OATH OF OFFICE FOR MAYOR

STATE OF MINNESOTA)
COUNTY OF WASECA)
CITY OF NEW RICHLAND)

I, Chad Neitzel, do solemnly swear to support the Constitution of the United States, the Constitution of the State of Minnesota, and to discharge faithfully the duties of the office of Mayor of the City of New Richland in the County of Waseca, the State of Minnesota, to the best of my judgment and ability, so help me God.

____
Chad Neitzel, Mayor

Attest:

____
Anthony Martens, City Administrator

OATH OF OFFICE FOR COUNCIL MEMBER

STATE OF MINNESOTA)
COUNTY OF WASECA)
CITY OF NEW RICHLAND)

I, Jason Casey, do solemnly swear to support the Constitution of the United States, the Constitution of the State of Minnesota, and to discharge faithfully the duties of the office of Council Member of the City of New Richland in the County of Waseca, the State of Minnesota, to the best of my judgment and ability, so help me God.

Jason, Casey, Council Person

Attest:

Anthony Martens, City Administrator

OATH OF OFFICE FOR COUNCIL MEMBER

STATE OF MINNESOTA)
COUNTY OF WASECA)
CITY OF NEW RICHLAND)

I, Loren Skelton, do solemnly swear to support the Constitution of the United States, the Constitution of the State of Minnesota, and to discharge faithfully the duties of the office of Council Member of the City of New Richland in the County of Waseca, the State of Minnesota, to the best of my judgment and ability, so help me God.

Loren Skelton, Council Person

Attest:

Anthony Martens, City Administrator

New Richland City Council
Regular Meeting Agenda
January 9th, 2023

Agenda:

6:30 Swearing in of Council Members / Mayor
Call to Order
Roll Call
Pledge of Allegiance
Approve Agenda

Consent Agenda Items

Items listed on the Consent Agenda are considered routine and non-controversial by the City Council. There will be no separate discussion of these items unless requested by the City Council.

1. Approve Minutes of the December 12th, 2022, Council Meeting
2. Approve Minutes of the January 3rd, 2023, Emergency Council Meeting
3. Approve 2023 Mayoral Appointments
4. Approve Debit Card Authorizations
5. Approve Banking Authorizations
6. Approve ABDO 2022 Audit Engagement Letter

Public Comments

Notice: We welcome the attendance of residents of the City of New Richland to the City Council meetings. Any resident of the City of New Richland may request permission to speak at a regular scheduled council meeting on any topic that is relevant to the operation of the city. Any resident wishing to address the city council shall either call City Hall and request to be put on the agenda or they can sign-up 10 minutes prior to the start of the meeting. At the discretion of the mayor, the speaker may address the topic either during the public portion of the meeting or at the time the item is being addressed by the council. The mayor will call upon the speaker at the appropriate time. Speaker shall state their name and topic to be addressed. Residents are expected to use proper etiquette, decorum and respect when addressing the council.

Request and Presentations

Public Hearings

Ordinances and Resolutions

Department Reports

1. Ambulance Report – In Writing
2. Fire Department Report – In Writing
3. Police Department Report – Tanyce Bruegger, Chief of Police

Unfinished Business

New Business

1. City Council Vacancy
2. City Administrator Update

Miscellaneous

Administrators Report

Mayor/Council Comments

Adjournment

The next Regular City Council meeting will be held on Monday January 23rd, 2023, at 6:30pm

New Richland City Council
Regular Meeting Minutes
December 12th, 2022

Members Present	Staff Present	Others Present
Gail Schmidt	Anthony Martens-City Administrator	e – Brenda Routh
Chad Neitzel	Shell Johnson- People Service	e – Jessica Lutgens
Loren Skelton		
Jody Wynnemer		
Jason Casey		

Members Absent
None

The meeting was called to order by Mayor Gail Schmidt at 6:30 p.m.

