appropriate and lawful land use regulations for the City of North Branch, that the proposed amendments will promote the community's interest in reasonable stability in zoning for now and in the future, and that the proposed provisions are in the public interest and for the public good.

Sec. 18-360 Authority & Jurisdiction

The City has the authority to adopt this Ordinance pursuant to:

- a. Minnesota Statutes §342.13(c), regarding the authority of a local unit of government to adopt reasonable restrictions of the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses.
- b. Minnesota Statutes §342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.
- c. Minnesota Statutes §152.0263, subd. 5, regarding the use of cannabis in public places.
- d. Minnesota Statutes §394.21, regarding the authority of a local authority to adopt zoning ordinances.

This ordinance shall be applicable to the legal municipal boundaries for the City of North Branch.

Sec. 18-361 Severability

If any section, clause, provision, or portion of this Ordinance is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this Ordinance shall not be

affected thereby.

Sec. 18-362 Enforcement

The City of North Branch City Administrator or his/her designee is responsible for the administration and enforcement of this Ordinance. Any violation of the provisions of this Ordinance or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by Minnesota law. Violations of this Ordinance can occur regardless of whether a permit is required for a regulated activity listed in this Ordinance.

Sec. 18-363 Definitions

Unless otherwise noted in this Section, words and phrases contained in Minnesota Statutes § 342.01 and the rules promulgated pursuant to any of these acts shall have the same meanings in this Ordinance.

Cannabis Cultivation: A cannabis business licensed to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant. Cultivation includes harvesting cannabis flower from mature plants, packaging and labeling immature plants and seedlings and cannabis flower for sale to other cannabis businesses, transporting cannabis flower to a cannabis manufacturer located on the same premises, and performing other actions described in Minnesota Statutes §342.01 subd. 27 and approved by the Office of Cannabis Management.

Cannabis Retail Business: A retail location of a cannabis retailer, a cannabis mezzobusiness with a retail operations endorsement, a cannabis microbusiness with a retail operations endorsement, a medical cannabis retailer, or a medical combination business. This definition excludes lower-potency hemp edible retailers unless otherwise noted in this Ordinance.

Cannabis Retailer: Any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis product(s) to a consumer and not for the purpose of resale in any form.

Daycare: A location licensed with the Minnesota Department of Human Services to provide the care of a child in a residence outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

Lower-potency Hemp Edible: As defined under Minnesota Statutes §342.01 subd. 50

Office of Cannabis Management: Minnesota Office of Cannabis Management, referred to as “OCM” in this Ordinance.

Preliminary License Approval: OCM pre-approval for a cannabis business license for applicants who qualify under Minnesota Statutes §342.17.

Residential Treatment Facility: As defined under Minnesota Statutes §245.462 subd. 23.

Retail Registration: An approved registration issued by the City of North Branch to a state-licensed cannabis retail business.

School: A public school as defined under Minnesota Statutes §120A.05 or a nonpublic school that must meet the reporting requirements under Minnesota Statutes §120A.24.

State License: An approved license issued by the State of Minnesota's Office of Cannabis Management to a cannabis retail business.

Sec. 18-364 Registration of Cannabis Businesses

No individual or entity may operate a state-licensed cannabis retail business within the City of North Branch without first registering with the City. Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of up to \$2,000 for each violation per Minnesota Statutes §342.22 subd. 5(e).

Sec. 18-365 Compliance Checks Prior to Retail Registration

Prior to issuance of a cannabis retail business registration, the City shall conduct a preliminary compliance check to ensure compliance with local ordinances. Per Minnesota Statutes §342.13(f), within 30 days of receiving a copy of a state license application from OCM, the City shall certify on a form provided by OCM whether a proposed cannabis retail business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

Sec. 18-366 Registration & Application Fees

The City shall not charge an application fee. A registration fee, as established in the City's fee schedule, shall be charged to applicants depending on the type of retail business license applied for.

An initial retail registration fee shall not exceed \$500 or half the amount of an initial state license fee under Minnesota Statutes §342.11, whichever is less. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee.

Any renewal retail registration fee imposed by City of North Branch shall be charged at the time of the second renewal and each subsequent renewal thereafter. A renewal retail registration fee shall not exceed \$1,000 or half the amount of a renewal state license fee under Minnesota Statutes §342.11, whichever is less.

A medical combination business operating an adult-use retail location may only be charged a single registration fee, not to exceed the lesser of a single retail registration fee, defined under this Section, of the adult-use retail business.

All fees collected by the City of North Branch will be retained by the City of North Branch.

Sec. 18-367 Registration & Application Submittal

The City of North Branch shall issue a retail registration to a state-licensed cannabis retail business that adheres to the requirements of Minnesota Statutes §342.22.

An applicant for a retail registration shall fill out a retail registration form, as provided by the City. Said form shall include, but is not limited to:

- Full name of the property owner and applicant;
- Address, email address, and telephone number of the applicant;
- The address and parcel ID for the property which the retail registration is sought; and
- Certification that the applicant complies with the requirements of local ordinances, including those established pursuant to Minnesota Statutes §342.13.

The applicant shall include with the form:

- the registration fee as required in Section 18-366; and
- a copy of a valid state license or written notice of OCM license preapproval.

Once an application is considered complete, the City shall inform the applicant as such, process the application fees, and review the application for approval or denial. The application fee shall be non-refundable once processed.

Sec. 18-368 Registration & Application Approval

A state-licensed cannabis retail business application *shall not* be approved if the cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted under Sec. 18-377 Limiting of Registrations.

A state-licensed cannabis retail business application shall not be approved or renewed if the applicant is unable to meet the requirements of this Ordinance.

A state-licensed cannabis retail business application that meets the requirements of this Ordinance shall be approved.

Sec. 18-369 Annual Compliance Checks

The City of North Branch's Police Department shall complete at minimum one compliance check per calendar year of every cannabis business with a retail registration to assess if the business meets age verification requirements, as required under Minnesota Statutes §342.22 subd. 4(b), Minnesota Statutes §342.24, and this Ordinance.

The City's Police Department shall conduct at minimum one unannounced age verification compliance check at least once per calendar year. Age verification compliance checks shall involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-

use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

Any failures under this Section must be reported to the Office of Cannabis Management.

Sec. 18-370 Location Change

A state-licensed cannabis retail business shall be required to submit a new application for registration if it seeks to move to a new location still within the legal boundaries of the City of North Branch.

Sec. 18-371 Renewal of Registration

The City shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license.

A state-licensed cannabis retail business shall apply to renew registration on a form established by the City.

A cannabis retail registration issued under this ordinance shall not be transferred.

Sec. 18-372 Renewal Fees

The City Clerk shall charge a renewal fee for the registration starting at the second renewal, as established in the City's fee ordinance schedule.

Sec. 18-373 Renewal Application

The application for renewal of a retail registration shall include, but is not limited to, items required under Sec. 18-367 of this Ordinance.

Sec. 18-374 Suspension of Registration

The City may suspend a cannabis retail business's registration if it violates this Ordinance or poses an immediate threat to the health or safety of the public. The City shall immediately notify the cannabis retail business and the OCM in writing the grounds for the suspension. OCM will provide the City of North Branch and cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.

Sec. 18-375 Length of Suspension

The suspension of a cannabis retail business registration may be for up to 30 calendar days, unless OCM suspends the license for a longer period. The business may not make sales to customers if their registration is suspended.

The City of North Branch Auditor may reinstate a registration if it determines that the violations have been resolved. The City of North Branch Auditor shall reinstate the registration if OCM determines that the violation(s) have been resolved.

Sec. 18-376 Civil Penalties

Subject to Minnesota Statutes §342.22, subd. 5(e) the City may impose a civil penalty, as specified in City's Fee Schedule, for registration violations, not to exceed \$2,000.

Sec. 18-377 Limiting of Registrations

The City shall allow one active cannabis retail business registration for every 12,500 residents (population as determined by the State of Minnesota Demographer's Office). For purposes of determining the number of cannabis retail business registrations for the City, if a number under 12,500 remains after applying the 12,500 increments to City's population, that fractional amount is also accorded one active cannabis retail business registration.

In applying this limitation, cannabis retail business applications will be prioritized based upon the date the application is received by the City. Applications will be reviewed in the order the applications were received, starting with the earliest received. Incomplete applications or those not following the requirements of this Ordinance will be removed from the order.

If applications are received on the same day and those applications outnumber the maximum number of registrations allowed, a committee comprised of the City Administrator, Police Chief, and Community Development Director will select which application(s) to accept. The decision shall be based upon factors such as completeness, feasibility of the proposal, safety, community needs, and distance from other cannabis retailers.

Sec. 18-378 Requirements for Cannabis Businesses

Minimum Buffer Requirements:

- A cannabis business shall not operate within 1,000 feet of a school. A cannabis business shall not operate within 500 feet of a day care.
- A cannabis business shall not operate within 500 feet of a residential treatment facility.
- A cannabis business shall not operate within 500 feet of an attraction within a public park that is regularly used by minors, including a playground or athletic field.
- A cannabis retail business shall not operate within 1,000 feet of another cannabis retail business.

Per Minnesota Statutes §462.357 subd. 1e, nothing in this section shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if a (school/daycare/residential treatment facility/attraction within a public park that is regularly used by minors) moves within the minimum buffer zone.

Sec. 18-379 Hours of Operation

Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, or hemp-derived consumer products between the hours of 9:00 a.m. and 10:00 p.m., seven days a week.

Sec. 18-380 Zoning and Land Use

Zoning requirements for cannabis businesses with located in the City Code Chapter 66 Zoning, Article V Districts and District Regulations.

Cannabis businesses shall follow the City's sign regulations contained in the City Code Chapter 66 Zoning, Article VI Signs.

Sec. 18-381 License or Permit Required for Temporary Cannabis Events

A license or permit is required to be issued and approved by the City prior to holding a Temporary Cannabis Event. A registration fee, as established in City of North Branch's fee schedule, shall be charged to applicants for Temporary Cannabis Events.

The City of North Branch Auditor shall require an application for Temporary Cannabis Events. An applicant shall fill out an application form, as provided by the City. Said form shall include, but is not limited to:

- Address where the temporary cannabis event will be located;
- Full name of the property owner and applicant; and
- Address, email address, and telephone number of the applicant.

The applicant shall include with the form:

- The registration fee and
- A copy of the OCM cannabis event license application, submitted pursuant to Minnesota Statutes §342.39 subd. 2.
-

The application shall be submitted to the City Clerk. If the application is deficient with respect to the above requirements, the City shall return the application with a notice of the deficiencies.

Once an application is considered complete, the City shall inform the applicant as such, process the registration fees, and forward the application to the Police Department for final approval. The City may deny an application if the applicant has not sufficiently planned or detailed feasible safety and security plans.

The application fee shall be non-refundable once processed.

The application for a license for a Temporary Cannabis Event shall meet the following standards:

- Except for low-potency cannabis edibles, onsite consumption is prohibited.
- Temporary cannabis events shall only be held between the hours of 10:00 a.m. and 9:00

p.m.

- Temporary cannabis events are prohibited in residential districts.
- Temporary cannabis events must comply with the buffer requirements described in Sec. 18-378.
- Temporary cannabis events must comply with all requirements detailed in Minnesota Statutes §342.40. The application shall include a detailed plan addressing the requirements of Minnesota Statutes §342.40, subds. 3, 4, 5, 6, 7, and 8.

A request for a Temporary Cannabis Event that meets the requirements of this Section shall be approved.

A request for a Temporary Cannabis Event that does not meet the requirements of this Section shall be denied. The City shall notify the applicant of the standards not met and basis for denial.

Sec. 18-382 Local Government as a Cannabis Retailer

The City may establish, own, and operate a municipal cannabis retail business subject to the restrictions in this Ordinance. A municipal cannabis retail store shall not be included in any limitation of the number of registered cannabis retail businesses under Sec. 18-377. A municipal cannabis retail store is subject to all the same rental license requirements and procedures applicable to all other applicants.



Prepared By: Ragini Varma, City Clerk / IT Director

Presenter: Ragini Varma, City Clerk / IT Director

Date: 09/09/2024

Board & Commission: City Council

**Subject: Ordinance 383-24 Authorizing the Summary Publication of Ordinance 381-24
Creating Chapter 18 Business, Article XII Cannabis Regulation**

The summary ordinance will be published in lieu of a complete ordinance of 381-24 to save costs on publication as per the guidelines of state statutes.

Voting Requirements:

Voting Options Simple Majority

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

ORDINANCE NO. 383-24

**ORDINANCE 383-24 AUTHORIZING THE SUMMARY PUBLICATION OF
ORDINANCE 381-24 CREATING CHAPTER 18 BUSINESS, ARTICLE XII CANNABIS
REGULATION**

THE CITY COUNCIL OF THE CITY OF NORTH BRANCH DOES ORDAIN THAT

The following is the Official Summary of Ordinance No. 381-24 approved by the City Council of North Branch on September 10, 2024. A complete copy of this Ordinance is available with the City Clerk as well as on the City Code Website.

SECTION 1 SUMMARY OF APPROVED ORDINANCE

Ordinance 381-24 Creating Chapter 18 Business, Article XII Cannabis Regulation Distribution System

SECTION 2 EFFECTIVE DATE

These Ordinances shall take full effect and be in full force after its passage and publication according to law.



Prepared By: Nathan Sondrol, GIS Specialist/Parks Director

Presenter: Nathan Sondrol, GIS Specialist/Parks Director

Date: 09/04/2024

Board & Commission: City Council

Subject: Approve Resolution R-81-2024 Approving Northwood Park Pickleball Court & Site Improvements - Pay Request 3

Background

The City of North Branch received a \$140,000 MnDNR Outdoor Recreation Grant for the construction of four (4) pickleball courts, accessible paths, site amenities and associated landscaping in Northwood Park in March 2023 with the understanding that the city would provide a 50% cash match (\$140,000) for the project. The City Council approved the plans and specs for the project and authorized city staff to proceed to obtain bids at the January 23, 2024, meeting and awarded the low bid of \$149,453.00 plus alternate #1 \$18,040.05 and a 10% contingency \$167,493.05 to Winberg Companies, LLC for a total approved bid cost of \$184,242.34 for the pickleball courts and site improvements.

During the construction process, it was determined by city staff and the contractor that a change order to install a gate on the east side of the courts would allow better access to users and would remain within the approved budget amount of \$184,242.34. Winberg Companies, LLC has submitted pay request 3 to in the amount of \$31,788.89. City staff have reviewed the pay request 3 and recommended approval.

Requested Action:

To approve the resolution for the change order and pay request 3 for the Northwood Park Pickleball Court Project to Winberg Companies, LLC in the amount of \$31,788.89.

Voting Requirements:

Voting Options Simple Majority

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

CITY COUNCIL RESOLUTION NO. R-81-2024

A RESOLUTION APPROVING PAY REQUEST 3 FOR THE NORTHWOOD PARK PICKLEBALL COURT & SITE IMPROVEMENT PROJECT IN THE CITY OF NORTH BRANCH, MINNESOTA

WHEREAS, the City of North Branch received a DNR Outdoor Recreation grant in the amount of \$140,000 for the Northwood Park Pickleball & Site Improvement Project, with a 50 percent city match funding requirement towards the project, and Winberg Companies, LLC, the contractor who performed the work has submitted a pay request in the amount of \$31,788.89; and

WHEREAS, a 50 percent city match funding requirement towards the project; and

WHEREAS, the city obtained bids and approved the contract to the low bid from Winberg Companies, LLC in the amount of \$149,453.00 plus alternate #1 \$18,040.05 and a 10% contingency of \$16,749.31 (\$184,242.36 total); and

WHEREAS, Winberg Companies, LLC has submitted pay request 3 in the amount of \$31,788.89; and

WHEREAS, Winberg Companies, LLC has submitted pay request 3 in the amount of \$31,788.89; and

WHEREAS, city staff have reviewed and verified the quantities as accurate and approve the pay request as presented.

NOW THEREFORE, BE IT RESOLVED BY THE City Council of North Branch, Minnesota, to approve pay request 3 for the Northwood Park pickleball & site improvements project in the amount of \$31,788.89 to Winberg Companies, LLC.

Northwood Park Pickleball & Site Improvements									
Pay App 003 (09/22/2024)									

Section Title	Line Item	Item Code	Item Description	UoM	Quantity	Unit Price	Extension	Build Quantity to Date	Extension
BASE BID	Required	Base Bid Section							
	1	2021.501	MOBILIZATION (5% MAX)	LS	1	2,200.00	\$ 2,200.00		1 \$ 2,200.00
	2	2106.501	EXCAVATION - COMMON	LS	1	34,000.00	\$ 34,000.00		1 \$ 34,000.00
	3	2360.504	4 INCH THICK BITUMINOUS COURT	SY	960	34.95	\$ 33,552.00		960 \$ 33,552.00
	4	2531.503	24" CONCRETE MAINTENANCE CURB	LF	412	30.5	\$ 12,566.00		412 \$ 12,566.00
	5	2540.602	PICKLEBALL NET SYSTEM	EACH	4	1,723.80	\$ 6,895.20		4 \$ 6,895.20
	6	2557.502	8' CHAIN LINK MAN GATE	EA	1	1,346.40	\$ 1,346.40		1 \$ 1,346.40
	7	2557.502	8x10 CHAIN LINK MAINTENANCE GATE	EACH	1	2,244.00	\$ 2,244.00		1 \$ 2,244.00
	8	2557.503	4' HIGH 2-RAIL CHAIN LINK FENCE	LF	96	72.22	\$ 6,933.12		96 \$ 6,933.12
	9	2557.503	8' HIGH 2-RAIL CHAIN LINK FENCE	LF	400	70.38	\$ 28,152.00		400 \$ 28,152.00
	10	2557.503	FENCE PROTECTOR	LF	96	13.87	\$ 1,331.52		96 \$ 1,331.52
	11	2573.501	CONSTRUCTION EXIT/MAT	LS	1	750	\$ 750.00		1 \$ 750.00
	12	2573.503	SILT FENCE, TYPE MS OR BIOROLL	LF	300	3	\$ 900.00		300 \$ 900.00
	13	2575.505	SEED W/ BLANKET	ACRE	0.3	7,000.00	\$ 2,100.00		0.3 \$ 2,100.00
	14	2582.504	ACRYLIC COLOR COAT & STRIPING	SY	960	17.17	\$ 16,483.20		960 \$ 16,483.20
	15		CHANGE ORDER 001 (Grade for Trails)	SF	15740	1.74	\$ 27,387.60		15740 \$ 27,387.60
	16		CHANGE ORDER 002 (4ft Man Gate)	LS	1	4,922.06	\$ 4,922.06		1 \$ 4,922.06

Total	\$181,763.10	Total to Date	\$181,763.10
		Retainage	
		Total Retainage	\$ 9,088.16
		Less Previous Applications	\$ 140,886.06
		Total Due Less Retainage	\$ 31,788.89
		Project Completion %	100%

Northwood Park
DNR Grant - OR24-008
\$31,788.89 - ok 9/6/24

Nate Sondrol



Prepared By: Linda Woulfe, Interim City Administrator

Presenter: Nathan Sondrol, GIS Specialist/Parks Director

Date: 09/05/2024

Board & Commission: City Council

Subject: Authorizing a Reduction in a Letter of Credit for the Boka Haven Project

The City has on file a letter of credit (LOC) for the Boka Haven project. Letters of credit provide assurances to the City that developments install the public improvements as outlined in their respective development agreements. The City Engineer inspects the improvements as installed/completed and then submits a notification to staff to make a request to the City Council to lower the amounts on the LOCs on file.

Boka Haven has achieved substantial completion of the required public improvements. The City Engineer is recommending reducing Boka Haven's LOC from \$198,974.00 to \$7,500.00. This remaining amount is sufficient to ensure proper turf establishment, erosion control, and that the infiltration/ponding areas are performing as needed.

Requested Action:

Authorize the reduction in Boka Haven's letter of credit from \$198,974.00 to \$7,500.00 as requested.

Voting Requirements:

Voting Options Simple Majority



Prepared By: Colette Baumgardner, WSB Graduate Community Planner

Presenter: Colette Baumgardner, WSB Graduate Community Planner

Date: 09/06/2024

Board & Commission: City Council

Subject: Site Improvement Agreement with Greg Schneller

Overview/Background

Greg Schneller is proposing to construct a 1,930 warehouse with a small office. The warehouse will be used to house materials for an auction business. City staff completed their review of and have approved the Site Plan for the Development with a few outstanding conditions. The proposed Development complies with all minimum zoning standards and engineering design standards, and the developer is not seeking special approvals (i.e. variances, conditional uses, etc.).

The City requires development agreements for all developments in the City. For projects like Greg Schneller's warehouse, the City requires a simple Site Improvement Agreement (Agreement) vs. a full Development Agreement. This is because there are no planned or constructed public improvements (i.e. streets, public utilities, etc.) to be dedicated to the City. In other words, the development is occurring entirely on private property. The City still requires security and escrow for grading and erosion control, stormwater facilities, and connections to City utilities. The Agreement is with Greg Schneller, the sole proprietor, and he has signed the Agreement.

Staff Recommendation

City staff recommend approval of the Site Improvement Agreement for Greg Schneller, subject to staff and attorney review as to form and content.

Voting Requirements:

Voting Options Simple Majority

**CITY OF NORTH BRANCH
SITE IMPROVEMENT AGREEMENT**

GREG SCHELLER AUCTION WAREHOUSE

THIS SITE IMPROVEMENT AGREEMENT (“Agreement”) is made this this ____th day of _____, 2024 by and between the City of North Branch, a Minnesota municipal corporation (“City”), located at 6408 Elm Street, North Branch, Minnesota 55056, and Greg Scheller, a sole proprietor, (“Developer”) owner of real property located at PID: 16.00045.36.

1. **PROJECT.** The Developer is constructing a new warehouse facility for materials to be auctioned, sidewalk relocation, infiltration basin, and associated site improvements, known as Schneller Auction Warehouse (“Development”), on the parcel known as PID: 16.00045.36 located north of Ash Street, east of Grand Ave, and west of Golden Ave (“Subject Property”), and legally described in Exhibit A.
2. **APPROVAL.** The Development is subject to all conditions of the Approvals and terms as stated herein, and conditioned upon Developer entering into this Agreement, providing any security and escrow required by this Agreement, and compliance with all applicable ordinances, statutes, and regulations of the City of North Branch and State of Minnesota.
3. **PLANS.** The Subject Property shall be developed according to site and civil plans, including, but not limited to: grading and erosion control, streets and utilities, stormwater/SWPPP, landscaping, architectural, etc., hereafter referred to as “Approved Plans.” The Approved Plans are signed and dated [REDACTED], with a final revision date of [REDACTED], and approved by the City Engineer on [REDACTED]. The Approved Plans are as attached hereto and incorporated herein by reference as Exhibit B. The written terms of this Agreement shall control the Approved Plans. The Developer shall not amend, and the Development shall not vary from, the Approved Plans, except upon review and approval of the Community Development Director and/or City Engineer, or their designated representative.
4. **SITE IMPROVEMENTS.** Standards for this Development shall comply with the Approved Plans and all applicable zoning and land development regulations of the City.

Site improvements (“Improvements”) shall be installed according the Approved Plans and City’s Engineering Guidelines/Standard Detail specifications. Plans and specifications must be prepared and signed by a registered professional engineer, and submitted to the City for approval by the City Engineer, or designated representative. The City reserves the right to reject any and/or all of plans submitted, including proposed plan revisions, or portions thereof. All Improvements shall be constructed by the Developer according to the Approved Plans, and solely at Developer expense.

- 4.01 Sidewalks, Trails & Trail Connections. All public and private trails, and connections to the existing public trail system.
- 4.02 Utilities. Water service mains, hydrants and sanitary sewer service mains, and restoration of rights of way, drainage and utility easement areas and/or public streets and driveways resulting from installation.
- 4.03 Surface Water. Surface water facilities, including, but not limited to: internal stormwater handling systems, stormwater pipes, ponding, raingardens, and any conveyance and collection systems as required by the City, and restoration of rights of way, drainage and utility easement areas and/or public streets and driveways resulting from installation.
- 4.04 Grading & Erosion Control. See Section 10.

5. EASEMENTS

- 5.01. Easement to Developer. The City, at no charge to Developer, grants to Developer a Temporary Construction Easement (“Easement”) over, under and across public rights-of-way for the purpose of constructing the Improvements. The Easement shall commence with the execution of this Agreement and terminate upon Final Approval of the Improvements and release of this Agreement.
- 5.02. Easement to City. Developer grants to the City, its agents, representatives, employees, officers and contractors, a right of entry to access all areas of the Subject Property to perform any and all work and inspections necessary or deemed appropriate by the City or to take any corrective actions deemed necessary by the City in conjunction with this Agreement. Right of entry conveyed by the Developer to the City shall terminate upon Final Approval of Improvements and release of this Agreement.

6. PERMITTING.

Developer shall obtain all permits required by the City, Chisago County and State of Minnesota. All fees and related escrow and security requirements associated with each permit shall be solely at Developer expense, and must be paid in full to the issuing entity prior to issuance of any permits.

7. PERMANENT DRAINAGE & UTILITY EASEMENTS.

If required, Developer shall provide under separate cover any Permanent Drainage & Utility Easements (“Easements”) in favor of the City for the purpose of governing the installation and maintenance of stormwater management facilities, as required for the Development, continue to meet the standards and requirements for which they are constructed. Easements shall be granted in perpetuity to the City from the Developer, its successors in interest and Property. Developer shall submit the Easement to Chisago County for recording against the Subject Property, as legally described in Exhibit A.

8. RESPONSIBILITY FOR COSTS.

8.01. Escrow. If required by this Agreement, and as stated in Exhibit C, Developer shall deposit funds into an escrow account with the City. Such escrow funds shall be used by the City to cover the costs of administering this Agreement, including, but limited to: legal, planning, engineering, and construction observation, inspection and testing. Developer shall be responsible to provide additional funds to maintain a positive cash escrow balance, and/or pay outstanding balances owed within 30 days after receipt of invoice from City. Remaining escrow shall be released to the Developer upon Final Approval of Improvements, submittal and approval of record plans, and expiration of all warranties on public improvements.

8.02. Security. If required by this Agreement, and as stated in Exhibit C, to guarantee compliance with the terms of this Agreement and construction of Improvements, the Developer shall furnish the City with a financial guarantee (“Security”) in the form of either: 1) an irrevocable Letter of Credit from a bank and pursuant to standard form and format as required by the City; 2) a cash deposit; or 4) a combination thereof, in the amount as stated in Exhibit C. A Letter of Credit shall be provided by a financial institution in good standing, as verified by the Finance Director, and shall be based on the standard form and format of the City; approval and acceptance of the Letter of Credit shall be at the discretion of the City Administrator, or their designated representative.

The City may draw down the Security, without notice, for any violation of the terms of this Agreement, or if the Security would be allowed to lapse prior to the end of the required term. If the required improvements are not completed at least 60 days prior to the expiration of the Security, the City may also draw down the Security. If the Security is drawn down, the proceeds shall be used to cure the default. Upon receipt of proof satisfactory to the City that work has been completed, with City Council approval the Security may be reduced from time to time by up to eighty percent (80%) of the financial obligations that have been satisfied. At least twenty percent (20%) shall be retained as security until all required site improvements have been completed and record plans submitted and approved.

8.03. Hold Harmless. Developer shall hold the City and its officers, employees, and agents harmless from claims made by itself and third parties for damages sustained or costs incurred resulting from site approval and development. The Developer shall indemnify the City and its officers, employees, and agents for all costs, damages, or expenses which the City may pay or incur in consequence of such claims, including attorneys’ fees.

9. CONSTRUCTION OF IMPROVEMENTS.

- 9.01. Performance of Work. All labor and work shall be done and performed in the best and most workmanlike manner and in conformance with the Approved Plans and specifications. No deviations from the Approved Plans and specifications will be permitted unless approved in writing by the Public Works Director or City Engineer, or their designated representative. Developer shall not do any work or furnish any materials not covered by the Approved Plans and specifications, and special conditions of this Agreement, for which reimbursement is expected from the City, unless such work is first ordered in writing by the City Engineer or their designated representative as provided in the specifications.
- 9.02. Staking, Surveying & Inspections. Developer shall provide all staking, surveying, construction administration and inspection for the above described Improvements in order to ensure that the completed Improvements conform to the Approved Plans and specifications. The City will provide for general inspection and shall be notified of all tests to be performed. Developer shall reimburse the City for costs incurred by the City staff and/or its agents, officers and contractors for site and construction inspections.
- 9.03. Unsatisfactory Labor or Materials. Any material or labor supplied by the Developer that is rejected by the City Engineer or their designated representative as defective or unsuitable shall be removed and replaced with approved material, and such rejected labor shall be done anew to the specifications and approval of or City Engineer or their designated representative. Work shall be at the sole cost and expense of the Developer.
- 9.04. Final Inspection & Acceptance. Upon completion of the Improvements, the City Engineer or their designated representative, a representative of the contractor, and a representative of the Developer's engineer shall make a final inspection of the work to determine the Improvements were installed according to the Approved Plans. Final approval and acceptance of the Improvements shall be in written form from the City to Developer ("Final Approval").
- 9.05. Record Plans. Upon completion of the Improvements, Developer shall provide the City with Record Plans ("As-Built") in conformance with the City's Engineering Guidelines/ Standard Detail for City records. Developer shall supply the City with one (1) complete set of plans in the file type and format as instructed by the City Engineer.

10. GRADING & EROSION CONTROL.

- 10.01. Grading Permit. Developer shall apply for and obtain all appropriate permits for site grading and shall pay all applicable permit fees and escrows, and provide any security, as may be required by the City.
- 10.02. Erosion Control Installation. Prior to initiating site grading, the Erosion Control Plan shall be implemented by the Developer and inspected and approved by the City Engineer or their designated representative. Erosion control practices must comply with best management practices as defined by the Minnesota Pollution Control Agency. Developer

shall furnish any security required by this Agreement for the purpose of erosion control for the Development. The City may impose additional erosion control requirements if determined beneficial.

10.03. **Erosion Control Maintenance.** All areas disturbed by the excavation and back filling operations shall be reseeded within 48 hours after the completion of the work, or in an area that is inactive for more than five (5) days, unless authorized and approved in writing by the City Engineer or designated representative. Except as otherwise provided in the Erosion Control Plan, seeded areas shall be according to the City's current seeding standards, and shall be fertilized, mulched, and disc-anchored as necessary for seed retention. If the Developer does not comply with the erosion control plan and schedule or supplementary instructions received from the City, the City may take such action as it deems appropriate to control erosion at the Developer's expense. The City will endeavor to notify the Developer in advance of any proposed action, but failure of the City to do so will not affect the Developer's and City's rights or obligations hereunder. If the Developer does not reimburse the City for any cost the City incurs for such work within 10 days, the City may draw down on security to pay any costs.

11. **STREET CLEANING.** Developer shall be responsible for cleaning of public streets, driveways and parking areas within and immediately adjacent to the Development and Subject Property. Scraping and sweeping shall take place weekly, or as often as may be needed or required to remove debris.

12. **CONSTRUCTION HOURS; DUST.** Developer will comply with all requirements of the City pertaining to the hours and days during which construction activities may take place. Construction hours are 7:00 a.m. to 9:00 p.m. Monday through Saturday. The Developer shall provide dust control to the satisfaction of the City Engineer or their designated representative.

13. **CONSTRUCTION PARKING & STAGING.** No construction parking and/or staging of construction materials shall occur on adjacent public streets or rights of way. Construction activities may not alter or prevent public access to sidewalks and trails, except up approval by the City Engineer.

14. **INSURANCE.** Developer must keep insurance in force at all times that construction on the Development is in progress. The insurance must name the City as an additional insured. Developer shall furnish proof of insurance acceptable to the City, covering any public liability or property damage by reason of the operation of the Developer's equipment, laborers, and hazard caused by the Improvements, and include at least the following:

14.01. Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury, including death, and property damage (to include, but not be limited to damages caused by erosion or flooding) which may arise out of Developer's work or the work of any of its subcontractors. The exclusion for underground collapse shall be removed.

- 14.02. Limits for bodily injury or death shall not be less than \$500,000.00 for one person and \$1,500,000.00 for each occurrence; limits for property damage shall not be less than \$2,000,000.00 for each occurrence.
- 14.03. Worker's compensation insurance, with statutory coverage as required by Minnesota law including employer's liability coverage of not less than \$500,000.
- 14.04. Developer shall file a Certificate of Insurance with the City Clerk prior to commencing site grading. Developer shall be responsible for insuring that the Certificate bear the following wording:
- "Should any of the above policies be canceled or terminated before the expiration date thereof, the issuing company shall give thirty (30) days written notice of cancellation or termination to the Certificate Holder."

15. MISCELLANEOUS.

- 15.01. Amendments and Assignment. Any amendment to this Agreement must be in writing and signed by both parties. The Developer may not transfer or assign any of its obligations under this Agreement without the prior written consent of the City, which shall not be unreasonably withheld.
- 15.02. Agreement to Run with Land. This Agreement shall run with the land and may be recorded against the title to the Subject Property. Provisions of this Agreement shall run with the land and be binding upon the Developer and its successors in interest. No conveyance of the Subject Property or any part thereof shall relieve the Developer of its personal liability for full performance of this Agreement, unless the City expressly so releases the Developer in writing.
- 15.03. Breach of Agreement. Breach of the terms of this Agreement by the Developer, including non-payment of invoices from the City, shall be grounds for denial of building permits and certificates of occupancy, and/or the halting of all work on the property.
- 15.04. Rights Cumulative. No remedy conferred in this Agreement is intended to be exclusive and each shall be cumulative and shall be in addition to every other remedy. The election of any one or more remedies shall not constitute a waiver of any other remedy. Third parties shall have no recourse against the City under this Agreement.
- 15.05. Developer Default. In the event of default by the Developer of any work to be performed according to this Agreement and the Approved Plans, the City may, at its option, perform the work and the Developer shall promptly reimburse the City for any expense incurred by the City, provided the Developer, except in an emergency as determined by the City, is first given notice of the work in default, not less than 48 hours in advance. This Agreement is a license for the City to act, and it shall not be necessary for the City to seek a court order for permission to enter the land. When the City does any such work, the City may, in addition to its other remedies, assess the cost in whole or in part.

16. **NOTICES.** Required notices to the Developer shall be in writing and shall be either hand delivered to the Developer, its employees or agents, or mailed to the Developer by certified mail at the following address:

Deliver to: Greg Schneller
24204 Rutgers St NE
Stacy, MN 55079
(651) 492-5298
gregschnellerauctions@yahoo.com

Mail to: Greg Schneller
24204 Rutgers St NE
Stacy, MN 55079
(651) 492-5298
gregschnellerauctions@yahoo.com

Notices to the City shall be in writing and shall be either hand delivered or mailed to the City by certified mail at the following address:

Deliver to: North Branch City Hall
Attn: Community Development
6408 Elm Street
North Branch, MN 55056

Mail to: North Branch City Hall
Attn: Community Development
PO Box 910
North Branch, MN 55056

17. **RELEASE OF AGREEMENT.** Upon completion of Improvements, the City's issuance of the Final Approval, and satisfaction of all of the Developer's obligations under this Agreement, the City agrees to execute Certificate of Completion or other recordable instrument releasing the Subject Property from the terms of this Agreement. All remaining cash escrow amounts and securities possessed by the City shall be released at this time, unless cash escrow and/or security is withheld for maintenance and/or warranty.

[Remainder of this page intentionally left blank.]

IN WITNESS OF THE ABOVE, the duly authorized representatives of the parties have caused this Agreement to be executed in duplicate on the date and year written above.

DEVELOPER:
Greg Schneller

Greg Schneller
Its: Owner

STATE OF MINNESOTA)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____ 2024, by Greg Schneller, a sole proprietor of Greg Schneller Auction House.

Notary Public

CITY OF NORTH BRANCH

Kevin Schieber
Its: Mayor

Linda Woulfe
Its: Interim City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____, 2024 by Kevin Schieber and by Linda Woulfe, the Mayor and Interim City Administrator, respectively, of the City of North Branch, a Minnesota municipal corporation, on behalf of the corporation.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

City of North Branch
6408 Elm Street
North Branch, MN 55056
(651) 674-8113

EXHIBIT A

SUBJECT PROPERTY LEGAL DESCRIPTION

A-485653

LOT 1, BLOCK 1, SHADYSIDE, EXCEPT THE NORTH 123.69 FEET THEREOF AND THAT PART OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 35, RANGE 21, CHISAGO COUNTY, MINNESOTA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 1, BLOCK 1, SHADYSIDE; THENCE NORTHERLY, ALONG THE WEST LINE OF SAID LOT 1, BLOCK 1, A DISTANCE OF 166.76 FEET; THENCE WESTERLY, PARALLEL TO THE NORTH LINE OF SOUTH 33.00 FEET OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, A DISTANCE OF 100.00 FEET; THENCE SOUTHERLY, PARALLEL WITH THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, A DISTANCE OF 166.76 FEET TO THE NORTH LINE OF THE SOUTH 33.00 FEET OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THENCE EASTERLY, ALONG THE NORTH LINE, A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING.

EXHIBIT B
GREG SCHELLER AUCTION WAREHOUSE
APPROVED PLANS

To be added.

EXHIBIT C

**GREG SCHELLER AUCTION WAREHOUSE
IMPROVEMENT COSTS, FEES, ESCROW & SECURITY**



Prepared By: Nathan Sondrol, GIS Specialist/Parks Director

Presenter: Nathan Sondrol, GIS Specialist/Parks Director

Date: 09/06/2024

Board & Commission: City Council

Subject: Approve Resolution No. R-86-2024, Approving the special event permit for the North Branch High School Homecoming Fireworks Display on September 27, 2024

Background Information

North Branch Area High School is requesting approval of a special event permit for a fireworks display at the High School Homecoming Football Game on September 27, 2024.

The fireworks display is scheduled to begin at approximately 7pm with the National Anthem, with additional firework launches at the team entrance and following the game. Additional fireworks may be displayed after touchdowns or other celebrations accompanied by loud concussions. The school would work with J & M Displays, Inc to provide the fireworks and would be required to provide proof of liability insurance that insures the city and to provide a diagram of the display area of where the fireworks would be launched and surrounding area. All the displays would have a maximum of a 3" arterial shell and would be contained within the school district property.

City staff including the Fire Chief have reviewed the plans and have expressed no concerns with the approval of the request.

Requested City Council Action

Motion to approve Resolution R-86-2024 approving the special event

Voting Requirements:

Voting Options Simple Majority

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

CITY COUNCIL RESOLUTION NO. R-86-2024

Resolution Approving the special event permit for the North Branch High School Homecoming Fireworks Display on September 27, 2024

WHEREAS, the North Branch Area High School is requesting approval of a special event permit for a fireworks display at the North Branch High School on September 27, 2024; and, **WHEREAS**, J&M Displays, Inc is willing to provide this service; and **WHEREAS**, the requirements of a Fireworks Permit application have been met.

That the contract between the City of North Branch and Minnesota Pyrotechnics, LLC., for a fireworks display on June 21, 2024 (June 22, 2024, rain date), subject to donation from the North Branch Firefighter's Relief Association, is hereby approved.

BE IT FURTHER RESOLVED:

That the City of North Branch hereby grants a special event permit to put on a fireworks display on September 27, 2024, at the North Branch High School, contingent upon the following conditions being met:

1. J&M Displays, Inc must supply the City with a \$1,000,000 insurance certificate naming the City's additional insured and holding the City harmless from any and all incidents that may occur.
2. J&M Displays, Inc shall provide a list of the names and ages of all assistants participating in the display.
3. The display is put on by a pyrotechnic licensed by the State of Minnesota.
4. The display cannot take place if there are high winds (30 mph or more).
5. J&M Displays, LLC must comply with all state regulations including, but not limited to, shell size.
6. Only security, J&M Displays, LLC. and North Branch Fire Department representatives will be allowed in the safety radius area.
7. The City is to provide adequate security to keep people out of the area where the fireworks will be set off.

Sponsor: City of North Branch
Location: 38705 Grand Ave - NB District
Office/Middle School



Date: June 21, 2024

FIREWORKS SHOW CONTRACT

This Contract entered into this 23rd day of April 2024, engages the services of Minnesota Pyrotechnics, LLC to produce and perform a fireworks display under the following terms:

1. Minnesota Pyrotechnics, LLC reserves the right to make substitutions as reasonably necessary. **4" Max Display approx. 15-18 min.** All substitutions will be of equal or greater quality, quantity and value.
2. Minnesota Pyrotechnics, LLC shall provide qualified pyrotechnicians who will deliver, set-up, execute and take down the fireworks display. The pyrotechnicians shall conduct an after-display search of the grounds in an effort to locate and dispose of any unexploded or defective fireworks. The extent of such search shall be reasonably dictated by such elements as prevailing weather conditions, location of display sight, time of completion of display, etc.
3. Minnesota Pyrotechnics, LLC shall provide Liability Insurance (Including spectator and property coverage) in the amount of \$1,000,000.00 naming the Sponsor as an additional insured.
4. The cost of the display will be **\$15,000.00** at the time of signing of this contract, Sponsor will pay a **nonrefundable deposit amount of 50% (\$7500)** The remaining balance will be paid by Sponsor prior to the display being fired.
5. The date of the display will be **June 21st , 2024 at Dark/Dusck.** In the event inclement weather forces the cancellation of the display, Sponsor will pay 10% of the contract total to cover expenses of redisplaying the display. If the display is not rescheduled, Sponsor will pay 20% of the contract total for transportation, labor and restocking charges. Display will be shot in the rain or moved to June 22, 2024. The decision to proceed with the display based upon inclement weather shall be made by the Sponsor. Minnesota Pyrotechnics, LLC shall have complete authority to cancel the display if, in the reasonable opinion of Minnesota Pyrotechnics, LLC, the safety, health,

and well-being of the pyrotechnicians and/or spectators or property would be jeopardized by proceeding with the display.

6. Sponsor shall procure and furnish a suitable location for the fireworks display in accordance with NFPA 1123, and shall secure all police, fire, local and state permits, and shall arrange for all security bonds as required by law for the location of the display. Sponsor shall furnish all necessary police, fire and other appropriate protection necessary for proper crowd control, automobile parking, and supervision in clearing of debris after the display.
7. Sponsor explicitly acknowledges that an early morning search of the grounds/location the morning after the display is of utmost importance. If any unexploded or defective fireworks are found that were missed during the inspection the preceding evening, the Sponsor shall immediately notify Minnesota Pyrotechnics, LLC, and the local fire department.
8. Minnesota Pyrotechnics, LLC agrees to take all steps reasonably necessary to safeguard Sponsor's property and the property of the spectators. Should any losses occur, the Sponsor must notify Minnesota Pyrotechnics, LLC of the nature of the loss and the date on which the loss occurred. Said notice shall be in writing and shall provide as much detail as reasonably possibly in relation to the nature and extent of the loss.
9. Minnesota Pyrotechnics, LLC shall perform all services required hereunder, except when prevented by strike, lockout, act of God, accident, or other circumstances beyond Minnesota Pyrotechnics, LLC control.
10. This Contract shall be construed by the laws of the State of Minnesota. In the event that any court of competent jurisdiction deems any provision of this agreement unenforceable, the remaining provisions hereof shall remain in full force and effect.
11. The Sponsor shall pay to Minnesota Pyrotechnics, LLC all costs and expenses, including reasonable attorney's fees, incurred by Minnesota Pyrotechnics, LLC in enforcing the terms of this Contract.
12. Sponsor agrees to indemnify and hold harmless Minnesota Pyrotechnics, LLC for any and all costs and liabilities which Minnesota Pyrotechnics, LLC may incur as a result, or arising out of products not supplied by Minnesota Pyrotechnics, LLC or the actions of individuals other than the pyrotechnicians and other employees of Minnesota Pyrotechnics, LLC.
13. This Contract constitutes the entire agreement between the parties hereto and supersedes all prior and contemporaneous agreements,

understandings, negotiations and discussions, either oral or executed in writing by the parties to be bound thereby. The waiver of any provisions of this Contract shall not constitute a waiver of any other provision of this Contract.

14. The party signing this document for the Sponsor warrants and represents that he/she is solely authorized to enter into this agreement on behalf of the Sponsor.

ADDITIONAL PROVISIONS:

Minnesota Pyrotechnics, LLC
BY/DATE : James Baxter



SPONSOR: _____

BY/DATE: _____

**CITY OF NORTH BRANCH
FIREWORKS APPLICATION / PERMIT
OUTDOOR PUBLIC FIREWORKS DISPLAY**

Applicant instructions:

1. This application is for an **outdoor** public fireworks display only and is **not** valid for an indoor fireworks display.
2. This application must be completed and returned at least 15 days prior to date of display.
3. Fee upon application is \$50 and must be made payable to City of North Branch. No fee if Municipal City sponsoring.

Name of Applicant (Sponsoring Organization): City of North Branch

Address of Applicant: PO Box 910

Name of Applicant's Authorized Agent: Jason Ziemer

Address of Agent: PO Box 910

Telephone Number of Agent: 651-674-8113 Date of Display: 6/21/24 Time of Display: Dark/Dusk

Location of Display: 38705 Grand Ave - North Branch District Office/Middle School

Manner and place of storage of fireworks prior to display: Fireworks will be stored in storage magazines

Type and number of fireworks to be discharged: Maximum of 4" (15-18 minutes)

**MINNESOTA STATE LAW REQUIRES THAT THIS DISPLAY BE CONDUCTED UNDER THE DIRECT
SUPERVISION OF A PYROTECHNIC OPERATOR CERTIFIED BY THE STATE FIRE MARSHAL.**

Name of Supervising Operator: James Baxter (Minnesota Pyrotechnics LLC) Certificate No.: 1061

Required attachments. The following attachments must be included with this application:

1. Proof of a bond or certificate of insurance in amount of at least \$ 100,000
(Suggested Amount: \$1.5 million minimum)
2. A diagram of the ground at which the display will be held. This diagram (drawn to scale or with dimensions included) must show the point at which the fireworks are to be discharged; the location of ground pieces; the location of all buildings, highways, streets, communication lines and other possible overhead obstructions; and the lines behind which the audience will be restrained.
3. Names and ages of all assistants that will be participating in the display.

The discharge of the listed fireworks on the date and at the location shown on this application is hereby approved, subject to the following conditions, if any: _____

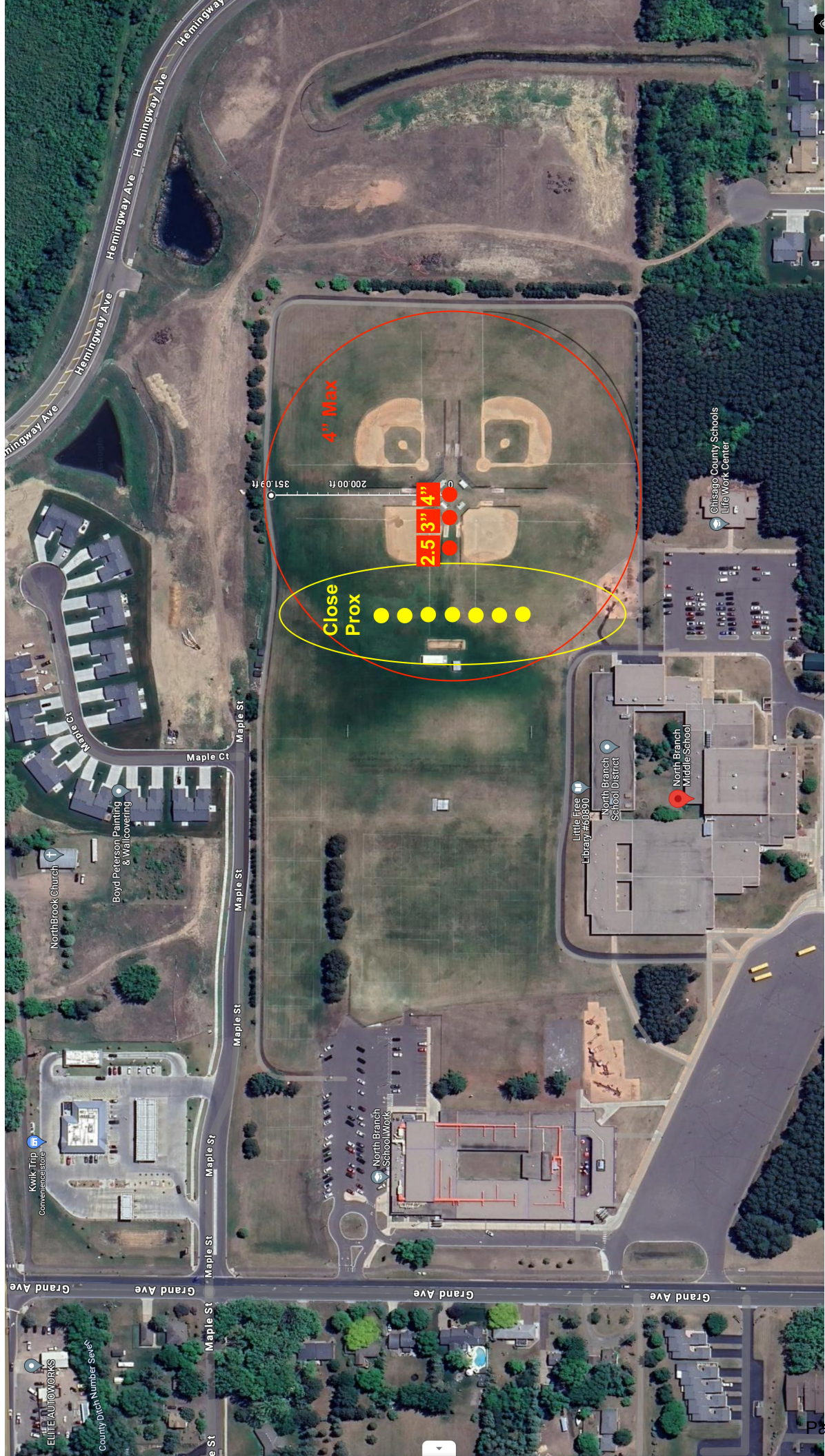
I understand and agree to comply with all provisions of this application, MN Statute 624.20 through 624.25, MN State Fire Code, National Fire Protection Association Standard 1123 (2006 edition), applicable federal law(s) and the requirements of the issuing authority, and will ensure that the fireworks are discharged in a manner that will not endanger persons or property or constitute a nuisance.

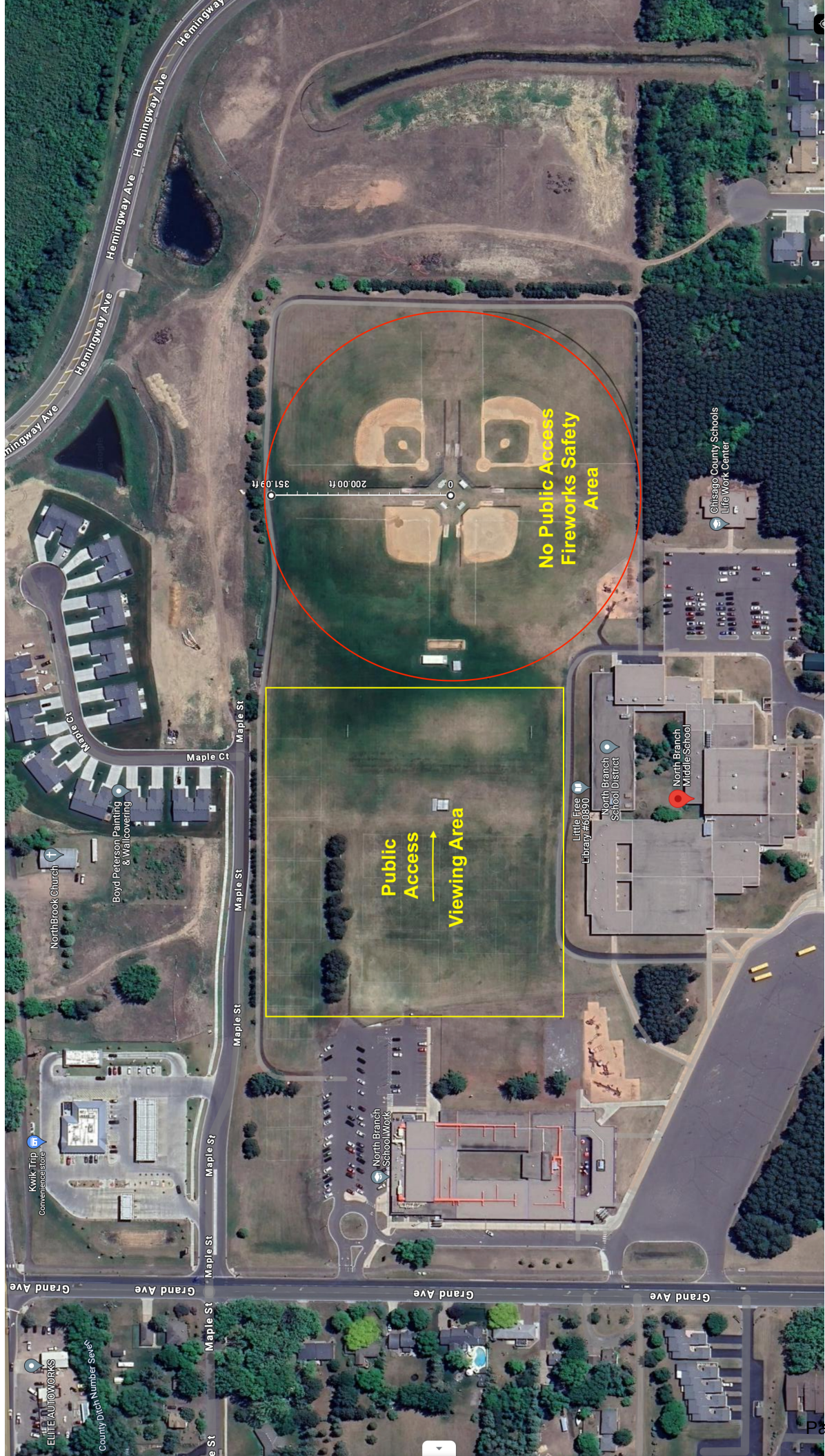
Signature of Applicant (or Agent): _____ Date: _____

Signature of Fire Chief/County Sheriff: _____ Date: _____

Signature of Police Chief/County Sheriff: _____ Date: _____

Signature of City Clerk of Issuing Authority: _____ Date: _____







Prepared By: Ragini Varma, City Clerk / IT Director

Presenter: Ragini Varma, City Clerk / IT Director

Date: 09/06/2024

Board & Commission: City Council

Subject: Approve Gambling LG220 Permit - St Gregory the Great Catholic Church

Background Information

St. Gregory The Great Catholic Church, has held gambling events including bingo, raffle and others at different premises in the past within the city limits of North Branch. This year they will be holding a raffle event at the Church of St. Gregory the Great at 38725 on December 8, 2024. The Clerk's office signs off on the application before they can send it to the Minnesota Gambling Control Board a few months in advance for the state to process it.