Roll Call - All members present

Pledge of Allegiance

Approval of Agenda
- Motion made by Loren Skelton and seconded by Chad Neitzel to approve the agenda as amended. Carried (4 yes, 0 no)

Consent Agenda
- Motion made by Loren Skelton and seconded by Chad Neitzel to approve the consent agenda. Carried (4 yes, 0 no)

Public Comments
- None

Requests and Presentations
- None

Public Hearing
- At 6:35pm Mayor Gail Schmidt opened the public hearing for Truth in Taxation. Administrator Martens made a presentation regarding Truth in Taxation and the 2023 budget. No one in attendance wished to address the council regarding the budget at this time. The hearing will remain open in case someone wishes to be heard

Reports
1. Ambulance Department Report – In Writing
    - Motion was made by Loren Skelton and seconded by Chad Neitzel to approve the ambulance report. Carried (4 yes, 0 no)

2. Fire Department Report – In Writing
    - Motion made by Chad Neitzel and seconded by Jason Casey to adopt resolution 22-19 accepting a donation of $75,000 from the New Richland Fire Department Relief Association. Carried (4 yes, 0 no)
    - Motion made by Jody Wynnemer and seconded by Chad Neitzel to approve the Fire Department report. Carried (4 yes, 0 no)

3. Police Department Report – In Writing
    - Motion was made by Chad Neitzel and seconded by Loren Skelton to approve the Police Department Report. Carried (4 yes, 0 no)

4. NR Care Center Report – In writing
    - Motion made to accept the NRCC report by Loren Skelton and seconded by Chad Neitzel. Carried (4 yes, 0 no)

5. PeopleService Report – Shell Johnson
    - Shell Johnson presented the WWTP report
    - Motion was made by Chad Neitzel and seconded by Jason Casey to approve the People Service CPI-U index increase to the contract. Carried (4 yes, 0 no)
    - Motion was made by Chad Neitzel and seconded by Loren Skelton to approve the People Service Report. Carried (4 yes, 0 no)

Presentation

- Administrator Martens thanked Mayor Schmidt for her service to the community and presented her with a certificate of thanks.
- Council Person Casey presented Mayor Schmidt with a hand-made gavel as a thank you for her service to the community.

6:53pm

- Mayor Schmidt Excused herself from the Meeting and Mayer Pro Tem Loren Skelton presided over the remainder of the meeting

Reports (continued)

6. Street/Water Report – In Writing
    - Motion to accept Street/Water report by Chad Neitzel and seconded by Jason Casey. Carried. (3 yes, 0 no)

Unfinished Business

1. Administrator Martens presented the updated sewer enterprise fund budget. Motion made by Chad Neitzel and seconded by Loren Skelton to approve the sewer enterprise fund budget for 2023. Carried. (2 yes, 1 no-Casey)
2. Administrator Martens presented the updated water enterprise fund budget. Motion made by Jason Casey and seconded by Chad Neitzel to approve the water enterprise fund budget for 2023. Carried. (3 yes, o no)

New Business

- 5 YR Capital Plan
    - Administrator Martens presented the framework for the 5 YR Capital Plan. Due to the extensive list of equipment and items that are nearing the end of life, the council would like to work with each department head to come to creative solution to the issue of replacing equipment.
    - Council Person Wynnemer suggested that we use department head report time over the next few meetings to facilitate this discussion.

New Richland City Council
Regular Meeting Minutes
December 12th, 2022

Truth in Taxation Hearing
- Motion made at 7:00 pm by Chad Neitzel and seconded by Jason Casey to close the public Truth in Taxation Hearing. Carried. (3 yes, 0 no)
- Motion was made by Jody Wynnemer and seconded by Chad Neitzel to approve resolution 22-18 Adopting the budget and tax levy collectible in 2023. Carried. (2 yes, 1 no-Casey)

Miscellaneous
- None

Administrators Report
- Administrator Martens provided a report to the council on tasks completed since last meeting

Mayor/Council Comments
- None

Adjournment – Motion for adjournment made by Chad Neitzel and seconded by Jason Casey. Carried (3 yes, 0 no) 7:12 p.m.

Submitted by,

Anthony Martens
City Administrator

New Richland City Council Regular Meeting Minutes

January 3rd, 2023

Members Present	**Staff Present**	**Others Present**
Gail Schmidt	Anthony Martens-City Administrator	
Chad Neitzel		
Loren Skelton		
Jason Casey		

Members Absent
Jody Wynnemer

The meeting was called to order by Mayor Gail Schmidt at 7:30 a.m.