Staff Recommendation & Requested City Council Action:

Staff recommends council approval of these applications for submission to the Minnesota Gambling Control Board by St. Gregory The Great Catholic Church.

Voting Requirements:

Voting Options Simple Majority



Prepared By: Shawn Williams, Public Works Director

Presenter: Shawn Williams, Public Works Director

Date: 09/09/2024

Board & Commission: City Council

Subject: Resolution R-87-2024 Approving Pay Request No. 8 for the Water Tower #1 Rehab Project

Osseo Construction Company LLC has submitted pay request #8 for the Water Tower 1 rehab project. WSB, our engineer, has reviewed and verified the pay request for accuracy and recommends payment for the amount of \$50,782.25 as presented. I am asking the council to consider this request, and if so inclined, do so in the form of a motion. Attached are the pay request documents for your review. The project has now been substantially completed and we are working through the remaining punch list items.

Below is the project background for your reference.

At the February 15th 2023 the former North Branch Water and Light Meeting, the commission approved requesting RFP's for the water tower 1 rehabilitation project. Then at the May 17th meeting the commission approved WSB to design plans and specifications for the project, next the project was advertised for bids, and at the June 28th meeting the commission awarded the low bid to Osseo Construction Co. LLC. for the amount of \$773,760.00

Financial/Budget Impacts:

This is a planned and budgeted capital project funded within the water utilities 2023 budget.

Deadline:

Approval at this meeting to meet the contract payment requirements.

Staff Recommendation:

Approval as presented.

Requested Commission Action:
Approval of pay request #7 as presented.

Voting Requirements:

Voting Options Simple Majority

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

CITY COUNCIL RESOLUTION NO. R-87-2024

WHEREAS, pursuant to North Branch Water and Light Commission Authorization on February 15th, 2023 by awarding the 2023 Water Tower #1 Rehabilitation Project to Osseo Construction Co. LLC for the amount of \$773,760.00, and

WHEREAS, Osseo Construction Co. LLC has submitted Pay Request #8 for the 2023 Water Tower #1 rehabilitation project for the amount of \$50,782.25 and all pay items have been verified by WSB the City's Engineer as accurate.

NOW THEREFORE, BE IT RESOLVED BY THE NORTH BRANCH CITY COUNCIL OF NORTH BRANCH, MINNESOTA

Water Tower No. 1 Rehabilitation Project pay request #8 in the amount of \$50,782.25 to Osseo Construction Co. LLC be approved as presented.



September 3, 2024

Mr. Shawn Williams
City of North Branch
P.O. Box 910
North Branch, MN 55056

Re: Application for Payment No. 8
Water Tower No. 1 Rehabilitation
City of North Branch
WSB Project No. 022305-000

Dear Mr. Williams:

Please find attached Application for Payment No. 8 from Osseo Construction Co. LLC for the construction of the Water Tower No. 1 Rehabilitation. We reviewed this application and find it acceptable for payment. Note that this application includes the deduct for additional construction administration and inspection services by WSB and Badger State Inspection (BSI) *to date* per Change Order No. 1, which will continue to accrue on future applications. We recommend making a payment of \$50,782.25 to Osseo Construction Co. LLC. If you are in agreement, please sign the application and process it for payment.

Sincerely,

WSB

Jon Christensen
Project Manager
jchristensen@wsbeng.com
(612) 437-7967

cc: Justin Messner, WSB
Steve Nelson, WSB
Kelly Mulhern, BSI

APPLICATION FOR PAYMENT

PAGE ONE OF TWO PAGES

Owner:
City of North Branch
PO Box 910
North Branch, MN 55056
CONTRACTOR:
Osseo Construction Co. LLC
PO Box 143, 14248 10th Street
Osseo, WI 54758

PROJECT: Water Tower No. 1
Rehabilitation

VIA ARCHITECT: WSB

APPLICATION NO: 8

PERIOD TO: 8/30/2024

PROJECT #: 022305-000

CONTRACT #:

CONTRACT DATE:

Distribution to:

☒	OWNER
☒	ARCHITECT
☒	GENERAL CONTRACTOR
☐	SUBCONTRACTOR
☐	

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
Continuation Sheet is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from The Osseo Construction Co. LLC, and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM	\$	<u>773,760.00</u>
2. Net change by Change Orders	\$	<u>(103,863.70)</u>
3. CONTRACT SUM TO DATE (Line 1 ± 2)	\$	<u>669,896.30</u>
4. TOTAL COMPLETED & STORED TO DATE (Column G)	\$	<u>610,146.30</u>
5. RETAINAGE:		
a. <u>5%</u> of Completed Work (Column D + E)	\$	<u>30,507.32</u>
b. <u> </u> % of Stored Material (Column F)	\$	<u>n/a</u>
Total Retainage (Lines 5a + 5b or Total in Column I)	\$	<u>30,507.32</u>
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$	<u>579,638.99</u>
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	<u>528,856.74</u>
8. CURRENT PAYMENT DUE	\$	<u>50,782.25</u>
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less 6)	\$	<u>90,257.31</u>


Contractors Signature

8/30/2024
Date


Engineers Signature

09/03/2024
Date

Owners Signature

Date

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Contractor	\$54,636.30	(\$122,000.00)
Total approved this Month		(\$36,500.00)
TOTALS	\$54,636.30	(\$158,500.00)
NET CHANGES by Change Order	\$54,636.30	(\$158,500.00)

CONTINUATION SHEET							PAGE 2 OF 2 PAGES			
							APPLICATION NO:		8	
							APPLICATION DATE:		8/30/2024	
In tabulations below, amounts are stated to the nearest dollar.							PERIOD TO:		8/30/2024	
Use Column I on Contracts where variable retainage for line items may apply.						CONTRACTOR'S PROJECT NO:				
	A	B	C	D	E	F	G		H	I
	ITEM	DESCRIPTION OF WORK	SCHEDULED	WORK COMPLETED		MATERIALS	TOTAL	%	BALANCE	RETAINAGE
	NO.		VALUE	FROM PREVIOUS	THIS PERIOD	PRESENTLY	COMPLETED	(G ÷ C)	TO FINISH	(IF VARIABLE
				APPLICATION		STORED	AND STORED		(C - G)	RATE)
				(D + E)		(NOT IN	TO DATE			
						D OR E)	(D+E+F)			
	1	Mobilization & Site Maintenance	\$50,000.00	\$22,500.00	\$0.00	N/A	\$22,500.00	45.00%	\$27,500.00	\$1,125.00
	2	Construct new precast concrete altitude valve vault including appurtenant work necessary to connect and integrate altitude valve with existing NBWL SCADA system. CO2 - additional dewatering and watermain realignment work as detailed in the C&L Excavating reports.	\$184,042.30	\$184,042.30	\$0.00	N/A	\$184,042.30	100.00%	\$0.00	\$9,202.12
	3	Remove existing chain link fence and gate and install new 8' tall chain link fence and gate as shown. CO2 Increase by \$10,500 for additional fencing.	\$25,500.00	\$2,500.00	\$0.00	N/A	\$2,500.00	9.80%	\$23,000.00	\$125.00
	4	Provide miscellaneous grinding.	\$6,000.00	\$6,000.00	\$0.00	N/A	\$6,000.00	100.00%	\$0.00	\$300.00
	5	Provide miscellaneous welding.	\$4,500.00	\$2,250.00	\$0.00	N/A	\$2,250.00	50.00%	\$2,250.00	\$112.50
	6	Seal weld the inside unwelded seams around the roof manway and the drywell tube collar. Seal weld the overlapped plate joint of the dollar plates. See photos 2 through 5 in Appendix A.	\$7,500.00	\$7,500.00	\$0.00	N/A	\$7,500.00	100.00%	\$0.00	\$375.00
	7	Seal weld the dollar plate to roof plates, the overlapping roof plate seams, both sides of the intermittently welded roof rafters, and the overlapped roof plates to the upper torus plates. See photos 2 through 5 in Appendix A.	\$20,000.00	\$20,000.00	\$0.00	N/A	\$20,000.00	100.00%	\$0.00	\$1,000.00
	8	Replace the overflow diffuser plate. Radius all edges by grinding. See photo 6 in Appendix A.	\$2,500.00	\$2,500.00	\$0.00	N/A	\$2,500.00	100.00%	\$0.00	\$125.00
	9	Remove the rigid safety climb pipe from the interior wet ladder. Furnish and install a Self-Retracting Lifeline (SRL) and seal welded bracket to the roof plates. See photo 2 in Appendix A.	\$3,000.00	\$3,000.00	\$0.00	N/A	\$3,000.00	100.00%	\$0.00	\$150.00
	10	Remove approximately eight (8) painter rigging tabs by air arch gouging, cutting torch, or grinding. Repair the surface by welding and grinding to a smooth plate condition.	\$2,400.00	\$0.00	\$0.00	N/A	\$0.00	0.00%	\$2,400.00	\$0.00

11	Furnish and install two (2) 1-inch x 1/2-inch bars on the inlet/outlet pipe opening.	\$500.00	\$500.00	\$0.00	N/A	\$500.00	100.00%	\$0.00	\$25.00
12	Remove the complete Cathodic Protection (C.P.) System from the interior roof plates, including equipment laying on the bowl plates. Seal weld a 10-inch diameter cover plate over the twelve (12) roof openings both interior and exterior. See BSI Drawing No. 4 in Appendix B.	\$4,200.00	\$4,200.00	\$0.00	N/A	\$4,200.00	100.00%	\$0.00	\$210.00
13	Seal weld on the interior of the roof vent and in the inlet/outlet pipe extension a 2" x 3 x 1/4-inch Stainless Steel plate with threaded bolt hole. This plate will be used for Low-Voltage Holiday Testing.	\$500.00	\$500.00	\$0.00	N/A	\$500.00	100.00%	\$0.00	\$25.00
14	Temporarily remove, store, and protect the Kasco Mixer from the interior wet area. Contractor shall be the responsible to repair or replace any damage they cause to the unit. Reinstall the mixer per manufacturer's instructions by welding new mounting brackets on the drywell tube next to the ladder. See photo 8 in Appendix A. See BSI Drawing 15 in Appendix B for reference only.	\$2,500.00	\$2,000.00	\$500.00	N/A	\$2,500.00	100.00%	\$0.00	\$125.00
15	Seal weld the unwelded plate seams on the underside of the drywell tube compression rings.	\$4,000.00	\$4,000.00	\$0.00	N/A	\$4,000.00	100.00%	\$0.00	\$200.00
16	Complete sandblasting and recoating of the interior wet surfaces per the specifications. See photos 2 through 10 in Appendix A. The existing coating Dry Film Thickness (DFT) on the roof structural members and roof plates varies from 10 to 15 mils DFT. The existing coating DFT on the shell plates varies from 9.8 to 18.6 mils DFT, with an average of 12 mils plus DFT.	\$90,000.00	\$85,500.00	\$4,500.00	N/A	\$90,000.00	100.00%	\$0.00	\$4,500.00
17	Seal weld (interior and exterior) the coupling for the electrical under the cover plate of the drywell tube.	\$3,000.00	\$3,000.00	\$0.00	N/A	\$3,000.00	100.00%	\$0.00	\$150.00
18	Complete the following to convert the top landing into a condensate ceiling: Install a 3- inch by 3-inch by 1/4-inch (3" x 3" x 1/4") rolled angle around the perimeter of the top landing. Plug weld the existing drain holes and grind smooth on both sides of the floor. Add a four-inch by one-quarter-inch (4" x 1/4") curb around the overflow and inlet and outlet pipe penetrations. See BSI Drawing 18 in Appendix B.	\$7,500.00	\$7,500.00	\$0.00	N/A	\$7,500.00	100.00%	\$0.00	\$375.00

19	Install a three-inch (3") condensate ceiling drain with a connecting line with a one-way check valve to the overflow pipe on both the upper and lower condensation floors. The drain lines shall be sloped to the overflow pipe. See BSI Drawing 16 in Appendix B.	\$6,000.00	\$6,000.00	\$0.00	N/A	\$6,000.00	100.00%	\$0.00	\$300.00
20	Remove the 18-inch x 24-inch oval manway in the lower section of the drywell tube. Furnish and install a new 24-inch diameter pressure style manway with repad and interior davit arm. See BSI Drawing 10 in Appendix B.	\$12,000.00	\$12,000.00	\$0.00	N/A	\$12,000.00	100.00%	\$0.00	\$600.00
21	Furnish and install a 3-inch diameter drain valve and piping that connects to the overflow pipe as directed by the Engineer. Install a General Construction Stainless Steel drain valve. See BSI Drawing 19 in Appendix B. Install a flexible connection in the overflow pipe for the new Frost-Free Drain Valve.	\$6,500.00	\$5,875.00	\$625.00	N/A	\$6,500.00	100.00%	\$0.00	\$325.00
22	Furnish and install a new 24-inch diameter pressure style manway with repad in the bowl plates as directed by the Engineer and a ladder from the upper platform for access to this manway. This manway should be located 180 degrees from the drywell tube manway. See BSI Drawing 10 in Appendix B.	\$12,000.00	\$12,000.00	\$0.00	N/A	\$12,000.00	100.00%	\$0.00	\$600.00
23	Remove the existing pole style safety climb system on all the interior dry ladders. Furnish and install a new cable style safety system on all interior ladders. The system shall be made by DBI Sala or an approved equivalent. The system shall also include two large DBIS Sala ExoFit NEX Harnesses (Item No. F1C-1113082) Two Lad Safe Cable Sleeves (Item No. F1C-6116540), Two 2'6" shockwave double lanyard (Item No. F1C-1244321) and One Web rebar positioning Assembly (Item No. F1C-1231380).	\$8,500.00	\$7,500.00	\$1,000.00	N/A	\$8,500.00	100.00%	\$0.00	\$425.00

24	Furnish and install two (2) 16-inch diameter round bolted manways in the center of the floor of both landings. Manway curb shall extend four inches (4") above platform floors. Include a new neoprene/rubber flat gasket for the bolted manway. All seams shall be seal welded top and bottom. The manways shall be similar to that shown in BSI Drawing 11 with bolted plate cover. Remove, relocate, and weld into new location the "C-Channel" on the underside of both condensation platforms as directed by the Engineer.	\$8,000.00	\$8,000.00	\$0.00	N/A	\$8,000.00	100.00%	\$0.00	\$400.00
25	Furnish and install a 4-foot high section of transition ladder welded next to each of the two (2) dry riser platform manways as directed by the Engineer.	\$3,000.00	\$3,000.00	\$0.00	N/A	\$3,000.00	100.00%	\$0.00	\$150.00
26	Temporarily remove, store, and protect the inlet/outlet pipe insulation. Contractor shall replace at their own cost all insulation damaged by their misuse. After the coating has been cured and inspected on the inlet/outlet pipe, reinstall the insulation and install a new aluminum jacket. Install new aluminum jacket from the bottom upward to wick away water.	\$5,000.00	\$2,500.00	\$2,500.00	N/A	\$5,000.00	100.00%	\$0.00	\$250.00
27	Furnish and weld install Coaxial brackets spaced 4-feet apart on the interior of the drywell tube. See BSI drawing 42A in Appendix B.	\$4,000.00	\$4,000.00	\$0.00	N/A	\$4,000.00	100.00%	\$0.00	\$200.00
28	Furnish and install ten (10) brackets spaced 8-feet apart on the interior of the dry riser for attaching electrical conduit. See BSI Drawing 41 in Appendix B.	\$3,000.00	\$3,000.00	\$0.00	N/A	\$3,000.00	100.00%	\$0.00	\$150.00
29	Furnish and install a 2-inch diameter Sch40 messenger pipe from the tower cone to the bottom of the drywell tube for antenna cable support. Install 8" diameter penetrations at each landing, each penetration shall be seal welded and include a 4" curb. Remove any old conduits or brackets as directed and plug weld or install plates for each of the landing penetrations.	\$10,000.00	\$10,000.00	\$0.00	N/A	\$10,000.00	100.00%	\$0.00	\$500.00
30	Remove the sump pump and piping from the valve pit in its entirety. See photos 20 and 27 in Appendix A.	\$1,000.00	\$1,000.00	\$0.00	N/A	\$1,000.00	100.00%	\$0.00	\$50.00
31	Remove the existing 1-inch condensation drain line that runs from the first landing and exits out the tower cone. Seal weld a three-eighths-inch by four inch (3/8"x4") diameter round plate on both sides of the cone. See photo 20 in Appendix A.	\$2,500.00	\$2,500.00	\$0.00	N/A	\$2,500.00	100.00%	\$0.00	\$125.00

32	After exterior reconditioning, replace all damaged, loose or missing concrete grout under the base plate with non-shrink 3000 PSI grout. After painting is completed and allowed to cure, apply a bead of urethane caulk around the entire perimeter of the interior and exterior seams between the grout and base plate using Sikaflex-1A or approved equal. Apply finish coat over the caulk after the caulking has cured.	\$3,000.00	\$0.00	\$3,000.00	N/A	\$3,000.00	100.00%	\$0.00	\$150.00
33	Remove existing electrical panel and upper electrical meter of the two existing electrical meters. Install new electrical panel as specified in Section 09 92 00.	\$20,000.00	\$0.00	\$19,000.00	N/A	\$19,000.00	95.00%	\$1,000.00	\$950.00
34	Remove and replace all interior light fixtures, electrical conduit, and electrical outlets with new LED light fixtures, including seven (7) light fixtures and eight (8) electrical outlets.	\$15,000.00	\$3,000.00	\$12,000.00	N/A	\$15,000.00	100.00%	\$0.00	\$750.00
35	Complete sandblasting and recoating of the interior dry surfaces, including the inlet/outlet and overflow pipes of the tower and the vault/pit piping, per the specifications. See photos 11 through 28 in Appendix A. The existing coating DFT on the interior of the drywell tube varies from 8 to 14 mils with an average of 12 mils DFT, on the interior of the cone and bowl plates varies from 12 to 15 mils with an average of 13.5 mils DFT, and on the interior of the dry riser is from 8.8 to 14.6 mils with an average of 12.5 mils DFT.	\$52,000.00	\$46,800.00	\$2,600.00	N/A	\$49,400.00	95.00%	\$2,600.00	\$2,470.00
36	Remove the existing roof vent. Furnish and install a new 24-inch diameter frost free aluminum mushroom vent with removable cover that is compliance with AWWA D100-11 and Minnesota Department of Health regulations. See photo 30 in Appendix A and BSI Drawing 6 in Appendix B.	\$11,000.00	\$10,000.00	\$1,000.00	N/A	\$11,000.00	100.00%	\$0.00	\$550.00
37	Install a Handhold/Lanyard attachment safety bracket on the drywell tube exterior cover.	\$1,000.00	\$1,000.00	\$0.00	N/A	\$1,000.00	100.00%	\$0.00	\$50.00
38	Remove the exterior screen around the drywell tube, including all nuts and bolts. Furnish and install a 2-inch x ¼-inch plate the same diameter of the drywell tube exterior cover and seal welded both interior and exterior. Furnish and install a 1 1/2-inch x ¼-inch plate around the edge of the drywell tube cover by seal welding. After finish coating the exterior install a 6-inch x 1/8-inch exterior grade rubber membrane with steel banning. See photo 29 in Appendix A.	\$4,000.00	\$4,000.00	\$0.00	N/A	\$4,000.00	100.00%	\$0.00	\$200.00

39	Furnish and install manway stops on all the roof access manways. See BSI Drawing 12 in Appendix B.	\$6,000.00	\$3,000.00	\$3,000.00	N/A	\$6,000.00	100.00%	\$0.00	\$300.00
40	Furnish and install three (3) 4" diameter schedule 40 coax cable penetrations at the top of the drywell tube cover. Include rubber boots for a water tight finish. See BSI Drawing 43 in Appendix B.	\$1,800.00	\$1,800.00	\$0.00	N/A	\$1,800.00	100.00%	\$0.00	\$90.00
41	Remove the existing roof hand railing. Furnish and install a 16' diameter 2-1/2" Sch40 pipe style handrail with post every 4' Include seal welded 24" angle iron vertical cable brackets with 1/2" holes every 3" up each post for current and future cable support. See BSI Drawing 14 in Appendix B.	\$18,000.00	\$18,000.00	\$0.00	N/A	\$18,000.00	100.00%	\$0.00	\$900.00
42	Furnish and install two antenna coax cable trays from the drywell tube to the new roof handrail as directed by the engineer. After installation plug weld all existing cable in the drywell manway collar or install cover plates over the holes, seal welding both interior and exterior.	\$2,000.00	\$2,000.00	\$0.00	N/A	\$2,000.00	100.00%	\$0.00	\$100.00
43	Replace the existing SCADA antenna mount with a new bracketed style mount with 4" schedule 40 cable penetration and rubber boot for a watertight fit. Remove Line Item per CO2.	\$0.00	\$0.00	\$0.00	N/A	\$0.00	#DIV/0!	\$0.00	\$0.00
44	Remove the existing aviation light and post. Furnish and install a new LED light and a new 10-foot aviation light bracket/post to the new handrail, including all cable, conduit, and connections required for proper operation. See photo 32 in Appendix A and BSI Drawing 8 in Appendix B.	\$5,000.00	\$4,000.00	\$1,000.00	N/A	\$5,000.00	100.00%	\$0.00	\$250.00
45	After exterior reconditioning, replace all damaged, lose or missing concrete grout under the base plate with non-shrink 3000 PSI grout. After painting is completed and allowed to cure, apply a bead of urethane caulk around the entire perimeter of the interior and exterior seams between the grout and base plate using Sikaflex-1A or approved equal. Apply finish coat over the caulk after the caulking has cured.	\$3,000.00	\$0.00	\$3,000.00	N/A	\$3,000.00	100.00%	\$0.00	\$150.00
46	Modify the overflow pipe to include a 45 degree bend downward 18" from the ground. Add a splash pad if needed. Add 304SS No. 4 screen and screen retainer. See BSI Drawing 43 in Appendix B.	\$7,500.00	\$7,500.00	\$0.00	N/A	\$7,500.00	100.00%	\$0.00	\$375.00

47	Remove the existing nameplate and mounting plate, repair surface by welding and grinding to a smooth condition. Furnish and install a new SS Nameplate bracket that sticks out 6" from the wall seal weld the complete exterior plate seam. Furnish and install a new nameplate (include the year last painted and by Contractor).	\$3,000.00	\$3,000.00	\$0.00	N/A	\$3,000.00	100.00%	\$0.00	\$150.00
48	Remove the existing Dead-Bolt lock. Furnish and install an adjustable door handle so that it closes the tower entrance door tight without any gaps. See photos 23 and 24 in Appendix A.	\$2,500.00	\$2,500.00	\$0.00	N/A	\$2,500.00	100.00%	\$0.00	\$125.00
49	Provide full exterior containment system with a roof bonnet and ground cover to contain blasting and painting operations.	\$30,000.00	\$30,000.00	\$0.00	N/A	\$30,000.00	100.00%	\$0.00	\$1,500.00
50	Complete sandblasting and recoating of the exterior per the specifications. See photos 29 through 40 in Appendix A.	\$110,360.00	\$99,324.00	\$11,036.00	N/A	\$110,360.00	100.00%	\$0.00	\$5,518.00
51	Replace the lettering NORTH BRANCH with the North Branch Logo in Appendix E (same as Tower No. 2 west of I-35) at three (3) locations with the size, layout, and orientation as directed by Owner and Engineer.	\$18,000.00	\$0.00	\$18,000.00	N/A	\$18,000.00	100.00%	\$0.00	\$900.00
52	Disinfection	\$1,000.00	\$0.00	\$0.00	N/A	\$0.00	0.00%	\$1,000.00	\$0.00
54	Deduct \$2000+\$4250=\$6250 for one additional week of inspection and construction services each by BSI and WSB to date per CO1. Second additional week of inspection and construction services (additional \$6250).	(\$12,500.00)	(\$12,500.00)	\$0.00	N/A	(\$12,500.00)	100.00%	\$0.00	(\$625.00)
55	Deduct for additional weeks of inspection and construction services each by BSI (\$6500) and WSB (\$2000). Pay App 4 is 1 week of WSB and 2 weeks of BSI (\$15,000 total). Pay App 5 is 2 weeks of WSB and 4.5 weeks of BSI (\$33,250). Pay App 6 is 1 week of WSB and 4 weeks of BSI (\$28,000 total). Pay App 7 is .5 weeks of WSB and 4.5 weeks of BSI (\$30,250 total). Pay App 8 is 2 weeks of WSB and 5 weeks of BSI (\$36,500 total).	(\$143,000.00)	(\$106,500.00)	(\$36,500.00)	N/A	(\$143,000.00)	100.00%	\$0.00	(\$7,150.00)
56	CO2 - New SCADA Antenna on the roof as detailed in CO2 attachment for SCADA Pricing, Option 2	\$7,194.00	\$0.00	\$7,194.00	N/A	\$7,194.00	100.00%	\$0.00	\$359.70
57	CO3 - Provide 49 additional hours of miscellaneous grinding	\$4,900.00	\$4,900.00	\$0.00	N/A	\$4,900.00	100.00%	\$0.00	\$245.00
	GRAND TOTALS	\$669,896.30	\$556,691.30	\$53,455.00	\$0.00	\$610,146.30	91.08%	\$59,750.00	\$30,507.32



Prepared By: Shawn Williams, Public Works Director

Presenter: Shawn Williams, Public Works Director

Date: 09/09/2024

Board & Commission: City Council

Subject: Resolution R-88-2024 Approving Pay Request No. 6 for the Highway 95 Water Main Replacement Project

The Hwy. 95 Water main replacement project is under way and the contractor, Bituminous Roadways Inc. has submitted pay request # in the amount of \$194,940.12 for this project. All quantities and pricing for this pay request have been verified by WSB, the city engineer, as accurate. The project is now substantially completed and only has minor punchlist items remaining.

Project Background:

The former Water and Light Commission approved this project at their February 15, 2023 meeting. The water main in Hwy. 95 is the original 6 inch cast iron pipe installed when North Branch Water and Light created the public water supply for the town in approximately the late 1940s and early 50's. At 73 years of age, the pipe has more than served its life expectancy and is time for replacement. There have been numerous breaks over the years, and it is in the utilities capital plan for replacement. The first step in the process is to authorize preparation of plans and specifications and approve a contract with the City's Engineering Firm WSB for the design and construction services. This will include an updated engineer's estimate for the project based on the best installation method, and a detailed timeline for the project.

Plans, specifications and authorization to advertise for bids were approved at the October 18th, 2023 meeting. Bids were received for the above referenced project on Thursday, November 9th, 2023 and were opened and read aloud. Five bids were received and are listed in the table below for your reference. The bids were verified for accuracy and the low bid was from Bituminous Roadways Inc. of Mendota Heights, MN. The engineers estimate for this project was \$3,207,748.50. The project would be awarded this fall with an early 2024 start of mid to end of May, the definitive date will be determined once we have the pre-construction meeting with the contractor after notice of award has been given.

Contractor	Grand Total Bid
Bituminous Roadways, Inc.	\$3,089,821.85
Minger Construction Co. Inc.	\$3,329,649.70
Northdale Construction Company	\$3,346,725.98
Geislinger and Sons	\$3,416,860.45
Meyer Contracting Inc	\$3,558,265.51

<i>Engineers Opinion of Construction Cost</i>	<i>\$3,207,748.50</i>
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Voting Requirements:

Voting Options	Simple Majority
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STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

CITY COUNCIL RESOLUTION NO. R-88-2024

WHEREAS, the North Branch Water and Light Commission approved preparation of plans and specifications and ordering advertisement for bids for the 2023 Watermain Improvements-TH95 Project at their October 18th, 2023 meeting and Bituminous Roadways, Inc. is the lowest responsive bidder with their bid in the amount of \$3,089,821.85, and

WHEREAS, the contractor Bituminous Roadways Inc. has submitted pay request #6 in the amount of \$194,940.12 for this project. The quantities completed have been verified by WSB the city engineer, and agreed upon with the contractor as accurate for this request.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH BRANCH OF NORTH BRANCH, MINNESOTA, that the pay request #6 to Bituminous Roads Inc. is approved as presented for the amount of \$194,940.12.

Client: City of North Branch 6408 Elm Street North Branch, MN 55056-0910	Contractor: Bituminous Roadways, Inc. 1520 Commerce Drive Mendota Heights, MN 55120
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WSB Project No.: 022542-000
Client Project No.:
State Project No.:
Federal Project No.:

Contract Amount		Funds Encumbered	
Original Contract	\$3,089,821.85	Original	\$3,089,821.85
Contract Changes	(\$4,565.32)	Additional	N/A
Revised Contract	\$3,085,256.53	Total	\$3,089,821.85

Work Certified To Date	
Base Bid Items	\$2,210,692.65
Contract Changes	\$340,157.81
Material On Hand	\$0.00
Total	\$2,550,850.46

Work Certified This Voucher	Work Certified To Date	Less Amount Retained	Less Previous Payments	Amount Paid This Voucher	Total Amount Paid To Date
\$97,795.89	\$2,550,850.46	\$25,508.50	\$2,330,401.84	\$194,940.12	\$2,525,341.96
Percent Retained: 1%			Percent Complete: 82.68%		

This is to certify that the items of work shown in this Pay Voucher have been actually furnished for the work comprising the above-mentioned project in accordance with the plans and specifications heretofore approved.

Approved By WSB

Approved By Bituminous Roadways, Inc.

Signature

Signature

Date

Date

Approved By City of North Branch

Signature

Date

Payment Summary				
No.	Up Through Date	Work Certified Per Voucher	Amount Retained Per Voucher	Amount Paid Per Voucher
1	04/01/24	\$176,490.00	\$8,824.50	\$167,665.50
2	04/28/24	\$385,171.70	\$19,258.59	\$365,913.11
3	06/04/24	\$603,441.23	\$30,172.06	\$573,269.17
4	07/01/24	\$623,672.87	\$31,183.64	\$592,489.23
5	08/01/24	\$664,278.77	\$33,213.94	\$631,064.83
6	09/05/24	\$97,795.89	(\$97,144.23)	\$194,940.12

Funding Category Name	Work Certified To Date	Less Amount Retained	Less Previous Payments	Amount Paid This Voucher	Total Amount Paid To Date
local	\$2,550,850.46	\$25,508.50	\$2,330,401.84	\$194,940.12	\$2,525,341.96

Accounting Number	Funding Source	Amount Paid This Voucher	Revised Contract Amount	Funds Encumbered To Date	Paid Contractor To Date
1	Local	\$194,940.12	\$3,085,256.53	\$3,089,821.85	\$2,525,341.96

Contract Item Status									
Line No.	Item	Description	Unit	Unit Price	Contract Quantity	Quantity This Voucher	Amount This Voucher	Quantity To Date	Amount To Date
1	2021.501	MOBILIZATION	LS	\$94,500.00	1	0	\$0.00	1	\$94,500.00
2	2101.502	CLEARING	EACH	\$295.00	7	0	\$0.00	6	\$1,770.00
3	2101.502	GRUBBING	EACH	\$943.00	7	0	\$0.00	6	\$5,658.00
4	2102.503	PAVEMENT MARKING REMOVAL	L F	\$1.15	600	1354	\$1,557.10	1907	\$2,193.05
5	2104.502	REMOVE GATE VALVE & BOX	EACH	\$207.00	12	0	\$0.00	21	\$4,347.00
6	2104.502	REMOVE CURB STOP & BOX	EACH	\$207.00	45	0	\$0.00	55	\$11,385.00
7	2104.502	REMOVE HYDRANT	EACH	\$330.00	8	0	\$0.00	8	\$2,640.00
8	2104.502	REMOVE DRAINAGE STRUCTURE	EACH	\$347.00	1	0	\$0.00	2	\$694.00
9	2104.502	SALVAGE SIGN	EACH	\$118.00	8	0	\$0.00	5	\$590.00
10	2104.503	SAWING CONCRETE PAVEMENT (FULL DEPTH)	L F	\$6.00	130	0	\$0.00	48	\$288.00
11	2104.503	SAWING BIT PAVEMENT (FULL DEPTH)	L F	\$2.00	4570	0	\$0.00	1734	\$3,468.00
12	2104.503	REMOVE WATER MAIN	L F	\$4.00	1380	0	\$0.00	530.5	\$2,122.00
13	2104.503	REMOVE SEWER PIPE (STORM)	L F	\$10.00	288	0	\$0.00	392	\$3,920.00
14	2104.503	REMOVE CURB	L F	\$12.50	640	0	\$0.00	0	\$0.00
15	2104.503	REMOVE CURB & GUTTER	L F	\$12.50	1400	0	\$0.00	2486	\$31,075.00
16	2104.503	REMOVE WATER SERVICE PIPE	L F	\$2.00	980	0	\$0.00	1246	\$2,492.00

Contract Item Status									
Line No.	Item	Description	Unit	Unit Price	Contract Quantity	Quantity This Voucher	Amount This Voucher	Quantity To Date	Amount To Date
17	2104.504	REMOVE CONCRETE DRIVEWAY PAVEMENT	S Y	\$21.00	130	0	\$0.00	152.7	\$3,206.70
18	2104.504	REMOVE CONCRETE PAVEMENT	S Y	\$19.00	110	0	\$0.00	6	\$114.00
19	2104.504	REMOVE BITUMINOUS DRIVEWAY PAVEMENT	S Y	\$15.00	130	0	\$0.00	90	\$1,350.00
20	2104.504	REMOVE BITUMINOUS PAVEMENT	S Y	\$9.25	7070	1402.15	\$12,969.89	6239.58	\$57,716.12
21	2104.518	REMOVE CONCRETE WALK	S F	\$2.00	12030	0	\$0.00	12089	\$24,178.00
22	2106.507	EXCAVATION - COMMON	C Y	\$47.00	1600	0	\$0.00	1490	\$70,030.00
23	2106.507	EXCAVATION - SUBGRADE	C Y	\$55.50	330	0	\$0.00	36	\$1,998.00
24	2106.507	SELECT GRANULAR EMBANKMENT (CV)	C Y	\$33.00	330	0	\$0.00	49.1	\$1,620.30
25	2106.601	DEWATERING	LS	\$122,000.00	1	0	\$0.00	1	\$122,000.00
26	2112.604	SUBGRADE PREPARATION	S Y	\$3.00	7070	0	\$0.00	5886.43	\$17,659.29
27	2123.610	STREET SWEEPER (WITH PICKUP BROOM)	HOURL	\$180.00	120	3	\$540.00	9	\$1,620.00
28	2123.610	UTILITY CREW	HOURL	\$1,060.00	20	0	\$0.00	17.75	\$18,815.00
29	2130.523	WATER (DUST CONTROL)	MGAL	\$104.00	60	0	\$0.00	0	\$0.00
30	2211.509	AGGREGATE BASE CLASS 5	TON	\$32.00	2970	0	\$0.00	2369.39	\$75,820.48
31	2331.603	JOINT ADHESIVE	L F	\$0.90	6820	0	\$0.00	0	\$0.00
32	2357.506	BITUMINOUS MATERIAL FOR TACK COAT	GAL	\$1.00	1220	200	\$200.00	825	\$825.00
33	2360.504	TYPE SP 9.5 WEAR CRS MIX(2,C) 3.0" THICK	S Y	\$40.00	130	0	\$0.00	0	\$0.00
34	2360.509	TYPE SP 12.5 WEARING COURSE MIX (3,C)	TON	\$106.00	3680	480.11	\$50,891.66	2845.23	\$301,594.38
35	2503.503	12" RC PIPE SEWER DES 3006 CL V	L F	\$98.50	34	0	\$0.00	0	\$0.00
36	2503.503	15" RC PIPE SEWER DES 3006 CL V	L F	\$70.00	84	0	\$0.00	38.5	\$2,695.00
37	2503.503	24" RC PIPE SEWER DES 3006 CL IV	L F	\$138.00	40	0	\$0.00	0	\$0.00
38	2503.503	33" RC PIPE SEWER DES 3006 CL III	L F	\$387.00	18	0	\$0.00	0	\$0.00
39	2503.602	RECONNECT SANITARY SEWER SERVICE	EACH	\$2,385.00	10	0	\$0.00	14	\$33,390.00
40	2503.602	CONNECT TO EXISTING STORM SEWER	EACH	\$778.00	10	0	\$0.00	9	\$7,002.00

Contract Item Status									
Line No.	Item	Description	Unit	Unit Price	Contract Quantity	Quantity This Voucher	Amount This Voucher	Quantity To Date	Amount To Date
41	2503.602	CONNECT INTO EXISTING DRAINAGE STRUCTURE	EACH	\$1,130.00	8	0	\$0.00	1	\$1,130.00
42	2503.603	TELEWISE SANITARY SEWER	L F	\$4.00	5800	1700	\$6,800.00	2760	\$11,040.00
43	2503.608	DUCTILE IRON FITTINGS	LB	\$17.00	1680	0	\$0.00	3091	\$52,547.00
44	2504.503	2" TYPE K COPPER PIPE (BORING)	LF	\$123.00	0	0	\$0.00	0	\$0.00
45	2504.601	TEMPORARY WATER SERVICE	LS	\$62,910.00	1	0	\$0.00	1	\$62,910.00
46	2504.602	IRRIGATION SYSTEM REPAIR	EACH	\$353.00	10	0	\$0.00	6	\$2,118.00
47	2504.602	CONNECT TO EXISTING WATER MAIN	EACH	\$2,455.00	10	0	\$0.00	9	\$22,095.00
48	2504.602	CONNECT TO EXISTING WATER SERVICE	EACH	\$281.00	0	0	\$0.00	0	\$0.00
49	2504.602	HYDRANT	EACH	\$8,705.00	9	0	\$0.00	9	\$78,345.00
50	2504.602	ABANDON WATER SERVICE	EACH	\$1,240.00	1	0	\$0.00	0	\$0.00
51	2504.602	1" CORPORATION STOP	EACH	\$777.00	0	0	\$0.00	0	\$0.00
52	2504.602	2" CORPORATION STOP	EACH	\$1,735.00	0	0	\$0.00	0	\$0.00
53	2504.602	6" GATE VALVE & BOX	EACH	\$3,055.00	14	0	\$0.00	16	\$48,880.00
54	2504.602	8" GATE VALVE & BOX	EACH	\$4,005.00	16	0	\$0.00	15	\$60,075.00
55	2504.602	10" GATE VALVE & BOX	EACH	\$5,720.00	2	0	\$0.00	2	\$11,440.00
56	2504.602	1" CURB STOP & BOX	EACH	\$1,000.00	0	0	\$0.00	0	\$0.00
57	2504.602	2" CURB STOP & BOX	EACH	\$2,070.00	0	0	\$0.00	0	\$0.00
58	2504.603	1" TYPE K COPPER PIPE (BORING)	LF	\$106.00	0	0	\$0.00	0	\$0.00
59	2504.603	8" PVC WATERMAIN (PIPE BURSTING)	LF	\$88.50	2191	0	\$0.00	3161	\$279,748.50
60	2504.603	1" TYPE K COPPER PIPE	L F	\$104.00	0	0	\$0.00	0	\$0.00
61	2504.603	2" TYPE K COPPER PIPE	L F	\$121.00	0	0	\$0.00	0	\$0.00
62	2504.603	6" WATERMAIN DUCTILE IRON CL 52	L F	\$101.00	290	0	\$0.00	324.5	\$32,774.50
63	2504.603	10" WATERMAIN DUCTILE IRON CL 52	L F	\$103.00	40	0	\$0.00	48.5	\$4,995.50
64	2504.603	8" PVC WATERMAIN	L F	\$88.50	1408	0	\$0.00	337.5	\$29,868.75

Contract Item Status									
Line No.	Item	Description	Unit	Unit Price	Contract Quantity	Quantity This Voucher	Amount This Voucher	Quantity To Date	Amount To Date
65	2504.603	8" PVC WATERMAIN (DIRECTIONAL DRILLED)	L F	\$95.00	458	0	\$0.00	540	\$51,300.00
66	2504.603	18" STEEL CASING PIPE	L F	\$449.00	160	0	\$0.00	0	\$0.00
67	2504.604	4" POLYSTYRENE INSULATION	S Y	\$75.00	100	0	\$0.00	70.62	\$5,296.50
68	2506.502	ADJUST FRAME & RING CASTING	EACH	\$1,065.00	13	0	\$0.00	6	\$6,390.00
69	2506.503	CONSTRUCT DRAINAGE STRUCTURE DESIGN 60-4020	LF	\$1,360.00	4.4	0	\$0.00	8	\$10,880.00
70	2519.507	CLSM LOW DENSITY	C Y	\$306.00	90	0	\$0.00	0	\$0.00
71	2521.518	4" CONCRETE WALK	S F	\$10.00	9590	0	\$0.00	9831	\$98,310.00
72	2521.518	6" CONCRETE WALK	S F	\$15.50	2300	0	\$0.00	1734	\$26,877.00
73	2531.503	CONCRETE CURB & GUTTER DESIGN B618	L F	\$37.50	1080	0	\$0.00	2270	\$85,125.00
74	2531.503	CONCRETE CURB & GUTTER DESIGN B624	L F	\$41.00	320	0	\$0.00	168	\$6,888.00
75	2531.503	CONCRETE CURB DESIGN V4	L F	\$44.00	640	0	\$0.00	0	\$0.00
76	2531.504	6" CONCRETE DRIVEWAY PAVEMENT	S Y	\$95.00	70	0	\$0.00	106	\$10,070.00
77	2531.504	8" CONCRETE DRIVEWAY PAVEMENT	S Y	\$110.00	60	0	\$0.00	47	\$5,170.00
78	2531.604	7" CONCRETE VALLEY GUTTER	S Y	\$177.00	110	0	\$0.00	180	\$31,860.00
79	2531.618	TRUNCATED DOMES	SF	\$70.50	240	0	\$0.00	240	\$16,920.00
80	2545.602	ADJUST HANDHOLE	EACH	\$1,265.00	1	0	\$0.00	0	\$0.00
81	2563.601	TRAFFIC CONTROL	LS	\$60,320.00	1	0	\$0.00	0.9	\$54,288.00
82	2563.601	ALTERNATE PEDESTRIAN ROUTE	LS	\$7,895.00	1	0.95	\$7,500.25	0.95	\$7,500.25
83	2563.613	PORTABLE CHANGEABLE MESSAGE SIGN	UNIT DAY	\$147.00	48	0	\$0.00	42	\$6,174.00
84	2564.602	INSTALL SALVAGED SIGN	EACH	\$177.00	8	0	\$0.00	5	\$885.00
85	2565.602	RIGID PVC LOOP DETECTOR 6'X6'	EACH	\$1,515.00	7	0	\$0.00	5	\$7,575.00
86	2565.616	TEMPORARY SIGNAL SYSTEM A	SYS	\$140,000.00	1	0	\$0.00	0	\$0.00
87	2565.616	TEMPORARY SIGNAL SYSTEM C	SYS	\$138,500.00	1	0	\$0.00	1	\$138,500.00
88	2573.501	STABILIZED CONSTRUCTION EXIT	LS	\$1,395.00	1	0	\$0.00	0	\$0.00

Contract Item Status									
Line No.	Item	Description	Unit	Unit Price	Contract Quantity	Quantity This Voucher	Amount This Voucher	Quantity To Date	Amount To Date
89	2573.502	STORM DRAIN INLET PROTECTION	EACH	\$252.00	40	0	\$0.00	29	\$7,308.00
90	2573.503	SILT FENCE, TYPE MS	L F	\$2.50	500	0	\$0.00	0	\$0.00
91	2573.503	SEDIMENT CONTROL LOG TYPE WOOD FIBER	L F	\$2.50	3360	0	\$0.00	500	\$1,250.00
92	2574.507	COMMON TOPSOIL BORROW	C Y	\$53.50	430	0	\$0.00	80.25	\$4,293.38
93	2574.508	FERTILIZER TYPE 3	LB	\$1.00	110	100	\$100.00	150	\$150.00
94	2575.504	ROLLED EROSION PREVENTION CATEGORY 20	S Y	\$4.00	200	0	\$0.00	0	\$0.00
95	2575.505	SEEDING	ACRE	\$295.00	1.05	0.51	\$150.45	0.51	\$150.45
96	2575.508	SEED MIXTURE 21-111	LB	\$1.00	60	50	\$50.00	50	\$50.00
97	2575.508	SEED MIXTURE 21-112	LB	\$1.00	60	0	\$0.00	0	\$0.00
98	2575.508	SEED MIXTURE 25-151	LB	\$5.00	70	100	\$500.00	150	\$750.00
99	2575.508	HYDRAULIC STABILIZED FIBER MATRIX	LB	\$2.00	3130	1750	\$3,500.00	1950	\$3,900.00
100	2575.523	WATER	MGAL	\$177.00	50	0	\$0.00	0	\$0.00
101	2582.503	4" DOUBLE SOLID LINE MULTI COMPONENT	L F	\$1.50	1510	0	\$0.00	0	\$0.00
102	2582.503	4" SOLID LINE PAINT (WR)	L F	\$0.30	20570	0	\$0.00	15557	\$4,667.10
103	2582.503	6" SOLID LINE PAINT (WR)	L F	\$0.90	660	0	\$0.00	610	\$549.00
104	2582.503	4" DBLE SOLID LINE PAINT (WR)	L F	\$0.70	11333	0	\$0.00	9146	\$6,402.20
105	2582.503	4" SOLID LINE MULTI COMP	L F	\$0.70	2810	636	\$445.20	1476	\$1,033.20
106	2582.503	4" BROKEN LINE MULTI COMP	L F	\$0.70	120	0	\$0.00	70	\$49.00
107	2582.518	PAVT MSSG MULTI COMP GR IN	S F	\$14.00	90	0	\$0.00	62	\$868.00
108	2582.518	CROSSWALK MULTI COMP GR IN	S F	\$10.00	2170	0	\$0.00	252	\$2,520.00
109	2104.601	SALVAGE AND REINSTALL LANDSCAPE STRUCTURES	L S	\$3,000.00	1	0	\$0.00	0	\$0.00
Bid Totals:							\$85,204.55		\$2,210,692.65

Project Category Totals		
Category	Amount This Voucher	Amount To Date
SCHEDULE A. WATERMAIN IMPROVEMENTS	\$85,204.55	\$2,210,692.65
SCHEDULE B. PROVISIONAL ITEMS	\$0.00	\$0.00

Contract Change Item Status											
CC	CC No.	Line No.	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Voucher	Amount This Voucher	Quantity To Date	Amount To Date
CO	1	110	2563.601	ADDITIONAL TRAFFIC CONTROL	LS	\$4,312.50	1	0	\$0.00	1	\$4,312.50
CO	2	111	2504.503	2" PE PIPE (BORING)	LF	\$114.17	450	0	\$0.00	299	\$34,136.83
CO	2	112	2504.602	CONNECT TO EXISTING WATER SERVICE	EA	\$281.00	53	0	\$0.00	50	\$14,050.00
CO	2	113	2504.602	1" CORPORATION STOP	EACH	\$784.75	18	0	\$0.00	18	\$14,125.50
CO	2	114	2504.602	2" CORPORATION STOP	EACH	\$1,741.27	35	0	\$0.00	31	\$53,979.37
CO	2	115	2504.602	1" CURB STOP & BOX	EACH	\$1,014.16	18	0	\$0.00	18	\$18,254.88
CO	2	116	2504.602	2" CURB STOP & BOX	EACH	\$2,069.11	35	0	\$0.00	32	\$66,211.52
CO	2	117	2504.603	1" PE PIPE (BORING)	LF	\$102.37	590	0	\$0.00	494	\$50,570.78
CO	2	118	2504.603	1" PE PIPE	LF	\$100.37	80	0	\$0.00	73	\$7,327.01
CO	2	119	2504.603	2" PE PIPE	LF	\$112.17	550	0	\$0.00	609	\$68,311.53
CO	3	120	2360.509	TYPE SP 12.5 WEARING COURSE MIX (3,C)	TON	(\$2.08)	3680	460.8	(\$958.46)	2825.92	(\$5,877.91)
CO	4	121	2564.518	2 BUSINESS ACCESS SIGNS 48"x24"	SF	\$41.00	16	0	\$0.00	16	\$656.00
CO	4	122	2021.501	MOBILIZATION FOR SPEED LIMIT SIGNS	LS	\$550.00	1	0	\$0.00	1	\$550.00
CO	5	123	2582.518	CROSSWALK MULTI COMP	S F	\$6.60	300	1103	\$7,279.80	1103	\$7,279.80
CO	6	124	2504.602	ADJUST HYDRANT	EACH	\$1,045.00	6	6	\$6,270.00	6	\$6,270.00
Contract Change Totals:									\$12,591.34		\$340,157.81

Contract Change Totals				
No.	Contract Change	Description	Amount This Voucher	Amount To Date
2	CO	Additional Traffic Control Material Cost Reduction	\$0.00	\$326,967.42
1	CO	ADDITIONAL TRAFFIC CONTROL	\$0.00	\$4,312.50
3	CO	Credit from Virgin to Recycle Mix on Final Lift	(\$958.46)	(\$5,877.91)
4	CO	Add business access signs & mobilization for speed limit signs.	\$0.00	\$1,206.00
5	CO	Crosswalk Multi	\$7,279.80	\$7,279.80
6	CO	Lower Hydrants	\$6,270.00	\$6,270.00

Material On Hand Additions					
Line No.	Item	Description	Date	Added	Comments

Material On Hand Balance						
Line No.	Item	Description	Date	Added	Used	Remaining



Prepared By: Richard Meyer

Presenter: Nathan Sondrol, GIS Specialist/Parks Director

Date: 09/03/2024

Board & Commission: City Council

Subject: Resolution 82-2024 Ordering the Securing of 38624 14th Avenue - Vacant Structure

The building at 38624 14th Avenue has been vacant for approximately three years and has become a hazard and the subject of numerous police calls. The building has been vandalized and City staff have received several complaints. Staff has notified the owner but has not been successful in abating the nuisance. City staff requests approval of the resolution to secure the building and permitting staff to work with the City Attorney to properly serve the Council's order for abatement.

Voting Requirements:

Voting Options: Simple Majority

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

CITY COUNCIL RESOLUTION NO. R-82-2024

**RESOLUTION 82-2024 ORDERING THE SECURING OF A VACANT BUILDING
LOCATED AT 38624 14th AVENUE**

WHEREAS, the City Council of North Branch finds that the building located at 38624 14th Avenue, North Branch, Minnesota legally described as follows: That part of Lots 1 and 2, Little Sweden Addition No. 2, Chisago County Minnesota described as follows: Commencing at the northeast corner of said Lot 1: thence South 00 degrees 03 minutes, 44 seconds East, assumed bearing, along the east line thereof 375 feet to the point of beginning of the land to be described; thence continuing southerly along said east line 271 feet; thence south 89 degrees 18 minutes, 02 seconds west 283.65 feet to the west line of said lot 2; thence northerly along said west line 301 feet more or less to the intersection with a line that bears south 89 degrees, 18 minutes, 02 seconds west from the point of beginning; thence North 89 degrees, 18 minutes, 02 seconds East along said line 155.67 feet to the point of beginning. is vacant and hazardous because it is open to trespass and has not been secured based on the following circumstances:

- Numerous broken windows.
- Entry doors which have been broken and propped open.
- Rank vegetation.
- Accumulation of garbage and litter across the property.

WHEREAS, the conditions listed above are more fully documented in the attached inspection report and police reports (Exhibit A).

WHEREAS, pursuant to Minn. Stat. § 463.251, the City Council of North Branch finds that the building could be made safe by securing and repairing the building.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH BRANCH, MINNESOTA AS FOLLOWS:

1. That pursuant to the foregoing findings and in accordance with Minn. Stat. § 463.251, the council orders the owner of the property located at 38624 14th Avenue, North Branch, Minnesota be properly secured by taking the following actions:
 - a. Repair or replace all broken windows.
 - b. Repair or replace all broken entry doors
 - c. Ensure that all entrance points are properly secured to prevent illegal entry into the building.
 - d. Removing all the broken glass and trash from the property.