Roll Call - All members present except for Jody Wynnemer

Approval of Agenda

- Motion made by Chad Neitzel and seconded by Loren Skelton to approve the agenda as amended. Carried (3 yes, 0 no)

1. Motion made by Loren Skelton and seconded by Chad Neitzel to accept the resignation of the City Administrator.
2. Motion made by Loren Skelton and seconded by Chad Neitzel to post the position of City Administrator on our own with the League of MN Cities and locally with the first review of applications to take place on Monday January 9th at 12:00 pm with a report to the council at the City Council Meeting. Carried (3 yes, 0 no)

Adjournment – Motion for adjournment made by Chad Neitzel and seconded by Loren Skelton.
Carried (3 yes, 0 no) 7:45 a.m.

Submitted by,

Anthony Martens
City Administrator

2023 Mayoral Appointments

Appointment	**2023**	**2022**
Newspaper	NRHEG Star Eagle	NRHEG Star Eagle
Bank Depository	State Bank of New Richland	State Bank of New Richland
Deputy Mayor	Loren Skelton	Loren Skelton
Streets/Parks	Jody Wynnemer	Jody Wynnemer
Water/Sewer	Chad Neitzel *	Chad Neitzel
Police Liaison	Chad Neitzel	Gail Schmidt
New Richland Care Center	Loren Skelton	Loren Skelton
Fire Chief	Josh Moen	Josh Moen
Fire Relief Board	Mayor	Mayor
Fire Relief Board	City Administrator	City Administrator
Attorney	Jason L. Moran	Peterson, Kolker, Haedt & Benda
Engineer	Jones, Haugh, & Smith	Jones, Haugh, & Smith
County Environmental Waste	Jason Casey	Jason Casey
County Economic Board	Jason Casey	Jason Casey
Fire Department Liaison	Chad Neitzel	Chad Neitzel
Ambulance Liaison	Chad Neitzel	Gail Schmidt
Ambulance Executive Committee	Chad Neitzel	Gail Schmidt
Ambulance Executive Committee	Jody Wynnemer	Jody Wynnemer
Planning Commission	Jason Casey	Jason Casey
Historic Preservation Commission	Pam Goehring	Pam Goehring
Economic Development Authority	Chad Neitzel *	Chad Neitzel
Economic Development Authority	Jody Wynnemer	Jody Wynnemer
Waseca Area Foundation	Chad Neitzel	Gail Schmidt
MN Valley Council Of Governments	Jason Casey	Jason Casey

Memo

To: City Council

From: Anthony Martens

cc:

Date: 01/09/23

Re: Debit Card Authorizations

The City Council needs to approve the list of staff who are eligible to use the City Debit/Credit Cards annually. I would recommend the following list of City Staff be eligible to utilize the City Debit/Credit cards for authorized purchases:

Anthony Martens, City Administrator

Sara Jo Vulcan, Assistant City Clerk

Eric Hendrickson, Maintenance Supervisor

Braeden Thompson, Maintenance Worker

Tanyce Bruegger, Chief of Police

Memo

To: City Council

From: Anthony Martens

cc:

Date: 01/09/23

Re: Bank Signatures

The City Council needs to approve the individuals authorized to sign checks on behalf of the City of New Richland. I would recommend the following individuals:

Anthony Martens, City Administrator

Chad Neitzel, Mayor

Loren Skelton, Deputy Mayor

December 22, 2022

Management, Honorable Mayor and City Council
City of New Richland
New Richland, Minnesota

We are pleased to confirm our understanding of the services we are to provide the City of New Richland (the City) for the year ended December 31, 2022.

Audit Scope and Objectives

We will audit the financial statements of the the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of the City as of and for the year ended December 31, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis
2) Schedule of Funding Progress, Employer's Share of Net Pension Liability and Employer's Contributions

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

1) Combining and Individual Fund Financial Statements and Schedules
2) Summary Financial Report - Revenues and Expenditures for General Operations - Governmental Funds

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

1) Introductory Section

Edina Office
5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090

Mankato Office
100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727

Scottsdale Office
14500 N Northsight Blvd, Ste 233
Scottsdale, AZ 85260
P 480.864.5579

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of the City and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing* Standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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

We will also conclude, based on the audit evidence obtained, 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 a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of certain assets, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risk(s) of material misstatement as part of our audit planning, however, it should be noted that our planning procedures are not concluded and therefore additions or modifications may be made to the below significant risks:

1) Management Override of Controls
2) Improper Revenue Recognition

We may, from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures - Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures - Compliance

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

Other Services

We will prepare a general ledger trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information in the general ledger into a working trial balance. As part of the audit, we will assist with preparation of your financial statements and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. We will also use the financial statements to complete the Office of the State Auditors' Reporting Forms. We will also enter the current year capital asset transactions into our software based on information you provide. We will also assist with entries to convert from the modified accrual basis of accounting to the full accrual basis of accounting for long-term assets, long-term liabilities, and related deferred inflows of resources, deferred outflows of resources, revenues and expenses from information provided by managment. We will also assist with year end accrual entries from information provided by management. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them.

Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with generally accepted accounting principles in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

You are also responsible for making drafts of financial statements, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements that we report.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Abdo, will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to publishing the financial statements on your website, management understands that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

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

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide electronic copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Abdo and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to any Regulator or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Abdo personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the Regulator. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in March, 2023, and to issue our reports no later than June 30, 2023. Thomas J. Olinger, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be as follows:

Audit	$	26,600
2022 Office of the State Auditor's Reporting Form		875
Total	$	27,475
American Rescue Plan Act Compliance Testing *(if applicable)*	$	1,000

There have been several new accounting standards issued in recent years which will begin taking effect in the current and following years. These new standards may require substantial changes to your financial statements. We will review with you during the planning stage and if changes are substantial and you would like our firm to complete this work we will agree at that time to a separate fee and engagement to complete that work.

The newest standard that will have an effect on your City that is effective for this year's financial statement is GASB's Accounting Standards number 87 - Accounting for Leases. This new standard is effective for fiscal years starting after June 15, 2021. Given this new standard will have an effect on your financial statements, there will be additional time spent to adopt this standard in year one. We will assist management with the implementation of this standard and anticipate that our non-recurring implementation fee for these procedures is estimated to be $2,000. In addition, Abdo has partnered with a lease accounting software known as "LeaseCrunch" to assist in the implementation of the new standard and to be utilized on an ongoing basis to ensure you are in compliance with the new standard post-implementation. The cost of this service is a discounted price of $78 per lease that is in the "LeaseCrunch" system and is billed directly to Abdo from LeaseCrunch on an annual basis. Abdo will bill you the same amount charged from LeaseCrunch based on the number of leases in your account. Abdo plans to utilize this software as part of our procedures and Abdo can either enter information into the system for you to review or we can give you access to the system to input your own lease data for which we will review and ensure it is correct. We will discuss this with you as part of our planning procedures.

In an effort to reduce environmental impact, you will receive printable, downloadable PDFs of your report. To receive one (1) paper report, you will be charged $150 for a set-up fee. Additional paper copies will be charged at the rate of $50 per report.

You may also be billed for travel and other out-of-pocket costs such as report production, typing, postage, etc. if not included in the fee listed above. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Amounts not paid within 30 days from the invoice date will be subject to a late payment charge of .66 percent per month (8 percent per year). If for any reason the account is turned over to collections, additional fees will be added to cover collections cost. In accordance with our Firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Except in the event of your failure to make a payment when due, in the event of a dispute related in any way to our services, our Firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identify for purposes of the award of attorneys' fees. In the event you fail to make a payment for services or to reimburse for costs advanced by the Firm on your behalf, the Firm reserves the right to take all legally permissible action, including commencement of litigation in lieu of mediation, and shall have the right to collect its costs, including reasonable attorney's fees, incurred in any such collection or litigation activities.

Should the City of New Richland desire to employ the Firm's partner(s) or employee(s) involved in the performance of any audit, review or attest service for or relating to the City at any time during the then current fiscal year of the City up to and including the date of the audit report for that year, or in the twelve months preceding the audit report date for the immediately preceding year, it must have the written consent of the Firm to enter into an employment contract with the Firm partner or employee. Should the Firm agree to such arrangement, the agreement will include a payment equal to 200% of the partner or employee's current annual salary.