- e. Install a monitored alarm or security system to ensure the property owner is notified of any future illegal entry.
2. That the owner, the owner's agent, or the holder of the sheriff's certificate of sale has six (6) days after the order is served to do one of the following:
 - a. Comply with this order.
 - b. Provide the council with a reasonable plan and schedule to comply with the order.
 - c. Request a hearing before the council challenging the council's determination that the property is vacant or unoccupied and hazardous.
3. That if the owner, the owner's agent, or the holder of the sheriff's certificate fails to comply with options outlined in section 2 of this order, the council will take action to secure the building.
4. That all work must be completed in compliance with all applicable codes and regulations, pursuant to proper permits from the city.
5. That the holder of any sheriff's certificate has a duty under Minn. Stat. § 582.031, subd. 1(b) to enter the premises to protect it from waste and trespass if the order is not challenged or set aside and there is prima facie evidence of abandonment of the property as described in Minn. Stat. § 582.032, subd. 7.
6. That if the city must take actions to enforce this order, all enforcement costs will be specially assessed against the property and collected in accordance with Minn. Stat. §§ 463.251, 463.21, and 463.151.
7. That the city attorney is authorized to serve this order upon Shoa Motamedi, owner of the premises ,at 658 Cretin Avenue South, St. Paul, Minnesota 55116, the holder of the sheriff's certificate of sale, and all lien holders of record.



NORTH BRANCH

Prepared By:
Richard Meyer, Building Official
Presenter: Nathan Sondrol, GIS Specialist
September 3, 2024

Board & Commission: City Council

Subject: RESOLUTION ORDERING THE SECURING OF A VACANT BUILDING

The BUILDING AT 38624 14TH Avenue has been vacant for approximately three years and has become a hazard. The building has been vandalized and City staff have received several complaints. The police department has received multiple calls and has issued at least 2 citations.

Staff has notified the owner but has not been successful in abating the nuisance.

City Staff requests approval of the resolution to secure the building

Voting Requirements:

Simple Majority

6408 Elm Street, PO Box 910
North Branch, MN 55056

Phone: 651-674-8113

www.ci.north-branch.mn.us



Tom DeBilzan <tomd@ci.north-branch.mn.us>

Fwd: 38624 14th Avenue. Unsafe Building

Tom DeBilzan <tomd@ci.north-branch.mn.us>

Tue, Aug 27, 2024 at 3:18 PM

To:

Dear Mr. Motamedi.

Please see the attached letter that was sent to your address in St. Paul, MN.

We have not heard from you or seen any work being done at your property to resolve the several violations at the property.

Please let the city know in writing if you would like us to hire a contractor to abate the violations at your expense.

Sincerely,

Thomas DeBilzan
Building Inspector/Code Enforcement
City of North Branch
6408 Elm Street
P.O. Box 910
North Branch, MN 55056-0910
tomd@ci.north-branch.mn.us
651-277-5222

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Initial Notice 08.23.2024.docx

87K



CITY OF NORTH BRANCH

August 23rd, 2024

Notice Of Violation

Case #703

Shoa Motamedi

55116



CITY OF NORTH BRANCH

Dear Property Owner

We have recently received some complaints regarding your property at 38624 14th Ave, in North Branch, MN 55056. (Complaint of: Unkept vacant commercial property, someone dumping old tires and trash in parking lot, windows busted out, and doors propped open, and weeds and tall grass all around the property, Kids going in and out of the building.)

An inspector was by your property on (August 22, 2024) and found code violations of: Accumulations of tires dumped and trash, and branches scattered around the property. Tall weeds and tall grass that need to be removed or cut down, Doors and several windows with broken glass, Doors propped open and debris scattered throughout the property. Several reports from the police department of people in the building This is an invitation for anyone to enter the building and is an unsafe condition as well as unpleasant to look at.

The City Code and definitions are listed below;

Sec 30-24 Public Nuisances Affecting Peace And Safety

The following are declared to be nuisances affecting public peace and safety:

- (a) All snow and ice that is not removed from public sidewalks within thirty-six (36) hours after the snow or other precipitation causing the condition has ceased to fall.
- (b) All trees, hedges, billboards, or other obstructions which prevent people from having a clear view of all traffic approaching an intersection.
- (c) All wires and limbs of trees that are so close to the surface of a sidewalk or street as to constitute a danger to pedestrians or vehicles.
- (d) Any person participating in any party or other gathering that causes the unreasonable disturbing of the peace, quiet, or repose of another person in such a manner as to be plainly audible at the boundary of the real property, building, structure, or residence from which the noise originates, or at a distance of 50 feet from the source of the noise. "Plainly audible" is defined as sound that can be detected by a person using their unaided hearing faculties.
- (e) All unnecessary and annoying vibrations.
- (f) Obstructions and excavations affecting the ordinary public use of streets, alleys, sidewalks, or public grounds, except under conditions as are permitted by this ordinance or other applicable law.
- (g) Radio aerials or television antennae erected or maintained in a dangerous manner.
- (h) Any use of property abutting on a public street or sidewalk or any use of a public street or sidewalk that causes large crowds or people to gather, obstructing traffic and the free use of the street or sidewalk.



CITY OF NORTH BRANCH

(i) All hanging signs, awnings, and other similar structures over streets and sidewalks, so situated as to endanger public safety, or not constructed and maintained as provided by ordinance.

(j) The allowing of rainwater, ice, or snow to fall from any building or structure upon any street or sidewalk or to flow across any sidewalk unless approved by the city Public Works Director.

(k) Any barbed wire, razor wire or similar fences unless the zoning administrator finds that it is reasonably necessary for public safety or for agricultural purposes on properties in the AG or RR Zoning Districts,

(l) Wastewater cast upon or permitted to flow upon streets or other public properties.

(m) Accumulations or storage in the open (i.e., not fully contained within a building or structure upon property zoned for such use) including but not limited to, any of the following items or any parts or accessories thereto:

(1) All dangerous unguarded machinery, in any public place, or so situated or operated on private property as to attract the public;

(2) Household appliances or furnishings;

(3) Any motor vehicle which is inoperable, not currently licensed or registered, or generally is not being driven;

(4) Items which are not generally or normally used on the particular premises;

(5) Firewood which is not neatly stacked in a compact manner;

(6) Any other materials or items of any kind or nature, which tend to harbor wild animals, including but not limited to, rats, mice, snakes, or vermin, or the rank growth of vegetation among the items so accumulated, or otherwise are a potential fire, health or safety hazard from such accumulations;

(7) Pipe, lumber, forms, machinery or other occupational materials kept upon any property for more than 90 days except when in current use in construction or repair work; or

(8) Accumulations of any items that tend to cause an unsightly appearance of the premises and which cause discomfort for any other members of the public who may be using their own or public property as to render the occupancy of property uncomfortable to a person of ordinary sensibilities.

(n) Any well, hole, or similar excavation that is left uncovered or in such other condition as to constitute a hazard to any child or other person coming on the premises where it is located.

(o) Obstruction to the free flow of water in a natural waterway or a public street drain, gutter, or ditch with trash or other materials.



CITY OF NORTH BRANCH

(p) The throwing or depositing of any glass, metal, garbage, or other refuse upon any public way, in violation of City Code Chapter 50, Article IV, Section 50-87, or the throwing or depositing of the same upon any private property adjacent to a public way, or upon any public property not classified as a public way.

(q) Reflected glare or light from private exterior lighting exceeding 0.5 footcandles as measured on the property line of the property where the lighting is located when abutting any residential parcel, and one (1) footcandle when abutting any commercial or industrial parcel.

(r) To own or have control of property or a building thereon which property or building has incomplete landscaping or exterior appearance and for which no building permit for construction work has been issued within the preceding 12 months.

(s) All refuse and debris remaining as a result of the repair of any buildings, of the erection and completion of any buildings, or the demolition of any building, not removed by the property owner or other person in control within 30 days from the completion of the aforesaid work.

(t) All buildings, walls and other structures, which have been damaged by fire, decay or otherwise, and which are so situated as to endanger the safety of the public.

(u) Buildings, fences, and other structures that have been so poorly maintained that their physical condition and appearance detract from the surrounding neighborhood because they:

(1) Are unsightly;

(2) Decrease adjoining landowners and occupants' enjoyment of their property and neighborhood as to render the occupancy of property uncomfortable to a person of ordinary sensibilities; and

(3) Adversely affect property values and neighborhood patterns.

(v) All other conditions or things that are likely to cause injury to the person or property of another.

HISTORY

Repealed & Reenacted by Ord. [310-21](#) Repealed and Replaced on 2/9/2021

Amended by Ord. [315-21](#) on 7/13/2021

Sec 30-94 Litter On Occupied And Vacant Private Property: Owner's Duty

Litter, rubbish, or refuse shall not be cast, scattered, thrown, or deposited on or about private property within the corporate limits to the detriment of public health, safety, and welfare. The owner, lessees, agents, or others in charge of premises within the city shall rid such lands and abutting sidewalks and medians of such nuisance or place it in an authorized receptacle. It shall likewise be unlawful for any person to dump, place, or scatter litter, refuse, or rubbish on or about private premises, whether such premises are vacant or inhabited.

Sec 30-48 Weeds Or Vegetative Nuisance Unlawful



CITY OF NORTH BRANCH

It shall be unlawful for property owners to permit a weed or vegetative nuisance condition to exist on their property.

(Code 1996, § 4.06.020)

Sec 30-47 Definitions

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Weeds and nuisance vegetation. The term "weeds and nuisance vegetation" under this article shall include the following which may occur on any lot within the corporate limits of the city:

1. Vegetation which exceeds a height of:
 1. No greater than eight inches upon any lot or land with a building or structure.
 2. No greater than 12 inches upon any vacant lot or land adjacent to a lot with a building or structure.

The following areas and types of vegetation are exempted from this provision if managed in a manner so as not to become infested with weeds or to create a stagnant, foul-smelling condition:

1. Native wetland vegetation found in wetlands, as defined by the State of Minnesota Wetlands Conservation Act, or in floodplains, drainage ponds, or ditches which store and convey stormwater;
2. Native vegetation found in natural areas which are part of public open space, parks, and nature centers;
3. Areas of any occupied lot or parcel of land having wetland-type vegetation because of neighborhood drainage patterns, where the drainage pattern is evident on contour maps and from field observation, and the vegetation is confined to a single lot, separated from adjacent lots, and managed so as not to be a nuisance.
4. An area where the land and vegetation appear not to have been altered, landscaped, mowed, or otherwise disturbed by human or mechanical means. The code enforcement officer shall use reasonable judgment in determining what constitutes this type of area based on the present appearance of the area and research as to the history of the area, if such information is available.
5. An area of at least three acres used by an educational institution or public agency for prairie land restoration, if the prior vegetation is eliminated and the prairie vegetation is planted through transplanting or seed. The area shall be cut at least once per year to a height of no more than 18 inches if weeds cover more than 25 percent of the area. If such mowing is necessary and the area is likely to be seen by the public, a sign shall be posted advising that a meadow or prairie is being established. The size of the sign shall be one square foot and it shall be no higher than six feet.

2. Vegetation which obstructs the safe view of traffic at an intersection or driveway.
3. Vegetation which creates a nuisance by its existence (i.e., poison ivy, itch weed).
4. Dead or dying trees or plants which may cause a hazardous situation if they fall.

(Code 1996, §§ 4.01.080, 4.06.010; Ord. No. 160-11, §§ 1, 2, 4-25-2011)



CITY OF NORTH BRANCH

Sec 30-95 Clearing Of Litter From Private Property By City

1. If it appears that such conditions exist, the city administrator shall cause to be delivered or mailed to the owner of the property upon which the conditions exist a notice stating the reasons why the conditions may constitute a violation and that a hearing will be held before the city administrator at a place therein fixed, not less than ten nor more than 30 days after the delivery or mailing of the notice. The owner or any party in interest shall have the right to file an answer to the notice and to appear in person, or otherwise, and give evidence at the place and time fixed in the notice. Any person desiring to do so may attend such hearing and give evidence relevant to the matter being heard. The rules of evidence prevailing in courts of law or equity shall not be controlling in such hearing.
2. If a determination is made that such conditions constituting a public nuisance exist, the city administrator shall notify, in writing, the owner of the premises in question of the conditions constituting such public nuisance and shall order the prompt abatement thereof within seven days from the receipt of such written notice.

(Code 1996, § 4.07.120)

Sec 30-28 Abatement Procedure

(a) Standard abatement. Unless a different procedure is specifically authorized by this code or other applicable law, and except as otherwise provided under subsections (b) and (c) of this section, the following abatement procedure applies to all public nuisances in the City. Whenever a nuisance is found to exist within the city the city administrator or his assigns shall give written notice to the owner or occupant of the property upon which such nuisance exists or upon the person causing or maintaining the nuisance.

(1) Notice. Whenever the City Council or the City Council's designee responsible for enforcement (the "enforcing officer"), including but not limited to the City Administrator, Police Chief, Fire Chief, Sheriff, Building Official, Building Inspector, City Attorney, and Police Officers, or other duly authorized agents and employees of the city, determines that a public nuisance is being maintained or exists on property in violation of this Chapter, the City Council or the enforcing officer must give written notification to the property owner and occupant or other responsible party of that fact and order that the nuisance be terminated and abated. Notice must be served in person or by U.S. mail. Failure of the party to receive the U.S. mail does not invalidate the service of the notice. Notice to the owner will be satisfied by notice to the person listed as the taxpayer on the county's tax records. If the property is not occupied, the owner is unknown, or no other responsible party can be reasonably identified, notice may be served by posting it on the property for a period of at least 72 hours. The notice must state:

- (i) The property location of the public nuisance;
- (ii) The nature of the public nuisance, with reference to the appropriate code provision(s);
- (iii) The corrective actions that must be taken to abate the nuisance and a reasonable amount of time within which the nuisance is to be abated;



CITY OF NORTH BRANCH

(iv) That if the owner, occupant, or other responsible party does not comply with the notice within the time specified in the notice, the City may provide for abating the nuisance itself by entering upon the property and taking the corrective actions identified in the notice following the appeal period;

(v) That the owner, occupant, or other responsible party has the right to appeal the designation as a public nuisance to the City Council by submitting a request in writing to the City Clerk before the earlier of (i) the date by which abatement of the identified nuisance must be completed, or (ii) seven calendar days after service of the notice; and

(vi) That the City may assess its costs incurred in abating the nuisance against the property in accordance with this section and applicable law.

(2) Appeal. The owner, occupant, or other responsible party served with a notice under subsection (a)(1) of this section may appeal the nuisance designation to the City Council within the time provided in the notice. If a timely appeal is submitted, the matter must be scheduled for a hearing before the City Council. A notice of the hearing must state the date, time, and location of the City Council hearing, must be served in the same manner as the abatement notice, and must be given at least ten days before the City Council hearing. After holding the hearing, the City Council may issue an order requiring abatement of the nuisance consistent with subsection (a)(3) of this section. Failure to timely appeal constitutes waiver of such right to appeal and hearing upon the nuisance designation.

(3) Abatement. If the City Council, after hearing an appeal under section (a)(2) of this section, orders abatement of the nuisance, or if no timely appeal is submitted and the nuisance is not abated within the deadline given, then the City may enter onto the property on which the nuisance exists and cause the same to be abated or removed by the City in any other manner it deems appropriate. Abatement may include, but shall not be limited to, removal, cleaning, painting of exterior surfaces, extermination, cutting, mowing, grading, sewer repairs, draining, securing, boarding unoccupied structures, barricading or fencing, removing dangerous portions of structures and demolition of dangerous structures or abandoned buildings. If deemed necessary by the City Administrator or City Attorney, the City may seek summary enforcement of the City Council's abatement order in the district court by causing a copy of the abatement order and notice of motion for summary enforcement to be served on the owner and occupant in the manner provided for service of a summons in a civil action, or alternatively obtain an administrative search and seizure warrant and abate the nuisance.

(b) Emergency procedure; summary abatement. The City Council or the enforcing officer may provide for abating a public nuisance pursuant to subsection (a)(3) of this section without following the standard abatement procedure required in subsections (a)(1) and (a)(2) of this section when:

(1) There is an immediate threat to the public health or safety;

(2) There is an immediate threat of serious property damage; or

(3) A public nuisance has been caused by private parties on public property.

To proceed with summary abatement, the enforcing officer shall determine that a public nuisance exists or is being maintained on premises/property in the city and that delay in abatement of the nuisance will unreasonably endanger public health, safety or welfare. If the City summarily abates the nuisance under this subsection (b), the enforcing officer



CITY OF NORTH BRANCH

must reasonably attempt to notify the owner, occupant, or other responsible party of the intended summary abatement action in advance of such action, and thereafter must serve written notice of the owner's right to appeal the cost recovery for such summary abatement to the City Council in the manner required for service of the abatement notice required in subsection (a)(1) above. An appeal of a summary abatement under this paragraph shall be limited to the issue of cost recovery by the City.

Nothing in this section shall prevent the City, without notice or other process, from immediately abating a condition which poses an imminent and serious hazard to human life or safety.

(c) Major abatement. When the City Council or the enforcing officer determines that the cost of abating a nuisance will exceed \$5,000 based on a reasonable, good faith estimate, the standard abatement procedure provided in subsection (a) is altered in the following manner:

(1) The abatement notice must provide that if the party does not abate the nuisance within the time specified, the matter will be referred to the City Council for a hearing.

(2) The abatement notice must specify the date, time, and location of the hearing before the City Council.

(3) The City must cause notice of the date, time, and location of the hearing before the City Council to be published at least ten days before the hearing and allow any parties who wish to be heard an opportunity to address the City Council during the hearing.

(d) Cost recovery. The owner of the property on which a nuisance has been abated by the City, or a person who has caused a public nuisance on property not owned by that person, is personally liable to the City for the cost of the abatement, including, without limitation, administrative costs, court fees and costs, consultant and/or contractor services fees and expenses, and attorneys' fees, if applicable. Unpaid charges constitute a lien against the premises/property where the abatement occurred on and after the date they were incurred by the City. As soon as the work has been completed and the cost determined by the enforcing officer, an appropriate City official will prepare a bill for the cost and mail it to the owner or other responsible party for payment thereby. The amount is immediately due and payable to the City within 30 days of the date of the City's invoice.

(e) Assessment. If the cost of abatement, or any portion of it, has not been paid under subsection (d) of this section within 30 days after the date of the City's invoice, the City Council may, at any time, certify the unpaid cost against the property to which the cost is attributable. Before certification against the property, reasonable notice of the impending certification and an opportunity to be heard by the City Council must be given to the taxpayer of record. Failure of the taxpayer of record to receive the assessment notice will not invalidate the certification. The City Council may certify the unpaid costs so assessed to the county auditor for collection along with current property taxes in the following year or in annual installments, not exceeding ten, as the City Council may determine in each case.

(f) Remedy not exclusive. Abatement action under this section does not preclude any other civil or criminal enforcement procedure.



CITY OF NORTH BRANCH

HISTORY

Amended by Ord. [310-21](#) Repealed and Replaced on 2/9/2021

You have until **September 3rd, 2024** to bring those items into compliance or face further Code Enforcement. If the nuisance is abated by **September 3rd, 2024** and maintained in a compliant condition, no further action will be taken.

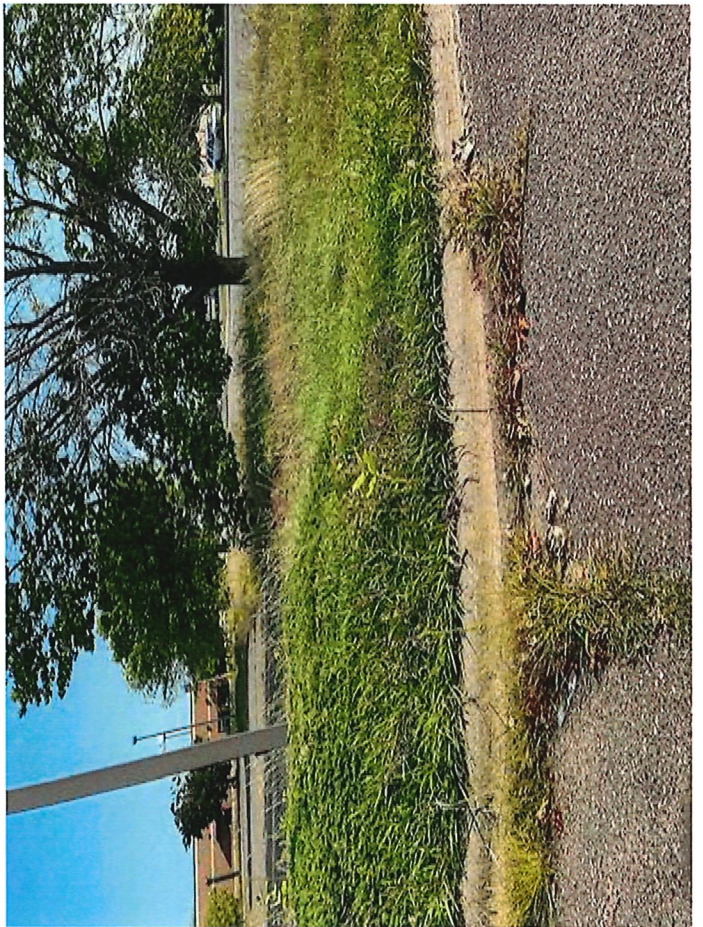
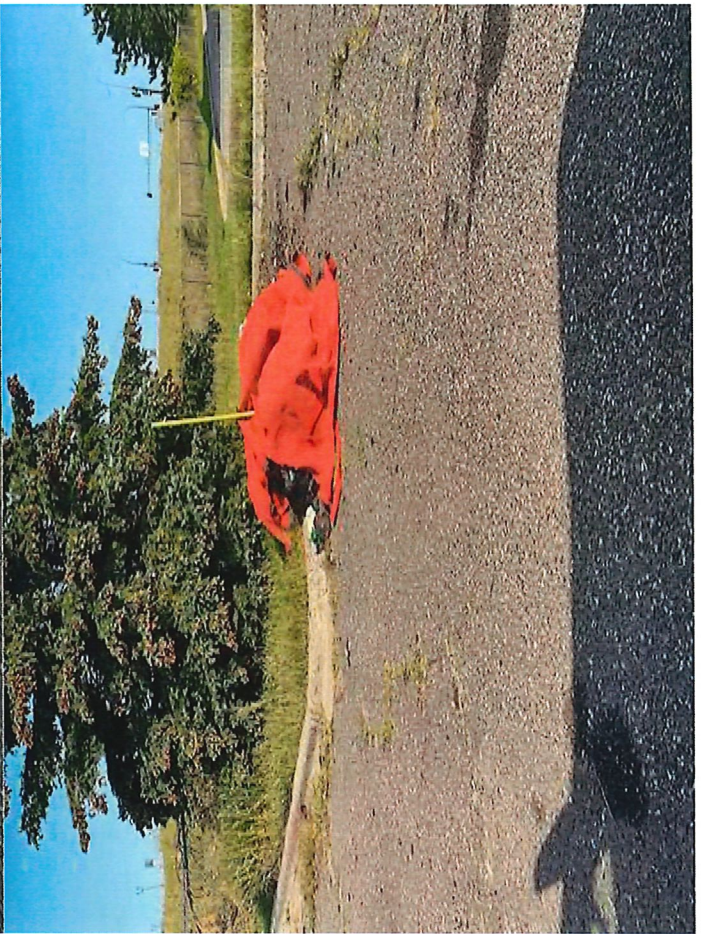
Please let me know in writing if you would like the city to hire someone to abate all of the violations on your property and then bill you if that would be helpful.

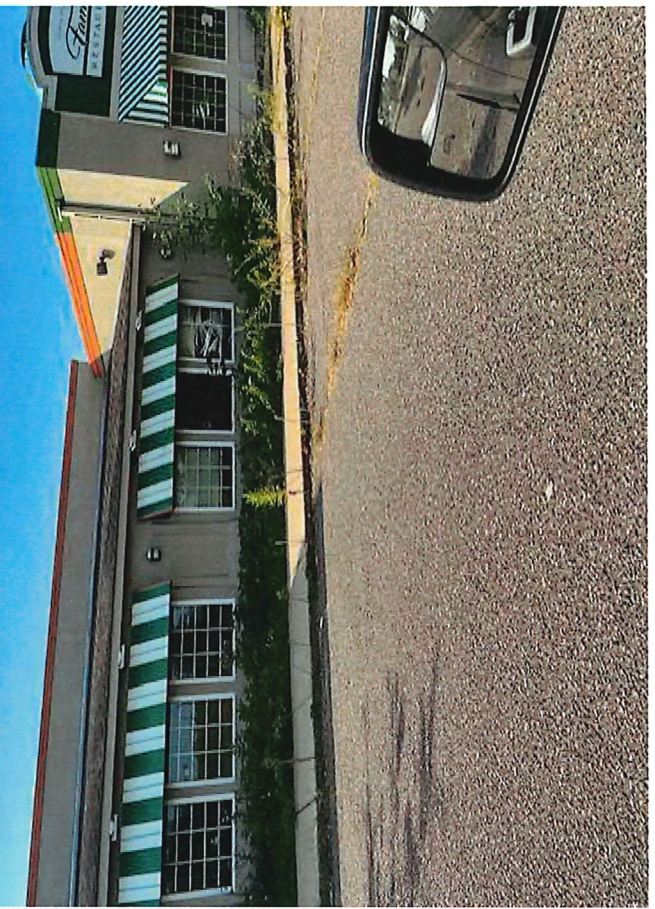
Any person violating any provision of the ordinances may be found guilty of a misdemeanor and upon conviction could be punished by ***a fine of not more than \$1000 or imprisonment for not more than ninety(90) days in the county jail or both.*** You may request a hearing before the City Administrator, in writing, within 7 days of receipt of this notification.