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the City in the performance of our services. The City shall not, during the term of this agreement and for the twelve months following its termination for any reason, without the prior written consent of the Firm, solicit for employment, or hire any current or former partner or professional employee of the Firm, or any affiliate thereof, if such partner or professional employee has been involved in the performance of any audit, review or attest service for or relating to the City at any time during the then current fiscal year of the City up to and including the date of the audit report for that year, or in the twelve months preceding the audit report date for the immediately preceding year.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We have the right to withdraw from this engagement, at our discretion, if you do not provide us with any information we request in a timely manner; refuse to cooperate with our reasonable requests or misrepresent any facts; we have reason to believe you may have engaged, or may be planning to engage, in conduct that is unethical and/or unlawful; you engage in conduct directed toward or affecting firm personnel that is disrespectful, inappropriate, and/or potentially unlawful; or we determine that continuing the engagement is not in the best interests of the firm or threatens legal or reputational harm to the firm. In the event of withdrawal under any of these circumstances, such withdrawal will release us from any obligation to complete your report and will constitute completion of our engagement.

Reporting

We will issue a written reports upon completion of our audit of the City's financial statements. Our report will be addressed to the Management, Honorable Mayor and City Council of the City. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2020 Peer Review Report accompanies this letter.

We appreciate the opportunity to be of service to the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please electronically sign this letter.

Sincerely,

Abdo

Abdo

RESPONSE:

This letter correctly sets forth the understanding of the **City of New Richland.**

By: ______________________________

Title: ______________________________

BradyMartz

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

November 10, 2020

To the Partners of
Abdo, Eick and Meyers, LLP
and the Peer Review Committee of the Nevada Society
of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Abdo, Eick and Meyers, LLP (the firm) in effect for the year ended May 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Abdo, Eick and Meyers, LLP in effect for the year ended May 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Abdo, Eick and Meyers, LLP has received a peer review rating of *pass*.

Brady Martz

Brady Martz and Associates, P.C.

Ambulance Report

January 2023

Runs: New Richland ended the year of 2022 with 210 runs for the year. For 2023 we have already had 4 calls for the year.

Crew: Ambulance Christmas party is coming up on the 14th of January. People are picking up hours and should have a training committee but together soon.

Director: Getting things in order for our inspection coming up. Date should be coming soon. Working on reviews for everyone.

Not much to report, looking forward to the year and things to come. One question I have is do you want us to come to council meetings this year?

Thank you

Sarah Sundve

NEW RICHLAND FIRE DEPARTMENT
MONTHLY COUNCIL REPORT

December 2022

Year Ending Totals:

Mutual Aid Requests: 5

Rural Fires: 5

Lift Assist/Medical: 18

Rescue: 7

Total Calls for 2022: 35

TRAINING COMPLETED DURING THE MONTH:

Chimney Fire Training

ADDITIONAL INFORMATION:

Annual Banquet will be Held in January

All retiree's will be invited

Respectfully Submitted: *Josh Moen*, **Fire Chief**

New Richland Police Department

PO Box 57 203 North Broadway New Richland, MN 56072
Phone: (507) 465-3240 Fax: (507) 463-3198 Email: nrpd@cityofnewrichlandmn.com

Monthly Report

January 9th, 2023 Council Meeting

Activity/Calls for Service

The New Richland Police Department responded to * 91 * calls for service for the month of December.

Total Calls through December 2022: 1,312

Total Calls through December 2021: 1,556

Most calls requiring additional follow up have been completed. As always, we remind people to get in touch with us if they have any information regarding any incidents that have occurred in the City of New Richland or surrounding areas.

Items Completed in December

- Chief Bruegger and Officer Herrmann participated in the annual "Shop with a Hero" at Walmart in Waseca with other local law enforcement agencies and fire departments.

Information

- Administrative citations have been and continue to be issued in accordance with city ordinance 610.15 "Parking after snowfall." 20 administrative penalties have been issued since 11/29/2022.

New Richland Police Department

PO Box 57 203 North Broadway New Richland, MN 56072
Phone: (507) 465-3240 Fax: (507) 463-3198 Email: nrpd@cityofnewrichlandmn.com

Training & Education

- N/A

Personnel

- N/A

Purchases

- N/A

Squad Maintenance

- 270 Squad- oil change and maintenance on front tires

Equipment

- 260 squad- replaced exploded battery in Verizon internet pack

Upcoming Events / Important Items

- Minnesota South Central Investigator's Coalition annual conference- January 9th - 10th in Mankato, MN

Respectfully Submitted,

Tanyce Bruegger #261

Tanyce Bruegger, #261
Chief of Police

Memo

To: City Council

From: Anthony Martens

cc:

Date: 1/6/23

Re: Council Vacancy

Mayor elect Neitzel will take the oath of office as mayor at the January 9th, 2023, meeting. Upon taking that oath, a vacancy on the city council will exist as a member cannot serve in both roles. The city council should direct staff on the process to fill the vacancy.

Councilmember Neitzel's term as a city councilmember expires on December 31st, 2024. This position will become vacant upon him taking the oath of office for mayor. The vacancy for that position should be filled as soon as practical. Minnesota statutes 412.02 subdivision 2a outlines the process to fill a vacancy. When less than two years remain in the unexpired term, there need not be a special election to fill the vacancy and the city council shall fill the vacancy by appointment unless a specific ordinance exists requiring a special election. No such ordinance exists for the City of New Richland.

City staff are recommending the following process and timeline:

1. January 9th, 2023: city council directs staff to initiate an application process to appoint an individual to the city council
2. January 19th, 2023: application deadline
3. January 23rd, 2023: city council reviews applications and makes appointment
4. February 13th, 2023: appointed individual takes oath of office and joins the city council for the remaining term

If directed to proceed with the process as outlined, staff will advertise the application process broadly through all electronic means. Applicants will be asked to submit answers to the attached supplemental questions as part of the process.

City of **New Richland** Minnesota

Council Vacancy Supplemental Questions

Please answer the following questions and submit them with your letter of interest. You can also submit another document if you need more room to answer the questions. Letters and answers are due by 4:00pm on Thursday January 19th, 2023. They can be emailed to amartens@cityofnewrichlandmn.com or mailed to:

City of New Richland
Attn: Anthony Martens
PO box 57
New Richland, MN 56072

1. **Briefly describe your background and experience and how it relates to the city council? Include any community organizations or committees you are involved in.**

2. **Why are you interested in serving on the city council?**

3. W**hat skills and abilities do you have that would benefit the city council?**

4. **Is there any reason you would be unable to attend the city council meetings?**

5. **Are there any potential conflicts of interest you might have while serving on the city council?**

City of New Richland Minnesota

Memo

To: City Council

From: Anthony Martens

cc:

Date: 1/6/23

Re: City Administrator Update

I will provide an update on the City Administrator position and plans going forward at the meeting. I am still waiting on some information.

City of New Richland

PO Box 57, 203 N Broadway, New Richland, MN 56072 TEL: (507)465-3514 FAX: (507)465-3375
Web: www.cityofnewrichlandmn.com

City Administrator's Report

January 9th, 2023, Council Meeting

Entered the 2023 Budget into Banyon

Began working on end of the year items

Submitted Truth in Taxation statement to the State Auditor

Attended and Advance Waseca County BOD Meeting

Submitted Monthly Sales Tax Return

Met with LELS in regard to the NRPD Bargaining Unit Contract

Met with MSI regarding the onboarding of DocuWare

Met with Attorney's regarding pending litigation

Added Capital Improvement fees to Sewer fund and updated Water Fund

Completed the transition to PTO/Def Sick from Vacation and Sick time

Updated all wages and salaries based on Classification and Compensation study adoption

Worked on preliminary items for the 2022 audit

Looking Ahead

Jan. 16th – City Hall Closed for Dr. Martin Luther King, Jr. Day

EMPLOYEE RECOGNITION

EMPLOYEE BIRTHDAYS

Jan. 11th – Sarah Sundve – AMB

Jan. 12th – Shanon Young - FD

EMPLOYEE ANNIVERSARIES

Jan. 10th – Jeff Johnson – AMB – 12 YRS

Jan. 14th – Kari Gehring – PD – 3 YRS

Jan. 14th – Colleen Howard – PD – 3 YRS