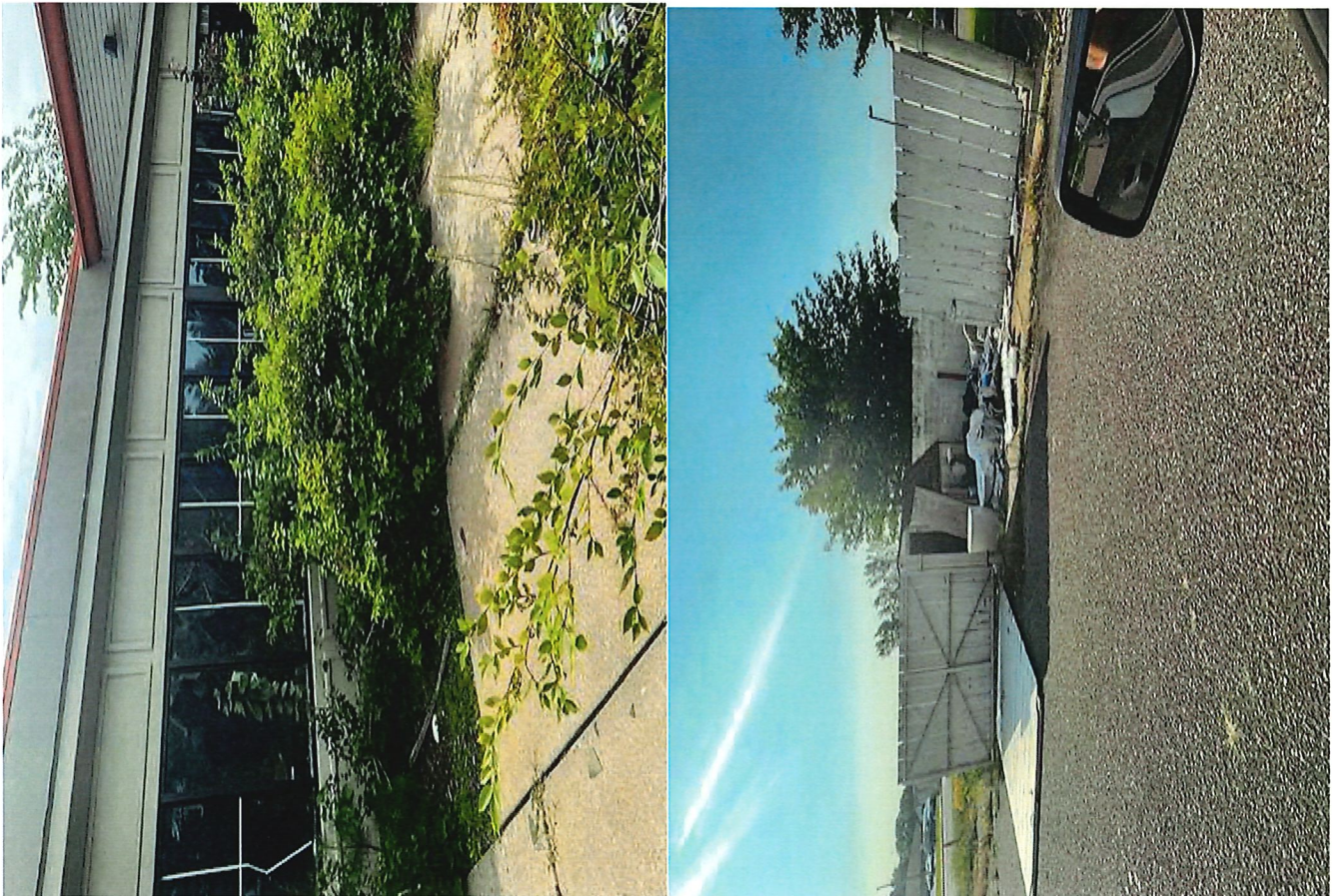
Please feel free to contact me if you have any questions.

Sincerely;

Tom DeBilzan
Building Inspector/Code Enforcement Inspector
City of North Branch
tomd@ci.north-branch.rnn.us
651-277-5222









Call Details Report Chronological Order

Report Date:09/04/24 14:09

24-007170	38624 14th AVE;NB (North Branch Family Restaurant;NB)	CRIM DAMAGE to property (not in progress) (CRIMDMG2)
Reported : 06/02/24 17:35	Reported Location: 38624 14th AVE;NB (North Branch Family Restaurant;NB)	
Priority : 2	Units 513 - 513001 - Sapp, Richard A	
Case# : 24-007170	521 - 521002 - Lund, Kyle James	
Stacked : 06/02/24 17:36	522 - 522004 - Zajac, Jesse C	
Dispatched : 06/02/24 17:37		
Arrived : 06/02/24 17:41		
Finished : 06/02/24 18:28		
Disposition : Incident Report		

**Call Details Report Chronological Order**

Report Date:09/04/24 14:09

Notes

Date	Unit	Notes	PF
06/02/2024 17:35:07		WINDOWS BROKEN OUT CAN SEE SMOKE-MAYBE PPL INSIDE SMOKING ROBERT MCDONNELL 651-237-0544	130702
06/02/2024 17:37:22		Dispatched: 513	513001
06/02/2024 17:38:02		Dispatched: 522	522004
06/02/2024 17:40:33		Dispatched: 521	130402
06/02/2024 17:40:39	513	LEOPS1	130402
06/02/2024 17:41:18		LEOPS 1/FDIC 1	130702
06/02/2024 17:41:50	513	OPEN DOOR ON THE WEST SIDE	130702
06/02/2024 17:41:53		Update reviewed by dispatcher- Wstatus, WPD-200	WY200
06/02/2024 17:44:55	513	Cancel fire, fire extinguishers	130702
06/02/2024 17:45:08		Timer cleared for the Unit "513; 521; 522; "	
06/02/2024 17:45:08		Code 4	130702
06/02/2024 17:45:17		Update reviewed by dispatcher- Manske, Joshua J-1304	130402
06/02/2024 17:51:37		New Names Added : Iseini, Sefer, Male, DOB:01/01/1969; Mentioned	130702
06/02/2024 17:53:34	513	No phone numbers on CLEAR for Iseini. Address shows 401 8th Ave NE, Apt #210, Isanti	130402
06/02/2024 17:54:25		Names Updated : Iseini, Sefer;	130402
06/02/2024 17:56:02		Update reviewed by dispatcher- Polzin, Karin A-1310	131007
06/02/2024 18:02:53		New Names Added : Motamedi, Shoa, Male; Mentioned	130402
06/02/2024 18:04:57		Names Updated : Name changed from Motamedi, Shoa to Motamedi, Shoallah;	130402
06/02/2024 18:05:01	513	New Names Added : Luchsinger, Grace Christiana, Female, White, DOB:08/18/2000; Witness	513001
06/02/2024 18:05:42	513	Luchsinger advised she left work last night 23/2330 and heard glass breaking inside...saw 4-5 on bikes in area	513001
06/02/2024 18:06:34		Update reviewed by dispatcher- Manske, Joshua J-1304	130402
06/02/2024 18:06:49	513	Windows/plates and anything breakable was broken....fire extinguishers shot off throughout building	513001
06/02/2024 18:10:28		CFS from -> SUSPACT to CRIMDMG2 Pri from -> 2 to 3	513001
06/02/2024 18:11:29		Update reviewed by dispatcher- Manske, Joshua J-1304	130402
06/02/2024 18:25:31	522	INFO FOUND ONLINE OF PRIOR OWNER NAMED AS "ALIL ZEKIRI"	130402
06/02/2024 18:26:51	513	Numbers gathered from CLEAR and NB Employee Sondrol were old numbers or no longer in service	513001
06/02/2024 18:28:36	513	Owner of Americinn will review cameras and call if anything is found	513001
06/02/2024 18:28:36		Prime Unit Changed to - 522	
06/02/2024 21:48:18	522	Email sent to a shoa4u@gmail.com	
06/03/2024 22:53:36	522	Shoa international # 61 408 8726 79	
06/03/2024 22:54:11	522	Made contact with building owner, advised it's un-secure and will need to be boarded up.	

Names

Activity	Name	DOB	Address	Phone#
Property Owner	Motamedi, Shoallah	11/30/1951	658 Cretin Ave S, Apt 4 St Paul, MN 55116	
Witness	Luchsinger Grace Christiana	08/18/2000	11710 Olson Rd Harris, MN 55032	C:(763) 310-6452



Call Details Report Chronological OrderReport Date:09/04/24 14:09

Unit History

Unit	Unit Time	Activity	Officer	Dispatcher	Disposition
513	06/02/24 17:37:22	DI	513001	513001	
513	06/02/24 17:37:23	AC	513001	513001	
513	06/02/24 17:37:23	EN	513001	513001	
522	06/02/24 17:38:02	DI	522004	522004	
522	06/02/24 17:38:03	AC	522004	522004	
522	06/02/24 17:38:03	EN	522004	522004	
521	06/02/24 17:40:33	DI	521002		
513	06/02/24 17:41:12	OS	513001		
521	06/02/24 17:41:12	OS	521002		
522	06/02/24 17:41:12	OS	522004		
513	06/02/24 17:45:08	CT	513001		
521	06/02/24 17:45:08	CT	521002		
522	06/02/24 17:45:08	CT	522004		
521	06/02/24 17:53:58	FI	521002	521002	Assisted/Advised
513	06/02/24 18:28:36	FI	513001	513001	Incident Report
522	06/02/24 18:28:47	FI	522004	522004	Incident Report

Summary

North Branch restaurant vandalized, see report for detail.

J.Zajac #522

		North Branch Police Department		Incident Report			
		Incident: F-Damage to Property - 1st Degree - Value Reduced Ov					
		Incident Report Number: 24-007170		Between: Date - Time		And/At: Date-Time	
						6/2/24 17:35	
		Incident Location: 38624 14th AVE, North Branch, MN, 55056					
Offense - 1: 609.595.1(4)		Offense - 2:		Offense - 3:		Offense - 4:	
Offense - 5:		Offense - 6:		Offense - 7:		Offense - 8:	
ME		Name (Last, First, Middle) Iseini, Sefer		DOB: 01/01/1969		Race/Sex M	
Address: (Address, City, State, Zip) 401 8th Ave NE, Apt #510, Isanti, MN, 55040						Phone 1	
Employer						Phone 2	
Employer Address						Work Phone #	
W		Name (Last, First, Middle) Luchsinger, Grace Christiana		DOB: 08/18/2000		Race/Sex W/F	
Address: (Address, City, State, Zip) 11710 Olson Rd, Harris, MN, 55032						Phone 1 (763) 310-6452	
Employer						Phone 2	
Employer Address						Work Phone #	
NAMES Mentioned Motamedi, Shoaullah M-72 of 658 Cretin Ave S, Apt 4, St Paul, MN, 55116 DOB: 11/30/1951 HT: 511 WT: 160 Eyes: Brown =====							
Vehicle Information: (Year, Make, Model, Style, Color)							
License Number:		State:		Expiration Year:		Vin:	
						Insurance Company:	
Other Vehicle Information:						NCIC#	
Reporting Officer(s): Zajac, Jesse C.				Badge Number: 522004		Report Date: 06/02/2024	
Time Received: 17:35:07		Time Cleared: 18:28:47		Unit(s) Assigned: 513, 521, 522		Pages: 1 Of 3	
Reviewed by: Blomberg, Carley E.				Badge Number: 593002		Copy To	

Date: 06/02/2024

Offense - 1: 609.595.1(4)

Incident Report Number: 24-007170

North Branch Police Department		Continuation
Incident Report Number 24-007170	Incident Location: 38624 14th AVE, North Branch, MN, 55056	Incident Date: 06/02/2024
Body Worn Camera Used In Car Video Available NARRATIVE On 6/2/2024 at approximately 1735 hours, I, North Branch Police Officer Jesse Zajac, 522, was working a uniformed patrol shift in marked squad #122 in the city of North Branch, Chisago County, MN. I was monitoring Chisago County Dispatch who aired a call to North Branch Sergeant Richard Sapp, 513, to respond to the former North Branch Family Restaurant located at 38624 14th Ave, North Branch, Chisago County, MN. The complainant called in because they could see windows broken out and possibly smoke coming from the interior of the building and there may be people inside. It should be noted that this is an abandoned restaurant and not currently open to the public. I advised Chisago County Dispatch that I would respond as well. I was made aware by North Branch Police Officer Duane Southworth, 516, that there is a significant amount of damage and windows broken throughout the building. I advised Officer Southworth to maintain an exterior perimeter and as other officers arrived we would form a perimeter and call out if there was anybody in the interior. Once officers were all in position, verbal commands were made through one of the windows and nothing was heard. Sergeant Sapp determined that there was an open door and did not appear to be any forced entry. He and Officer Lund entered to clear the building. I maintained perimeter on the front of the building which would be the north side as Officer Southworth maintained perimeter on the rear side. North Branch Officer Kyle Lund, 521, and Sergeant Sapp cleared the interior of the restaurant and nobody was found. Once the interior was cleared, they exited the building. It should be noted as I was standing on perimeter, I could see a significant number of windows broken out. It appears they were broken from the inside out and there were multiple fire extinguishers that had been set off laying on the outside of the windows. It was initially thought that there was smoke, but it was later determined that what we were seeing and thought was smoke was the set-off fire extinguishers. We did have North Branch Fire enroute which we did cancel them once we determined it was fire extinguishers. Once all officers were out of the building I entered and photographed in its entirety the building. Please refer to the photographs for further details. There is a significant amount of damage throughout the entire building including broken plates, glasses, furnishings, and ceiling material all damaged. Attempts were made to contact the property owner but it was later determined that the property owner is possibly a surgeon who lives out of country and officers were unable to secure the building anymore. I did locate a possible footprint as I was photographing the interior. I laid a ruler next to that and photographed that. Sergeant Sapp went next door to the assisted living facility and AmericInn hotel to try to locate cameras that may be directed towards the restaurant. Sergeant Sapp did make contact with an employee		
Reporting Officer(s): Zajac, Jesse C.	Badge Number: 522004	Pages: 2 of 3

North Branch Police Department**Continuation**

Incident Report Number

24-007170

Incident Location:

38624 14th AVE, North Branch, MN, 55056

Incident Date:

06/02/2024

at the assisted living facility to the south and stated that their cameras may not reach the view of the restaurant however when that particular employee was leaving the night before around 11:00 pm she did hear some glass breaking but did not contact 911.

I had my dash camera and body camera activated during the duration of this call which is available upon request. See attachments for further details.

STATUS: Suspended no further leads

Officer Jesse Zajac, 522

North Branch Police Department

rm-6/4/2024

Reporting Officer(s):

Zajac, Jesse C.

Badge Number:

522004

Pages:

3 Of 3



Call Details Report Chronological Order

Report Date:09/04/24 14:10

24-007246 38624 14th AVE;NB (Perkins Restaurant & Bakery;NB) VANDALISM Complaint (not in progress) (VAND2)

Reported : 06/04/24 11:57 **Reported Location:** 38624 14th AVE;NB (Perkins Restaurant & Bakery;NB)
Priority : 3 **Units** 521 - 521002 - Lund, Kyle James
Case# :
Stacked : 06/04/24 12:00
Dispatched : 06/04/24 12:00
Arrived : 06/04/24 12:00
Finished : 06/04/24 12:00
Disposition : Information Only

Notes

Date	Unit	Notes	PF
06/04/2024 11:57:43		Windows are smashed out. Comp was not sure if it has been reported. Sarah/763.381.1142	130502
06/04/2024 12:00:06		Names Added : Servaty, Sarah Lynn, Female, DOB:04/14/1989; Caller	130502
06/04/2024 12:00:07		Dispatched: 521	130502
06/04/2024 12:00:40		Already aware and working on the investigation. Clear. Info aired.	130502

Names

Activity	Name	DOB	Address	Phone#
Caller	Servaty, Sarah Lynn	04/14/1989	38725 12th AVE,75 North Branch, MN 55056	M:(763) 381-1142

Unit History

Unit	Unit Time	Activity	Officer	Dispatcher	Disposition
521	06/04/24 12:00:07	DI	521002		
521	06/04/24 12:00:13	AC	521002	521002	
521	06/04/24 12:00:17	OS	521002		
521	06/04/24 12:00:40	FI	521002		Information Only



Call Details Report Chronological Order

Report Date:09/04/24 14:16

24-007871 38624 14th AVE;NB (North Branch Family Restaurant;NB) Suspicious Vehicle (SUSPVEH)

Reported : 06/17/24 00:56 **Reported Location:** 38624 14th AVE;NB (North Branch Family Restaurant;NB)
Priority : 2 **Units** 522 - 522004 - Zajac, Jesse C
Case# :
Stacked : 06/17/24 00:56
Dispatched : 06/17/24 00:56
Arrived : 06/17/24 00:56
Finished : 06/17/24 00:58
Disposition : Assisted/Advised

Notes

Date	Unit	Notes	PF
06/17/2024 00:56:17		dark suv	130902
06/17/2024 00:57:48		Timer cleared for the Unit "522; "	
06/17/2024 00:57:48		4 unoccupied	130902

Unit History

Unit	Unit Time	Activity	Officer	Dispatcher	Disposition
522	06/17/24 00:56:17	TS	522004		
522	06/17/24 00:56:38	NC	522004		
522	06/17/24 00:57:48	CT	522004		
522	06/17/24 00:58:50	FI	522004	522004	Assisted/Advised

Vehicle

Activity	Plate	Make	Model	Serial	NCIC#	Insurance	Owner
Plate Check	NVF882	MERC		4M2EU4 8E07UJ0 5670			



Call Details Report Chronological Order

Report Date:09/04/24 14:11

24-008448 38624 14th AVE;NB (North Branch Family Restaurant;NB) Informational ICR (INFO)

Reported : 06/27/24 10:18 Reported Location: 38624 14th AVE;NB (North Branch Family Restaurant;NB)
Priority : 3 Units
Case# :
Stacked : 06/27/24 10:18
Dispatched : 06/27/24 10:18
Arrived : 06/27/24 10:18
Finished : 06/27/24 10:18
Disposition : Information Only

Notes

Date	Unit	Notes	PF
06/27/2024 10:21:06		Caller came into PD lobby to report that the windows in the "Perkins" were busted out and birds are flying in and out there. I informed her there was a burglary there recently and the owner was not local but that I would let law enforcement know about the current state of the building.	592003

Names

Activity	Name	DOB	Address	Phone#
Caller	Ihamaki, Rebecca Anne	09/18/1973	450 S Fairfield AVE,6 Rush City, MN 55069	C:(612) 913-6975



Call Details Report Chronological Order

Report Date:09/04/24 14:12

24-009676 38624 14th AVE;NB (North Branch Family Restaurant;NB) VANDALISM Complaint (in progress) (VAND1)

Reported : 07/22/24 13:54 Reported Location: 38624 14th AVE;NB (North Branch Family Restaurant;NB)

Priority : 2 Units 518 - 518001 - Janssen, David D

Case# : 521 - 521002 - Lund, Kyle James

Stacked : 07/22/24 13:55

Dispatched : 07/22/24 13:55

Arrived : 07/22/24 13:57

Finished : 07/22/24 14:22

Disposition : Assisted/Advised

Notes

Date	Unit	Notes	PF
07/22/2024 13:54:14		2 juve wht tee blue tee throwing rocks at the old perkins windows jennifer 651 674 8627 americinn	130602
07/22/2024 13:55:50		Dispatched: 521	130602
07/22/2024 13:56:12		New Names Added : AmericInn Lodge And Suites; Complainant	130602
07/22/2024 13:58:40	521	out w/1 west side of building	130602
07/22/2024 13:58:55		Dispatched: 518	518001
07/22/2024 14:00:38		Timer cleared for the Unit "521; "	
07/22/2024 14:00:38		Code 4 for now, clearing the inside shortly	130602
07/22/2024 14:03:17	518	Clearing inside building	130602
07/22/2024 14:05:20		Timer cleared for the Unit "518; "	
07/22/2024 14:08:29	518	Cleared the interior and cleared.	518001
07/22/2024 14:10:54		Update reviewed by dispatcher- Bowers-Groeneweg, Kristin K-1306	130602

Names

Activity	Name	DOB	Address	Phone#
Complainant	AmericInn Lodge And Suites		38675 14th AVE North Branch, MN 55056	B:(763) 307-0161

Unit History

Unit	Unit Time	Activity	Officer	Dispatcher	Disposition
521	07/22/24 13:55:50	DI	521002		
521	07/22/24 13:55:57	AC	521002	521002	
521	07/22/24 13:57:15	OS	521002	521002	
518	07/22/24 13:58:55	DI	518001	518001	
518	07/22/24 13:58:56	AC	518001	518001	
518	07/22/24 13:58:56	EN	518001	518001	
521	07/22/24 14:00:38	CT	521002		
518	07/22/24 14:00:58	OS	518001	518001	
518	07/22/24 14:05:20	CT	518001		
518	07/22/24 14:09:31	FI	518001	518001	Assisted/Advised
521	07/22/24 14:22:09	FI	521002	521002	Assisted/Advised



Call Details Report Chronological Order

Report Date:09/04/24 14:27

Summary

I received a report of two juvs throwing rocks at windows at an abandoned restaurant. I arrived on scene and a juv walked out of the building. This juv did not match any description. He stated that he did not vandalize anything and was told by a friend that it was okay if he looked inside and where the open door was. I gathered his information as well as his mothers contact information and sent him on his way. 518 and myself cleared the building and did not locate any other juveniles. From my prior times responding there I observed much more damage and vandalism. Broken windows and broken items strewn about the parking lot. I also located the room latter was down and there was water leaking inside the building. After clearing the building I contacted the juvs mother and advised her of our contact with her son. She stated that she would handle the discipline. We cleared shortly after. See BWC/SV for more information-521



Call Details Report Chronological Order

Report Date:09/04/24 14:13

24-009939
Reported : 07/28/24 15:42
Priority : 3
Case#: 24-009939
Stacked : 07/28/24 15:43
Dispatched : 07/28/24 15:43
Arrived : 07/28/24 15:47
Finished : 07/28/24 16:15
Disposition : Citation Issued

38624 14th AVE;NB (North Branch Family Restaurant;NB)
Reported Location: 38624 14th AVE;NB (North Branch Family Restaurant;NB)
Units 513 - 513001 - Sapp, Richard A
521 - 521002 - Lund, Kyle James
522 - 522004 - Zajac, Jesse C

TRESPASS Complaint (in progress) (TRESPAS1)

Notes			
Date	Unit	Notes	PF
07/28/2024 15:42:53		A GROUP OF JUVES INSIDE BUILDING 612 223 2714 ANONYMOUS	130602
07/28/2024 15:43:52		Dispatched: 522	130602
07/28/2024 15:45:12		Dispatched: 513	513001
07/28/2024 15:45:12		Dispatched: 521	521002
07/28/2024 15:45:39		CFS from -> JUVE to TRESPAS1 Pri from -> 3 to 2	513001
07/28/2024 15:51:18		Timer cleared for the Unit "521; 522; "	
07/28/2024 15:53:53		[REDACTED]	130602
07/28/2024 15:57:15		CITING 2 FOR TRESPASSING	130602
07/28/2024 16:02:15		[REDACTED]	130602
07/28/2024 16:02:26		[REDACTED]	130602
07/28/2024 16:03:08		[NCIC HIT] Critical NCIC Hit received. Review NCIC response.	
07/28/2024 16:05:50		Update reviewed by dispatcher- Penberthy, Jim R-1305	130502
07/28/2024 16:07:36		[REDACTED]	130602
07/28/2024 16:10:36	521	[REDACTED]	521002
07/28/2024 16:10:37		Update reviewed by dispatcher- Bowers-Groeneweg, Kristin K-1306	130602
07/28/2024 16:14:16		Case created - 24-009939	521002
07/28/2024 16:14:27		Call copied to RMS - 24-009939	521002
08/01/2024 13:00:17		Lens submission completed for juve citations	593002

Names				
Activity	Name	DOB	Address	Phone#
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]



Call Details Report Chronological Order

Report Date:09/04/24 14:28

Unit History

Unit	Unit Time	Activity	Officer	Dispatcher	Disposition
522	07/28/24 15:43:52	DI	522004		
522	07/28/24 15:45:03	AC	522004	522004	
513	07/28/24 15:45:12	DI	513001	513001	
521	07/28/24 15:45:12	DI	521002	521002	
521	07/28/24 15:45:13	AC	521002	521002	
513	07/28/24 15:45:13	AC	513001	513001	
513	07/28/24 15:45:13	EN	513001	513001	
521	07/28/24 15:45:13	EN	521002	521002	
521	07/28/24 15:47:54	OS	521002	521002	
522	07/28/24 15:48:04	OS	522004	522004	
522	07/28/24 15:51:18	CT	522004		
521	07/28/24 15:51:18	CT	521002		
521	07/28/24 15:51:37	NC	521002		
513	07/28/24 15:57:15	OS	513001		
513	07/28/24 16:00:35	FI	513001	513001	Assisted/Advised
521	07/28/24 16:09:36	NC	521002		
522	07/28/24 16:13:53	FI	522004	522004	Incident w No Report
521	07/28/24 16:15:38	FI	521002	521002	Assisted/Advised

Summary

report of people inside old Perkins building. Arrived and took up perimeter on East side. Was notified that two were detained on the West side. Both would be cited for Trespass. I called Rich Meyer from zoning and left VM updating him on latest with that building. See reports for further Sapp-513

**Call Details Report Chronological Order**

Report Date:09/04/24 14:13

24-010125 38624 14th AVE;NB (North Branch Family Restaurant;NB) Suspicious Activity (SUSPACT)

Reported : 08/02/24 04:51 Reported Location: 38624 14th AVE;NB (North Branch Family Restaurant;NB)
Priority : 2 **Units** 516 - 516002 - Southworth, Duane J
Case# :
Stacked : 08/02/24 04:53
Dispatched : 08/02/24 04:53
Arrived : 08/02/24 04:54
Finished : 08/02/24 05:49
Disposition : Assisted/Advised

Notes

Date	Unit	Notes	PF
08/02/2024 04:51:06		2 MALES AND A FEMALE INSIDE THE BUILDING. KEVIN, 218-213-4104	131007
08/02/2024 04:51:06		Call Back Information : 2182134104	131007
08/02/2024 04:53:36		Dispatched: 516	516002
08/02/2024 04:57:59	516	516 AND 123 MAKING ENTRY	131007
08/02/2024 05:00:06		COMP STATED PARTIES RAN SB TOWARDS NEXT BLDG	131007
08/02/2024 05:02:12		Timer cleared for the Unit "516; "	
08/02/2024 05:02:12		BLDG IS SECURE	131007
08/02/2024 05:49:15	516	UTL upon arrival.	516002

Unit History

Unit	Unit Time	Activity	Officer	Dispatcher	Disposition
516	08/02/24 04:53:36	DI	516002	516002	
516	08/02/24 04:53:36	AC	516002	516002	
516	08/02/24 04:53:36	EN	516002	516002	
516	08/02/24 04:54:47	OS	516002		
516	08/02/24 05:02:12	CT	516002		
516	08/02/24 05:49:27	FI	516002	516002	Assisted/Advised



Call Details Report Chronological Order

Report Date:09/04/24 14:14

24-010529 38624 14th AVE;NB (North Branch Family Restaurant;NB) Suspicious Person (SUSPPER)

Reported	: 08/11/24 20:53	Reported Location:	38624 14th AVE;NB (North Branch Family Restaurant;NB)
Priority	: 2	Units	522 - 522004 - Zajac, Jesse C
Case#	: 24-010529		524 - 524001 - Lawson, Tyler J
Stacked	: 08/11/24 20:54		
Dispatched	: 08/11/24 20:55		
Arrived	: 08/11/24 20:57		
Finished	: 08/11/24 21:27		
Disposition	: Citation Issued		

Notes

Date	Unit	Notes	PF
08/11/2024 20:53:48		2 people on the roof, unk desc. poss 1 female with longer hair comp adrian hard 763-300-2672	130902
08/11/2024 20:55:45		Dispatched: 522	522004
08/11/2024 20:56:16		Dispatched: 524	131504
08/11/2024 20:58:44	522	out w 2	130902
08/11/2024 21:00:16	522	4	130902
08/11/2024 21:01:07		Timer cleared for the Unit "522; 524; "	
08/11/2024 21:01:47		[REDACTED]	130902
08/11/2024 21:02:07	522	more on the roof	130902
08/11/2024 21:03:19		[REDACTED]	130902
08/11/2024 21:05:00		[REDACTED]	130902
08/11/2024 21:06:15	524	[REDACTED]	524001
08/11/2024 21:11:06	522	[REDACTED]	522004
08/11/2024 21:11:09		Update reviewed by dispatcher- Celski, Brittany A-1315	131504
08/11/2024 21:20:59	524	[REDACTED]	524001
08/11/2024 21:21:52	524	[REDACTED]	524001
08/11/2024 21:22:34	524	4 juveniles cited for trespassing. building was posted with "no trespassing signs". Juveniles located on the roof of the building.	524001
08/11/2024 21:26:28	522	All citeed for tresspass and parents advisdd	522004
08/11/2024 21:26:53	522	clearly marked on building to stay out	522004
08/27/2024 11:30:37		Lens submission completed for juvenile citations	593002

**Call Details Report Chronological Order**

Report Date:09/04/24 14:14

Names

Activity	Name	DOB	Address	Phone#
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Unit History

Unit	Unit Time	Activity	Officer	Dispatcher	Disposition
522	08/11/24 20:55:45	DI	522004	522004	
522	08/11/24 20:55:46	AC	522004	522004	
522	08/11/24 20:55:46	EN	522004	522004	
524	08/11/24 20:56:16	DI	524001		
524	08/11/24 20:56:22	AC	524001	524001	
522	08/11/24 20:57:54	OS	522004	522004	
524	08/11/24 20:58:20	OS	524001	524001	
522	08/11/24 21:01:07	CT	522004		
524	08/11/24 21:01:07	CT	524001		
522	08/11/24 21:13:08	NC	522004		
524	08/11/24 21:19:11	NC	524001		
524	08/11/24 21:19:49	NC	524001		
524	08/11/24 21:19:51	NC	524001		
524	08/11/24 21:20:07	NC	524001		
524	08/11/24 21:22:55	FI	524001	524001	Assisted/Advised
522	08/11/24 21:27:23	FI	522004	522004	Citation Issued

Summary

Complainant called 911 tonight after it was witnessed multiple people on the roof of the abandoned restaurant. Officers arrived and made contact with four individuals who were inside the building. The individuals had no business being inside the building. It is clearly marked on the front window, no trespassing. All individuals were issued citations for trespassing and parents contacted.

J.Zajac #522

Vehicle

Activity	Plate	Make	Model	Serial	NCIC#	Insurance	Owner
Plate Check	DZZ005	JEEP	Patriot	1C4NJRF B1GD70 9359			



Call Details Report Chronological Order

Report Date:09/04/24 14:14



Prepared By: Carla Golden, Liquor Operations Director

Presenter: Carla Golden, Liquor Operations Director

Date: 06/06/2024

Board & Commission: City Council

Subject: Update and Discussion Regarding Liquor Store Operations

Liquor Operations Director Golden will be updating the Council on the August 2024 sales.

Voting Requirements:

INFO



AUGUST 2024 LIQUOR OPERATIONS REPORT

SALES

- Sales increased 11% (+\$42614.59) compared to August of 2023. Total sales for the month totaled \$416,561.88
- Both stores were up for August 2024 versus August 2023. Store 1 was up 11% and Store 2 was up 10%. Giving the overall sales increase of 11%.
- A positive impact on our sales was our customer count. Our customer count increased 10% compared to August of 2023. We saw 15,036 customers in August 2024 versus 13,601 in August 2023. Customer counts broken down: Store 1 had a 10% increase, Store 2 had a 4% increase over August 2023.
- August 2024 sales were up 7% over our July 2024 sales. Typically July is a busier month for us.
- THC products launched on August 28. Total Sales from August 28-August 31 were \$812.68, and a profit of \$328.68. Staff have been mentioning these items at checkout, to make sure customers are aware that we now carry THC products. Several have been purchased due to this, as customers are not aware just yet.

DISCOUNTS

- Senior Discount
We had 346 purchases from customers using the senior discount with a total discount of \$937.87
- Military Discount
We had 705 purchases from customers using the Military discount with a total discount of \$2,104.98.
- Beer Volume Discount
We had 26 purchases from customers using the Beer Volume discount with a total discount of \$95.44. (Beer Volume Discount is 10 cases of 24 pack cans or bottles not on sale. This is one transaction.)
- Liquor Volume Discount
We had 9 purchases from customers using the Liquor Volume discount with a total discount of \$82.95. (Buying a case of a solid size and type) Example:Karkov Vodka 1.75 (6 Bottles)
- Wine Volume Discount
We had 10 purchases from customers using the Wine Volume discount with a total discount of \$51.33. (Buying a case of a solid size and type) Example- Barefoot Moscato 1.5 (6 Bottles)
- Wine Club
We had 516 purchases from customers using their wine club discount with a total discount of \$1,490.46
- Pub Club
We had 842 purchases from customers using their pub club discount with a total discount of \$2,561.06.

CATEGORY PERFORMANCE

Below are the performance values for the top 5 categories at Store 1. These are the gross sale numbers. We started selling THC as of Wednesday, August 28, 2024 and will see what percentage increase of total sales will happen after the end of September 2024.

Category	Number of Items Sold	Gross Sales
Beer- Domestic	4,007	\$78,489.43
Beer-Craft	1,664	\$28,161.39
Beer-Flavored	2,047	\$25,674.03
Liquor-Vodka	1,809	\$23,495.41
Beer-Seltzer	1,170	\$19,538.30

CATEGORY PERFORMANCE

Below are the performance values for the top 5 categories at Store 2. These are the gross sale numbers. We started selling THC as of Wednesday, August 28, 2024 and will see what percentage increase of total sales will happen after the end of September 2024.

Category	Number of Items Sold	Gross Sales
Beer- Domestic	1,441	\$28,274.59
Beer-Craft	856	\$13,835.44
Liquor-Vodka	805	\$12,013.45
Beer-Flavored	581	\$8,127.19
Wine-Domestic	534	\$7,377.22



Prepared By: Sharon Wright, Finance Director

Presenter: Sharon Wright, Finance Director

Date: 09/04/2024

Board & Commission: City Council

Subject: Motion to approve selection of Professional Audit Services

Recommended City Council Action

Motion to approve the Professional Audit Services from Abdo inclusive of the base amount of \$46,750 for the 2024 financial audit services.

Overview / Background

During the Fiscal Year 2024 process, City Council requested City Staff to prepare a Request for Proposal (RFP) for Professional Auditing Services for the 2024 audit. An RFP was posted on the City Website, as well as the League of Minnesota Cities Website. The RFP was also emailed out to contacts at different auditing firms. The due date for RFP proposals was August 19th. The City received 3 proposals. Interviews were held with all three companies.

Several factors were considered during this process, including:

- The dollar cost of the audit and what is considered out-of-scope and could increase the fees,
- The approach used by the audit firm in their planning and implementation of the audit,
- Availability of the audit team and if it matched the City needs,
- Communication methods/regular check-ins.

Abdo provided the following cost estimates for the annual audit and financial report preparation:

2024 - \$46,750

2025 - \$48,900

2026 - \$51,500.

These costs do not include Single Audit testing. If the City receives federal grant money that meets the threshold for Single Audit Testing, the City would incur additional costs. The City does not normally meet this threshold.

Staff Recommendation

City staff recommend approval of Abdo for the Professional Auditing Services related to the 2024 audit.

Recommended City Council Action

Motion to approve the Professional Audit Services from Abdo for the 2024-2026 financial audit services with the ability to negotiate and approve an additional 2 years.

Voting Requirements:

Voting Options Simple Majority



Prepared By: Sharon Wright, Finance Director

Presenter: Sharon Wright, Finance Director

Date: 09/06/2024

Board & Commission: City Council

Subject: Resolution Adopting the Preliminary 2025 EDA Tax Levy for the City of North Branch

Recommended City Council Action

Motion to adopt resolutions approving the Fiscal Year 2025 preliminary EDA and HRA tax levies, as approved by the North Branch Economic Development Authority.

Overview / Background

The North Branch Economic Development Authority (EDA) discussed draft budget proposals and recommended tax levies, and reviewed outstanding debt obligations tied to the Business Park. At the August meeting, The EDA recommended preliminary EDA and HRA levies in the amounts of \$277,689 and \$283,356, respectively. The combined projected revenue total is \$561,045. The majority of that revenue supports repayment of debt tied to the Business Park. The action sets both preliminary levies at the maximum allowed under State Statute.

Each year, the EDA, like the City Council, must certify its preliminary tax levy to the County by September 30. A preliminary levy sets the maximum taxes to be collected by a City, or in this case EDA. The final levy may be the same or less than the amount established. That action, plus budget adoption, takes place in December.

Issue(s) to Consider

- 1. Proposed 2024 EDA Budget**
- 2. Business Park Debt**
- 3. Tax Levies & Impacts**

Analysis of Issue(s)

1. Proposed 2024 EDA Budget

In short, the proposed 2025 EDA budget includes the following:

- **Personnel: \$111,783**
- **Professional Services: \$20,100**
- **Supplies & Maintenance: \$40,985**
- **Debt: \$364,000**
- **Downtown Business Program: \$75,000**

Although the budget is still in draft form, the budget includes a creation of a downtown storefront façade rehabilitation program, and property taxes due on EDA-owned land. With an approved preliminary levy, EDA members will spend more time evaluating programs and projects as well as discussing community goals and outcomes specific to economic development activities.

2. Business Park Debt

The Business Park has two (2) debt obligations. As of December 31, 2024, the balance due of the Chisago County lease-purchase will be \$378,256. This is a 0.0% lease-purchase arrangement; the annual payment is \$225,000. That debt will retire in 2026 or before. As the EDA land sells in the Business Park, the proceeds of those sales reduce the County debt. The second debt balance is tied to a 2017 Lease Revenue Bond. As of December 31, 2024, it will have an outstanding balance of \$2,040,000. For 2024, we are budgeting \$364,000, which includes principal, interest and fees. This debt is projected to retire in 2031. As this is a Lease Revenue Bond, there is no advance payment or pre-payment options.

3. Tax Levies & Impacts

State Statute allows cities to establish EDA and HRA tax levies for the purpose of economic development; the EDA levies both. The Statutory maximum for the EDA levy is 0.01813% of the City's Estimated Market Value (EMV); the HRA levy is 0.01850% of the same EMV. For Pay 2025, the North Branch EMV is \$1,562,636,600. Based on those factors, the maximum EDA and HRA levies are \$277,689 and \$283,356, respectively, for a combined total of \$561,045.

The corresponding preliminary 2025 EDA tax rate would be 3.549%; the 2024 tax rate is 3.589%. EDA and HRA levies are considered special purpose levies, meaning those funds may only be used for specific purposes as allowed by State Statute.

Staff Recommendation

Staff recommends approval of the preliminary EDA and HRA tax levies.

Recommended Economic Development Authority Action

Motion to adopt resolutions approving the Fiscal Year 2025 preliminary EDA and HRA tax levies, as approved by the North Branch Economic Development Authority.

Voting Requirements:

Voting Options Simple Majority

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

CITY COUNCIL RESOLUTION NO. R-84-2024

RESOLUTION ADOPTING THE PRELIMINARY 2025 EDA TAX LEVY FOR THE CITY OF NORTH BRANCH

WHEREAS, THE CITY COUNCIL OF THE CITY OF NORTH BRANCH, MINNESOTA (“City”) is required by Minnesota Statute §275.065 to adopt and certify preliminary tax levies to Chisago County (“County”) on or before September 30 of each year; and,

WHEREAS, the North Branch Economic Development Authority (“EDA”), a public body corporate and a political subdivision organized under Minnesota Statutes, Section §469.001 to §469.047 and §469.090 to §469.1082; and,

WHEREAS, pursuant to State Statute §469.107, the maximum EDA tax levy is set at .01813% of the total taxable market value of the City, making the estimated maximum tax levy amount for 2025 of \$277,689; and,

WHEREAS, the North Branch Economic Development Authority (“EDA”), has determined the tax levy necessary to meet EDA objectives in 2025 to be in the amount of 277,689; and,

WHEREAS, the purpose of said funds shall be used by the EDA for repayment of debt of the Taxable Refunding Lease Revenue Bonds, Series 2017 and other operating costs as allowed by law, including, but not limited to: business retention and expansion activities and community promotion and marketing efforts necessary for such activities.

NOW THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF NORTH BRANCH, MINNESOTA, hereby authorizes a preliminary 2025 EDA tax levy in the amount of \$277,689.

BE IT FUTHER RESOLVED, the City Administrator and Finance Director are hereby directed to submit this resolution and other required documentation to Chisago County for certification.

ECONOMIC DEVELOPMENT AUTHORITY (EDA)										
REVENUES										
Account Number		Description	2022 Actual	2023 Actual	2024 Adopt	2024 YTD	2024 PROJ	2025 Draft	+/-	Detail
201	31010	Current Ad Valorem Taxes (HRA)	\$ -	\$ -	(\$289,566.00)	\$ -	\$ (275,087.70)	(\$283,355.97)		
								\$	6,210.03	HRA Ad Valorem Taxes @ 0.01850% of EMV
201	31010	Current Ad Valorem Taxes (EDA)	\$ (126,969.00)	\$ (164,530.35)	(\$283,775.00)	\$ -	\$ (269,586.25)	(\$277,688.85)		
								\$	6,086.15	EDA Ad Valorem Taxes @ 0.01813% of EMV
201	31020	Delinquent Ad Valorem Taxes	\$ (645.00)	\$ (1,741.28)	\$ -	\$ -	\$ -	\$ -	\$ -	
201	31080	EDA/HRA Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
201	32214	Licenses & Permits	\$ -	\$ (1,000.00)	\$ -	\$ -	\$ -	\$ -	\$ -	
201	33402	Market Value Credit	\$ (305.00)	\$ (811.94)	\$ -	\$ -	\$ -	\$ -	\$ -	
201	34950	Other Revenues	\$ -	\$ -	\$ (4,024.00)	\$ -	\$ -	\$ (4,066.44)	\$ -	Engdahl/Property Tax Due City per Farm Lease
201	36210	Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
201	36220	Other Rents & Royalties	\$ -	\$ (3,600.00)	\$ (3,600.00)	\$ (2,100.00)	\$ (3,600.00)	\$ (3,600.00)	\$ -	Lamar Advertising @ \$300/month
201	39203	Transfer from Other Fund	\$ -	\$ -	\$ (185,000.00)	\$ -	\$ (175,750.00)	\$ (194,250.00)	\$ -	Transfer In - General Fund / EDA operations

ECONOMIC DEVELOPMENT AUTHORITY (EDA)	\$ (127,919.00)	\$ (171,683.57)	\$ (765,965.00)	\$ (2,100.00)	\$ (724,023.95)	\$ (762,961.26)	\$ (3,003.74)
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EXPENSES										
Account Number		Description	2022 Actual	2023 Actual	2024 Adopt	2024 YTD	2024 PROJ	2025 Draft	+/-	Detail
201	46500	50101 Employee Wages & Salaries	\$ 65,081.00	\$ 117,207.86	\$ 84,874.00	\$ 43,776.84	\$ 81,299.85	\$ 84,006.00	\$ (868.00)	60% ED/40% CDD - 1.2% GIS
201	46500	50121 PERA	\$ 3,787.00	\$ 6,881.32	\$ 6,275.00	\$ 3,095.69	\$ 5,749.14	\$ 6,300.00	\$ 25.00	60% ED/40% CDD - 1.2% GIS
201	46500	50122 FICA & Medicare	\$ 4,768.00	\$ 7,228.30	\$ 6,495.00	\$ 3,501.15	\$ 6,502.14	\$ 6,427.00	\$ (68.00)	60% ED/40% CDD - 1.2% GIS
201	46500	50131 Employer Paid Health	\$ 9,144.00	\$ 5,438.68	\$ 4,074.00	\$ 1,747.10	\$ 3,244.61	\$ 14,300.00	\$ 10,226.00	60% ED/40% CDD - 1.2% GIS
201	46500	50151 Workers Compensation Insurance	\$ 586.00		\$ 625.00	\$ -	\$ -	\$ 750.00	\$ 125.00	
201	46500	50210 Operating Supplies	\$ 1,850.00		\$ 200.00	\$ -	\$ -	\$ 200.00	\$ -	
201	46500	50300 Professional Services	\$ 12,479.00	\$ 13,457.11	\$ -	\$ 21,633.25	\$ 43,266.50	\$ -	\$ -	
									\$ -	
201	46500	50301 Audting & Accounting Services	\$ 1,004.00	\$ 1,486.36	\$ 1,000.00	\$ 4,458.53	\$ 5,573.16	\$ 1,000.00	\$ -	
201	46500	50300 Planning Services	\$ -	\$ -	\$ 35,000.00	\$ -	\$ -	\$ -	\$ (35,000.00)	
									\$ -	Downtown MP (\$32,000 @ 100% CDD)
									\$ -	Business Park MP (100% EDA)
201	46500	50303 Engineering Services	\$ 13,781.00	\$ 7,695.12	\$ 16,500.00	\$ 4,614.50	\$ 9,229.00	\$ 10,000.00	\$ (6,500.00)	
									\$ 10,000.00	General Engineering Services
									\$ -	Downtown Parking (\$23,000 @ 50% EDA)
201	46500	50304 Legal Services	\$ -	\$ 14,250.00	\$ 3,000.00	\$ 1,638.75	\$ 3,277.50	\$ 10,000.00	\$ 7,000.00	
									\$ 10,000.00	General Legal Services
201	46500	50331 Travel Expenses	\$ 117.00	\$ 30.13	\$ 2,500.00	\$ -	\$ -	\$ 2,500.00	\$ -	
									\$ 1,100.00	Conference Hotel (excl EDAM)

											Mileage								
									\$	400.00	Conference Mileage (EDAM)								
									\$	500.00	SLUC Lunceons Mileage								
									\$	500.00	General Mileage								
201	46500	50332	Conference & Training	\$	81.00	\$	262.90	\$	1,735.00	\$	-								
									\$	325.00	EDAM Winter Conferene								
									\$	370.00	EDAM Summer Conference								
									\$	500.00	MNCAR Expo								
									\$	540.00	NBACC Chamber Luncheons								
201	46500	50334	Meeting Expense	\$	-	\$	-	\$	-	\$	-								
201	46500	50343	Marketing Expense	\$	1,363.00	\$	4,280.53	\$	4,200.00	\$	210.00	\$	420.00	\$	5,200.00	\$	1,000.00	NBACC Silver \$1399, Gold \$2499, Platinum \$3599	
									\$	699.00	NBACC Bronze Sponsor								
									\$	350.00	NBACC Golf Tourney Hole Sponsorship								
									\$	115.00	NB Beautification Flower Basket								
									\$	200.00	Old Highway 61 Coalition								
									\$	1,200.00	MNCAR Expo Sponsor (Tote Bag or Expo Booth)								
									\$	2,636.00	General Marketing								
201	46500	50351	Legal Notices Publishing	\$	-	\$	-	\$	120.00	\$	-								
201	46500	50352	General Notices & Public Information	\$	-	\$	-	\$	-	\$	-								
201	46500	50360	Insurance	\$	875.00	\$	880.29	\$	800.00	\$	1,021.00	\$	1,021.00	\$	960.00	\$	160.00		
201	46500	50430	Miscellaneous Expense	\$	-	\$	-	\$	-	\$	-	\$	-						
201	46500	50433	Dues & Subscriptions	\$	1,528.00	\$	985.44	\$	895.00	\$	895.00	\$	895.00	\$	-				
									\$	320.00	EDAM								
									\$	325.00	MNCAR Membership								
									\$	250.00	SLUC (Organizational)								
201	46500	50443	Recording Fees	\$	-	\$	56.00	\$	-	\$	-	\$	-						
201	46500	50455	Property Taxes & Assessments	\$	-	\$	858.00	\$	28,595.00	\$	29,374.58	\$	779.58	Coded to Fund 476. Cost shown is 2023 x 3.0%					
									\$	858.00	Cherokee Place Property taxes/11.00359.27								
									\$	-	11.00331.00 (NB EDA)								
									\$	1,386.38	11.00359.26 (NB EDA)								
									\$	1,126.82	11.00359.30 (NB EDA) - No Tax in 2022								
									\$	4,066.44	11.01072.02 (NB EDA / FARM ESTATE-BILL BACK)								
									\$	1,996.14	11.01072.05 (NB EDA)								
									\$	1,740.70	11.01072.06 (NB EDA)								
									\$	1,998.20	11.01072.07 (NB EDA)								
									\$	-	11.01072.10 (NB EDA / POND)								
									\$	3,876.92	11.01072.13 (NB EDA)								
									\$	-	11.01072.16 (HRA-EDA)								
									\$	-	11.01072.17 (HRA-EDA)								
									\$	-	11.01072.18 (HRA-EDA)								
									\$	1,246.30	11.01072.19 (HRA-EDA / ROW)								
									\$	-	11.01072.21 (HRA-EDA)								
									\$	150.38	11.01072.24 (HRA-EDA)								
									\$	531.48	11.01072.25 (HRA-EDA)								



Prepared By: Sharon Wright, Finance Director

Presenter: Sharon Wright, Finance Director

Date: 09/06/2024

Board & Commission: City Council

Subject: Resolution Adopting the Preliminary 2025 HRA Tax Levy for the City of North Branch

Council to adopt the Preliminary 2025 HRA Tax Levy for the City of North Branch.

Voting Requirements:

Voting Options Simple Majority

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

CITY COUNCIL RESOLUTION NO. R-85-2024

RESOLUTION ADOPTING THE PRELIMINARY 2025 HRA TAX LEVY FOR THE CITY OF NORTH BRANCH

WHEREAS, THE CITY COUNCIL OF THE CITY OF NORTH BRANCH, MINNESOTA (“City”) is required by Minnesota Statute §275.065 to adopt and certify preliminary tax levies to Chisago County (“County”) on or before September 30 of each year; and,

WHEREAS, the North Branch Economic Development Authority (“EDA”), a public body corporate and a political subdivision organized under Minnesota Statutes, Section §469.001 to §469.047 and §469.090 to §469.1082; and,

WHEREAS, pursuant to State Statute §469.033, subd. 6, the maximum HRA levy is set at .0185% of the total taxable market value of the City, making the estimated maximum tax levy amount for 2025 of \$283,356; and,

WHEREAS, the EDA has determined that a tax levy of \$283,356 is necessary to meet development objectives for 2025; and,

WHEREAS, the purpose of said funds shall be used by the EDA for repayment of debt of the Taxable Refunding Lease Revenue Bonds, Series 2017 and other operating costs as allowed by law, including, but not limited to: housing and redevelopment activities and community promotion and marketing efforts necessary for such activities.

NOW THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF NORTH BRANCH, MINNESOTA, hereby authorizes a preliminary 2025 HRA tax levy in the amount of \$283,356.

BE IT FUTHER RESOLVED, the City Administrator and Finance Director are hereby directed to submit this resolution and other required documentation to Chisago County for certification.



Prepared By: Sharon Wright, Finance Director

Presenter: Sharon Wright, Finance Director

Date: 09/04/2024

Board & Commission: City Council

Subject: Resolution approving the Preliminary 2025 Operating and Debt Levy

Overview/Background

General Fund draft budget proposals and recommended tax levies have been discussed with City Council. These discussions included the 10-year levy projection, debt requirements, staffing needs and capital needs for the City of North Branch. At the September 4, 2024 special session, a general consensus was reached to bring forward a Preliminary Tax Levy of \$7,717,357. This Preliminary Tax Levy must be certified to the County by September 30th of each year. The final levy may be the same or smaller than the amount established. That action, plus budget adoption, will take place in December.

Items for Consideration

Although the budget is still in draft form, the proposed General Fund budget includes the following:

- 1. Human Resource Professional - new position**
- 2. Police Officer - new position**
- 3. Police officer promotion**
- 4. Fire department restructuring of pay from stipends to hourly**
- 5. Public Works position - 2 new positions**
- 6. Police squad cars - leasing 6 new cars plus outfitting the cars**

The Proposed Preliminary Levy will also include debt payments of \$385,685. This includes 2020A Bonds for \$45,100 and 2022A Equipment Bonds for \$142,000, as well as the payment on the lease-purchase from Chisago County of \$198,585.

The Truth in Taxation meeting has been set for Monday, December 2, 2024 at 6:30pm.

Voting Requirements:

Voting Options Simple Majority

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

CITY COUNCIL RESOLUTION NO. R-83-2024

RESOLUTION ADOPTING THE PRELIMINARY 2025 TAX LEVY FOR THE CITY OF NORTH BRANCH

WHEREAS, THE CITY COUNCIL OF THE CITY OF NORTH BRANCH, MINNESOTA (“City”) is required by Minnesota Statute §275.065 to adopt and certify preliminary tax levies to Chisago County (“County”) on or before September 30 of each year; and,

WHEREAS, the City Council has received and discussed said proposed budget and property tax levy collectible in 2025.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH BRANCH, MINNESOTA,

That the proposed preliminary budget and property tax levy collectible in 2025 submitted to the Council is hereby adopted as the Proposed Budget and Proposed Property Tax Levy of \$7,717,357 for taxes payable in 2025. The proposed levy is attached and made part of this resolution.

Monday, 12/2/2024 at 6:30 p.m. is hereby set for discussion of the FINAL BUDGET and FINAL PROPERTY TAX LEVY of 2024 for taxes payable in 2025.

BE IT FURTHER RESOLVED, the City Administrator and Finance Director hereby directed to submit this resolution and other required documentation to Chisago County for certification.

Levy Increments

2025 Tax Capacity from Chisago County \$ 15,808,110 -1.04%
 2024 Tax Capacity From Chisago County \$ 15,975,003

		2025 Proposed Levy	2025 Proposed Tax Capacity Rate	2024 Final Levy	Increase to Tax Revenue %	2024 Tax Capacity Rate
General Fund Operating Levy		6,335,842		5,297,000	19.6%	
EDA Operating Levy		194,250		185,000	5.0%	
Capital Plan Funding		275,000		-		
Debt Service Levy		385,685		418,000	-7.7%	
Total Levy		7,190,777	45.49%	5,900,000	21.9%	36.93%
	Additional Needs					
HR Professional (salary & benefits)	101,525	7,292,302	46.13%		23.6%	
Police Officer Promotion (salary & benefits)	31,733	7,324,035	46.33%		24.1%	
New Police Officer (salary & benefits)	116,788	7,440,823	47.07%		26.1%	
Fire - Change from Stipend to Hourly pay	57,188	7,498,011	47.43%		27.1%	
New Public Works Employee (salary & benefits)	23,273	7,521,284	47.58%		27.5%	
New Public Works Employee (salary & benefits)	23,273	7,544,557	47.73%		27.9%	
Lease 6 new squad cars at \$900/month	64,800	7,609,357	48.14%		29.0%	
Outfit 6 squad cars at \$18,000 each	108,000	7,717,357	48.82%		30.8%	

Fund Balance Purchases

Pavement Management (CR 30 Roundabout)	1	1,000,000
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General Fund

2025 Revenue Budget

Description	2023 Actual			2024 YTD	
	2022 Actual	(Unaudited)	2024 Adopted	Actual	2025 Proposed
Current Ad Valorem Taxes	\$ 4,019,909	\$ 4,479,919	\$ 5,482,000	\$ 2,881,033	\$ 7,331,672
Delinquent Ad Valorem Taxes	30,296	77,537	-	33,247	-
Tax-Incrmnt /+Excess & Surplus	2,600	(2,850)	-	-	-
Other Taxes/Solar Prod Tx	25,584	23,773	24,000	23,710	24,000
Penalties and Interest DelTax	-	-	-	2,337	-
Business Licenses/Permits	1,100	1,100	500	250	1,000
Alcoholic Beverage License	18,410	15,950	15,000	175	15,000
Beer Off/On Sale License	-	600	2,500	250	600
Liquor Off/On Sale	125	125	500	-	150
Sunday License	1,200	800	1,500	-	1,000
Club License	500	-	500	-	-
Professional and Transient	468	1,466	500	642	750
Cigarette License	2,750	3,000	2,500	-	3,000
Refuse License (Garbage)	1,092	936	1,000	-	1,000
Building Permits	158,359	230,207	190,000	177,912	200,000
Septic Permits and Opinion	6,670	5,685	7,000	5,350	6,000
Plan Check Fee	52,782	96,992	72,500	68,816	75,000
Mechanical Permits	22,648	24,966	20,000	13,663	20,000
Plumbing Permits	15,021	14,861	12,000	14,513	15,000
Site Locate/Permit	-	-	-	800	-
Grading Permit	-	1,000	-	500	750
Conditional Use Permit	1,500	600	1,000	300	750
Excavation Permit/License	3,900	3,600	5,000	11,500	5,000
Animal Licenses	1,635	1,509	2,000	750	1,500
Dance Permits	400	360	500	60	400
Sign Permits	1,755	375	1,500	405	400
Other Permits	335	5,425	500	2,080	500
State Grants and Aids	1,283	2,788	-	4,324	575,000
Local Government Aid	836,120	855,681	1,029,202	514,601	1,030,822
Mkt Value Credit	9,633	10,281	9,000	-	9,000
Muni State Aid St Maintenance	229,456	222,240	206,000	245,270	210,000
Other State Aid Grants	8,262	10,782	496,396	25,882	10,000
Other Federal Aid/Grants	-	-	-	24,000	-
Fire Aid	90,167	103,601	85,000	1,600	100,000
Police Aid	115,189	627,051	110,000	-	140,000
Youth Officer School Reimb.	48,734	43,253	50,000	25,851	26,000
Zoning and Subdivision Fees	8,030	5,345	4,000	19,320	8,000
Plat Fee	3,560	4,260	4,000	7,970	6,000
Assessment Search Fees	275	250	300	250	300
Fire Service Contract	59,456	67,119	55,000	77,051	75,000

Description	2023 Actual			2024 YTD	
	2022 Actual	(Unaudited)	2024 Adopted	Actual	2025 Proposed
Other Revenues	34,445	8,102	15,000	11,797	15,000
Court Fines	15,202	17,444	17,000	17,678	17,000
False Alarm Fees	-	225	-	-	-
Special Assessments	2,269	2,270	2,000	-	2,000
Misc Revenue	18,342	-	-	-	-
Reimbursement-Police	38,055	22,339	15,000	18,859	20,000
Reimbursement-Pbl Wks	75,487	36,010	75,000	7,138	35,000
Reimbursement-Fire Dept	8,735	20,183	-	3,950	-
PD ADM Citations	-	-	-	440	-
Interest Earnings	1,595	110,665	15,000	345,418	65,000
Refunds & Reimbursements	-	205	7,500	-	-
Refunds & Reimbursements - W&L	13,500	10,061	-	-	-
Other Revenues	1,700	12,360	-	4,826	-
Other Rents and Royalties	16,733	17,896	20,400	16,285	20,400
Insurance Reimbursement	44,251	17,046	-	6,544	-
Contributions and Donations	4,000	4,000	-	-	-
Sales of General Fixed Assets	20,777	250,871	-	-	-
Transfer from Other Fund	163,156	108,600	121,800	-	141,800
Total Revenue	\$ 6,237,451	\$ 7,578,864	\$ 8,180,098	\$ 4,617,347	\$ 10,209,794

General Fund

2025 Expenditures Budget

Description	2022 Actual	2023 Actual (Unaudited)	2024 Adopted	2024 YTD Actual	2025 Proposed
Employees Wages & Salaries	\$ 20,000	\$ 21,000	\$ 21,000	\$ 10,500	\$ 21,000
PERA	750	600	600	300	1,050
FICA and Medicare	1,530	1,607	1,607	804	1,607
Worker's Comp Ins	-	69	112	58	75
Computer	1,445	1,374	1,500	432	-
Professional Services	-	-	1,000	6,197	5,500
Travel Expenses	3,012	3,105	5,500	965	1,000
Conference & Training	1,714	447	2,500	1,345	2,500
Legal Notices Publishing	-	-	500	-	500
General Notices	-	-	-	5,195	-
Insurance	241	201	300	4	50
Dues and Subscriptions	30	30	100	-	100
City Council	\$ 28,722	\$ 28,433	\$ 34,719	\$ 25,800	\$ 33,382

Employees Wages & Salaries	\$ 133,149	\$ 234,862	\$ 142,646	\$ 24,296	\$ 205,209
PERA	8,655	8,504	9,272	1,170	14,041
FICA and Medicare	9,136	10,524	10,912	1,836	15,698
Employer Paid Health	19,189	15,033	17,159	10,234	41,380
Worker s Comp Insurance	996	623	834	658	750
Operating Supplies	48	221	250	-	275
Professional Svcs	-	-	2,000	9,951	2,000
Communications	546	514	800	54	900
Travel Expenses	-	-	-	-	500
Conference & Training	1,964	2,800	1,500	83	2,500
Meeting Expense	95	139	1,500	-	500
Insurance	1,085	891	1,000	42	75
Dues and Subscriptions	1,087	1,270	1,300	-	1,500
City Administrator	\$ 175,950	\$ 275,380	\$ 189,173	\$ 48,324	\$ 285,328

Employees Wages & Salaries	\$ 83,841	\$ 86,957	\$ 90,001	\$ 58,850	\$ 98,670
PERA	6,287	6,426	6,750	4,664	7,401
FICA and Medicare	6,168	6,311	6,885	4,559	7,548
Employer Paid Health	11,100	8,124	9,996	7,344	11,127
Worker s Comp Insurance	698	623	850	658	750
Operating Supplies	-	-	150	480	-
Professional Svcs	29,922	33,153	19,000	11,126	1,000
Medical Exams	618	194	600	155	-
Travel Expense	-	-	500	-	500
Conference & Training	928	1,835	1,000	340	2,000
Legal Notices Publishing	1,464	727	800	-	800
General Notices and Pub Info	-	44	150	-	200
Insurance	1,006	1,474	1,500	3,855	4,000
Dues and Subscriptions	406	314	350	334	500
Recording Fees	332	630	-	138	-
City Clerk	\$ 142,770	\$ 146,813	\$ 138,532	\$ 92,503	\$ 134,496

General Fund

2025 Expenditures Budget

Description	2022 Actual	2023 Actual (Unaudited)	2024 Adopted	2024 YTD Actual	2025 Proposed
Part-Time Employees	\$ 10,426	\$ -	\$ 15,000	\$ 4,324	-
Operating Supplies	1,519	-	2,500	200	-
Travel Expenses	554	-	500	232	-
Elections	\$ 12,499	\$ -	\$ 18,000	\$ 4,756	\$ -
Non-Capitalized Equipment	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Computer	-	-	-	-	114,000
Operating Supplies	-	-	-	-	5,000
Copy Machine Lease	-	-	-	-	25,900
Software	-	-	-	-	308,500
Internet Lease	-	-	-	-	25,000
Network Switches/Firewall	-	-	-	-	27,200
Professional Svcs	-	-	-	-	30,000
Telephone	-	-	-	-	48,800
Technology	\$ -	\$ -	\$ -	\$ -	\$ 594,400
Employees Wages & Salaries	\$ 186,931	\$ 198,793	\$ 219,987	\$ 144,930	\$ 251,428
Overtime	141	1,070	-	101	-
PERA	12,806	13,848	16,499	11,488	18,857
FICA and Medicare	13,251	14,158	16,830	10,937	19,234
Employer Paid Health	16,400	46,863	33,641	29,865	46,205
Worker s Comp Insurance	1,776	1,867	2,503	2,972	3,500
Professional Svcs	31,828	34,975	13,000	10,598	14,000
Auditing and Acct g Services	39,515	61,460	30,000	30,266	30,000
Telephone	492	423	600	313	-
Travel Expenses	437	2,188	5,100	2,194	3,900
Conference & Training	980	3,365	3,800	1,272	2,600
Insurance	2,280	1,850	2,000	126	150
Dues and Subscriptions	530	460	1,000	510	1,000
Finance	\$ 307,367	\$ 381,321	\$ 344,960	\$ 245,572	\$ 390,874
Attorneys Fees	\$ 27,050	\$ 119,782	\$ 50,000	\$ 103,220	\$ 68,300
City Attorney	\$ 27,050	\$ 119,782	\$ 50,000	\$ 103,220	\$ 68,300
Engineering Fees	\$ 56,246	\$ (1,845)	\$ 40,000	\$ 18,179	\$ 40,000
City Engineer	\$ 56,246	\$ (1,845)	\$ 40,000	\$ 18,179	\$ 40,000
Professional Svcs	\$ 29,852	\$ 35,110	\$ 30,000	\$ 15,000	\$ 31,500
Legislative	\$ 29,852	\$ 35,110	\$ 30,000	\$ 15,000	\$ 31,500

General Fund

2025 Expenditures Budget

Description	2022 Actual	2023 Actual (Unaudited)	2024 Adopted	2024 YTD Actual	2025 Proposed
Employees Wages & Salaries	\$ 123,940	\$ 137,004	\$ 71,827	\$ 43,315	\$ 64,998
PERA	8,349	8,912	5,387	3,223	4,875
FICA and Medicare	8,900	8,847	5,495	3,585	4,972
Employer Paid Health	25,302	11,332	2,781	3,745	4,039
Workers Comp Insurance	883	1,490	1,000	1,534	1,900
Non-capital Equipment	181	-	-	-	-
Operating Supplies	117	-	200	-	200
Professional Svcs	12,032	6,828	89,958	15,265	25,000
Engineering Fees	12,528	5,354	16,000	-	5,000
Attorneys Fees	-	-	5,000	-	5,000
Telephone	1,764	1,618	600	929	-
Travel Expenses	-	211	1,600	-	1,600
Conference & Training	575	491	1,285	-	1,300
Legal Notices Publishing	1,900	1,245	1,600	1,427	1,600
General Notices and Pub Info	46	-	-	-	-
Insurance	1,522	1,201	1,500	101	125
Dues and Subscriptions	1,140	758	910	-	1,000
Planning & Zoning	\$ 199,179	\$ 185,290	\$ 205,143	\$ 73,124	\$ 121,609

Employees Wages & Salaries	\$ 38,842	\$ 44,503	\$ 49,886	\$ 33,395	\$ 49,210
Overtime	3,927	4,781	1,617	2,696	6,420
PERA	3,208	3,646	3,862	2,839	4,172
FICA and Medicare	3,204	3,663	3,940	2,820	4,256
Employer Paid Health	8,774	7,913	10,260	6,445	10,337
Worker s Comp Insurance	322	2,247	880	512	600
Non-Capitalized Equipment	1,312	6,235	3,000	-	-
Computer	19,426	21,019	15,000	13,085	-
Operating Supplies	14,488	11,659	12,000	6,844	12,480
Copy Machine Lease	9,601	11,838	10,000	7,235	-
Internet Lease	14,263	13,800	15,000	8,050	-
Network Switches/Firewall	-	5,518	6,100	3,567	-
Professional Svcs	43,095	57,980	40,000	26,576	40,000
Telephone	14,477	11,646	15,000	4,982	-
Postage	8,372	4,773	6,500	2,617	6,500
Insurance	9,524	9,369	12,000	9,175	10,000
Utility Services	21,802	16,349	20,000	6,366	20,000
Refuse	1,841	2,111	2,000	1,523	2,000
Repairs/Maint Buildings	20,311	13,535	30,000	1,387	30,000
Repairs/Maint Machinery/Equip	169	-	2,000	145	2,000
Miscellaneous	-	285	-	-	-
Dues and Subscriptions	371	-	300	2,412	-
City Facilities	\$ 237,329	\$ 252,870	\$ 259,345	\$ 142,671	\$ 197,975

General Fund

2025 Expenditures Budget

Description	2022 Actual	2023 Actual (Unaudited)	2024 Adopted	2024 YTD Actual	2025 Proposed
Employees Wages & Salaries	\$ 1,410,272	\$ 1,516,291	\$ 1,534,661	\$ 975,041	\$ 1,727,010
Overtime	60,299	86,047	81,302	85,948	84,590
PERA	264,666	255,863	268,401	191,731	304,257
FICA and Medicare	27,023	31,657	31,704	21,043	36,234
Employer Paid Health	239,539	297,711	279,360	192,391	286,638
Worker s Comp Insurance	65,412	99,357	100,000	87,964	105,000
Non-Capitalized Equipment	11,714	7,055	19,221	9,258	41,000
Computer	8,070	5,415	45,375	39,960	-
Operating Supplies	20,804	14,898	20,000	8,616	16,500
Motor Fuels	32,183	39,339	32,000	19,766	32,000
Copy Machine Lease	3,797	3,903	3,800	2,714	-
Vehical/Truck Lease	5,715	5,545	6,000	3,690	6,600
License And Permits	44	15	125	112	200
Uniforms	21,427	29,312	22,192	18,493	33,100
Professional Srvs	59,872	99,540	126,900	59,741	134,200
Attorneys Fees	-	-	300	-	300
Medical Exams	2,842	5,318	1,900	1,794	1,900
Telephone	446	721	450	279	-
Travel Expenses	109	277	75	-	100
Conference & Training	19,230	21,580	24,200	28,377	37,200
Insurance	57,583	51,282	44,000	59,594	65,000
Utility Services	4,781	3,722	4,800	1,710	4,800
Repairs/Maint Buildings	3,067	6,054	500	235	500
Repairs/Maint Machinery/Equip	41,630	26,613	46,800	14,990	46,800
Miscellaneous	120	-	300	-	300
Dues and Subscriptions	6,626	11,341	11,500	8,866	13,300
Motor Vehicles	50,768	121,295	149,670	39,016	-
Police	\$ 2,418,039	\$ 2,740,149	\$ 2,855,535	\$ 1,871,329	\$ 2,977,529

General Fund

2025 Expenditures Budget

Description	2022 Actual	2023 Actual (Unaudited)	2024 Adopted	2024 YTD Actual	2025 Proposed
Part-Time Employees	\$ 12,498	\$ 12,498	\$ -	\$ 7,599	\$ 20,500
Fire Call-Edu	41,200	46,200	56,800	25,200	107,000
FICA and Medicare	4,108	4,490	4,348	2,356	9,754
Worker s Comp Insurance	23,905	25,659	27,000	23,529	27,500
Training & Instruction Inside	2,935	3,234	3,000	650	5,000
Non-Capitalized Equipment	5,144	30,961	199,887	35,900	40,000
Computer	6,476	3,673	3,000	5,658	-
Operating Supplies	7,689	5,047	7,000	4,305	10,000
Motor Fuels	7,965	8,851	7,000	3,903	10,000
Copy Machine Lease	902	1,227	1,200	800	-
SCBA Maint	6,628	1,966	4,500	-	8,000
Uniforms	448	6,019	48,500	20,126	5,000
Small Tools and Minor Equip	4,191	1,948	10,000	1,338	40,000
Internet Lease	1,341	1,296	1,300	736	-
Network Switches/Firewall	-	2,069	2,000	1,065	-
Professional Svcs	15,492	16,248	28,000	6,812	28,000
Pension-Fire Relief Assoc	95,167	103,601	82,000	1,600	92,800
Medical Exams	2,564	842	3,500	4,885	8,000
Communications	13,006	13,818	24,000	16,834	24,000
Telephone	3,863	3,811	5,000	2,622	-
Conference & Training	18,358	10,137	7,500	6,152	20,000
Insurance	11,330	9,507	15,000	10,269	12,000
Utility Services	21,666	12,352	20,000	4,474	15,000
Refuse	652	839	825	666	1,000
Repairs/Maint Buildings	8,832	4,233	17,000	16,731	19,000
Repairs/Maint Machinery/Equip	45,237	71,608	45,000	33,838	55,000
Dues and Subscriptions	1,145	2,257	4,000	200	2,000
Other Equipment	2,730	-	-	-	-
Debt Srv Principal	45,386	47,275	49,241	49,241	52,000
Interest	20,113	18,225	16,258	16,258	14,250
Fire	\$ 430,971	\$ 469,888	\$ 692,859	\$ 303,747	\$ 625,804

General Fund

2025 Expenditures Budget

Description	2022 Actual	2023 Actual (Unaudited)	2024 Adopted	2024 YTD Actual	2025 Proposed
Employees Wages & Salaries	\$ 232,194	\$ 247,181	\$ 261,518	\$ 153,431	\$ 240,420
Overtime	-	-	-	6	-
PERA	17,329	18,212	19,614	12,093	18,032
FICA and Medicare	17,176	17,366	20,007	11,451	18,392
Employer Paid Health	50,105	44,238	55,922	42,441	67,886
Worker s Comp Insurance	1,779	505	1,500	595	650
Operating Supplies	265	559	1,500	86	1,000
Motor Fuels	1,566	2,199	2,500	902	2,500
Licenses & Permits	19	-	-	-	-
Uniforms	-	-	300	-	800
Telephone	981	933	1,200	626	-
Travel Expense	-	-	-	-	1,000
Conference & Training	2,143	276	1,000	1,262	2,100
Insurance	2,386	2,039	3,000	314	350
Repairs/Maint Machinery/Equip	156	1,905	2,750	177	1,500
Books and Pamphlets	231	-	1,500	-	1,500
Motor Vehicles	42,914	27,401	-	-	-
Building Inspection	\$ 369,244	\$ 362,814	\$ 372,311	\$ 223,384	\$ 356,130
Utility Services	\$ 4,137	\$ 2,951	\$ 2,950	\$ 1,491	\$ 3,000
Repairs/Maint Machinery/Equip	491	4,245	1,150	1,284	1,200
Capital Outlay	-	-	58,305	51,218	-
Civil Defense	\$ 4,628	\$ 7,196	\$ 62,405	\$ 53,993	\$ 4,200
Professional Svcs	\$ -	\$ 350	\$ 225	\$ -	\$ 300
Consultant Services	4,200	3,500	4,200	2,800	4,200
Animal Control	\$ 4,200	\$ 3,850	\$ 4,425	\$ 2,800	\$ 4,500
Traffic Signals	\$ 12,594	\$ 9,118	\$ 10,000	\$ 4,354	\$ 14,000
Street Lights	21,314	59,957	23,000	23,250	66,000
Street Lights	\$ 33,908	\$ 69,075	\$ 33,000	\$ 27,604	\$ 80,000

General Fund

2025 Expenditures Budget

Description	2022 Actual	2023 Actual (Unaudited)	2024 Adopted	2024 YTD Actual	2025 Proposed
Employees Wages & Salaries	\$ 287,161	\$ 415,663	\$ 467,945	\$ 332,949	\$ 569,512
Overtime	22,756	43,298	12,588	24,979	60,994
PERA	23,243	33,802	36,039	28,474	47,287
FICA and Medicare	23,188	33,607	36,760	28,014	48,233
Employer Paid Health	45,050	82,572	94,009	61,469	120,998
Worker s Comp Insurance	27,036	35,744	50,962	25,233	30,000
Computer	2,681	3,534	-	3,104	-
Operating Supplies	23,043	27,116	25,000	6,453	26,000
Motor Fuels	57,638	56,386	46,000	10,148	46,000
Copy Machine Lease	1,260	2,594	2,500	1,865	-
Street Maint Materials	23,704	47,979	18,000	5,784	25,000
Traffic Signs	9,313	2,982	8,000	11,016	10,000
Gravel	1,861	126,558	140,000	10,000	154,000
License And Permits	517	-	500	-	500
Uniforms	9,249	11,230	7,000	2,992	8,000
Small Tools and Minor Equip	5,346	3,360	3,000	817	5,000
Internet Lease	887	1,296	1,300	736	-
Salt - Sidewalks	7,784	2,274	4,000	-	5,000
Salt And Sand	113,018	132,960	125,000	140,391	140,000
Professional Svcs	6,083	20,865	12,000	4,462	-
Engineering Fees	-	12,425	-	-	40,000
Crack Sealing	57,288	65,461	70,000	67,420	80,000
Dust Control	43,725	56,084	70,000	49,299	90,000
Medical Exams	215	72	300	-	300
Telephone	4,679	5,411	7,000	4,295	-
Postage	-	93	-	-	-
Conference & Training	1,000	955	1,000	856	1,000
Insurance	20,365	19,937	18,000	29,805	33,000
Utility Services	16,087	14,412	10,000	6,354	18,000
Refuse	4,764	6,058	3,700	4,998	4,000
Repairs/Maint Buildings	1,323	3,591	6,300	1,315	15,000
Repairs/Maint Machinery/Equip	42,066	58,633	60,000	20,018	65,000
Drug & Alcohol Testing	142	212	500	146	500
Rentals	-	-	-	-	5,000
Other Equipment Rentals	-	2,809	2,000	-	5,000
Dues and Subscriptions	277	286	300	-	400
Streets	310,871	242,912	507,000	20,381	750,000
Improvements Other Than Bldgs	-	85,120	46,000	34,859	50,000
Heavy Machinery	-	46,626	-	-	-
Motor Vehicles	-	89,065	40,000	-	-
Public Works	\$ 1,193,620	\$ 1,793,981	\$ 1,932,703	\$ 939,928	\$ 2,453,724

General Fund

2025 Expenditures Budget

Description	2022 Actual	2023 Actual (Unaudited)	2024 Adopted	2024 YTD Actual	2025 Proposed
Employees Wages & Salaries	\$ 84,331	\$ 121,743	\$ 156,991	\$ 104,974	\$ 120,335
Overtime	7,593	13,180	2,706	7,501	3,905
Part-Time Employees	2,081	1,897	-	571	2,000
PERA	6,894	9,989	11,977	8,779	9,318
FICA and Medicare	6,876	9,872	12,217	8,545	9,505
Employer Paid Health	14,464	25,138	31,646	19,154	26,134
Worker s Comp Insurance	5,715	7,440	4,000	10,194	12,000
Operating Supplies	16,107	17,775	15,000	10,200	17,000
Motor Fuels	2,609	2,842	5,000	4,899	15,600
Traffic Signs	1,212	72	1,000	-	5,000
Licenses & Permits	77	-	-	-	1,100
Uniforms	1,112	1,209	850	310	100
Small Tools	984	1,246	1,260	5,000	1,000
Professional Svcs	1,000	-	-	608	1,400
Telephone	2,114	2,159	3,500	1,440	-
Conferences & Training	-	75	1,900	23	2,000
Insurance	26,287	23,281	26,000	8,064	8,750
Utility Services	10,116	5,759	17,000	5,008	18,360
Repairs & Maint Cont	5,223	20,582	114,000	6,464	175,000
Repairs/Maint Buildings	-	4,833	2,600	3,015	4,000
Repairs/Maint Machinery/Equip	12,598	7,496	5,700	2,799	6,300
Rentals	10,554	12,359	20,000	1,163	20,800
Other Equipment Rentals	14,501	16,708	5,000	6,782	5,200
Improvements - Bldgs	-	-	-	-	575,000
Parks	\$ 232,448	\$ 305,653	\$ 438,347	\$ 215,493	\$ 1,039,807
Employees Wages & Salaries	\$ 24,717	\$ 28,318	\$ 28,545	\$ 19,159	\$ 29,973
Overtime	2,499	3,043	1,029	1,716	4,085
PERA	2,041	2,320	2,218	1,649	2,554
FICA and Medicare	2,039	2,331	2,262	1,651	2,605
Employer Paid Health	5,583	5,036	5,838	3,721	6,285
Operating Supplies	-	-	100	-	-
Professional Svcs	10,692	11,579	15,000	11,341	17,000
Utility Services	33,393	30,464	35,000	9,083	36,400
Refuse	1,117	1,131	1,200	818	1,200
Repairs/Maint Buildings	7,668	1,247	3,000	1,221	21,000
Repairs/Maint Machinery/Equip	-	-	1,000	-	1,000
Library	\$ 89,749	\$ 85,469	\$ 95,192	\$ 50,359	\$ 122,102

General Fund

2025 Expenditures Budget

Description	2022 Actual	2023 Actual (Unaudited)	2024 Adopted	2024 YTD Actual	2025 Proposed
Unemployment Benefit Payments	\$ -	\$ 574	\$ -	\$ -	\$ 1,000
Professional Svcs	44,108	16,662	5,000	4,500	16,800
Insurance	2,112	6,193	2,000	29,993	2,400
Insurance - Deductible	18,004	2,178	5,000	-	5,000
Rental Bldg Expense	5,744	11	2,500	-	2,500
Miscellaneous	5,082	4,495	23,000	238	5,000
Dues and Subscriptions	11,418	12,376	12,700	-	14,000
PropTaxes/ Assessments	2,914	4,144	3,000	3,160	3,600
Contingency	9,070	17,868	34,000	-	40,800
Operating Transfers	30,000	-	185,000	-	642,050
Other General Expenditures	\$ 128,452	\$ 64,501	\$ 272,200	\$ 37,891	\$ 733,150
	\$ 6,122,223	\$ 7,325,731	\$ 8,068,849	\$ 4,495,677	\$ 10,294,810



Prepared By: Ragini Varma, City Clerk / IT Director

Presenter: Ragini Varma, City Clerk / IT Director

Date: 09/05/2024

Board & Commission: City Council

Subject: Attorney Monthly Report

The Council is provided with the monthly legal report as information purposes. Any questions can be emailed to the Interim City Administrator.

Voting Requirements:

INFO

MEMORANDUM

To: The Honorable Kevin Schieber
City of North Branch City Council

VIA EMAIL ONLY

cc: Ragini Varma, City Clerk

From: Christopher M. Hood

Date: September 4, 2024

Re: Legal Staff Report for September 10, 2024 City Council Meeting

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We are submitting this memorandum to update the City of North Branch City Council on the work we performed as City Attorney during August 2024. The matters listed below are discussed in a general manner only for sake of brevity and to maintain any attorney-client privileged and/or confidential information/data.

Summary of City Matters

1. **Personnel and Labor Matters**

Attorneys researched, reviewed, and drafted personnel related correspondence; reviewed and prepared documents for union negotiations and attended negotiations meetings; and responded to various other questions and prepared correspondence regarding labor and employment matters.

2. **Land Use and Real Estate Matters**

Attorneys researched, reviewed and drafted documents for an option agreement. Attorneys researched, reviewed and drafted documents for a gas franchise agreement/ordinance and related documents with MERC.

3. **Staff Communications**

Attorneys also make occasional day-to-day communications with the City Administrator, City Engineer and City staff regarding the above-referenced matters, among others.

CMH/sc