

City of South St. Paul Economic Development Authority Agenda

Monday, February 1, 2016
following City Council Meeting
Council Chambers

1. CALL TO ORDER:

2. ROLL CALL:

3. AGENDA:

A. Approval of Agenda

Action – Motion to Approve

Action – Motion to Approve as Amended

4. CONSENT AGENDA:

All items listed on the Consent Agenda are items, which are considered to be routine by the Economic Development Authority and will be approved by one motion. There will be no separate discussion of these items unless a Commissioner or citizen so requests, in which event the item will be removed from the consent agenda and considered at the end of the Consent Agenda.

A. EDA Minutes of January 19, 2016

B. Authorize City Finance Department to process payments

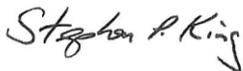
C. Approve Professional Services agreement with BerganKDV

5. PUBLIC HEARINGS:

6. GENERAL BUSINESS:

7. ADJOURNMENT:

Respectfully Submitted,



Stephen P. King, EDA Executive Director

**MINUTES OF THE ECONOMIC DEVELOPMENT AUTHORITY
CITY OF SOUTH ST. PAUL
DAKOTA COUNTY, MINNESOTA**

**Special Meeting
January 19, 2016
City of South St. Paul, Council Chambers**

1. CALL TO ORDER

Chair Beth Baumann called the meeting to order at 7:40 p.m.

2. ROLL CALL

Members Present: Chair Baumann and Commissioners Flatley, Hansen, Niederkorn, Podgorski, Seaberg

Members Absent: Commissioner Rothecker

Staff Present: EDA Executive Director, Stephen King, Christy Wilcox, Secretary City Attorney, Kori Land

3. AGENDA

Motion/Second: Commissioner Seaberg moved and Commissioner Flatley seconded the approval of the agenda.

Motion carried 6 ayes/0 nays

4. CONSENT AGENDA

Motion/Second: Commissioner Niederkorn and Commissioner Hansen seconded the approval of the consent agenda.

A. EDA Minutes of January 4, 2016

Motion carried 6 ayes/0 nays

5. PUBLIC HEARINGS

There were no public hearings.

6. GENERAL BUSINESS

Moved/Second: Commission Seaberg moved and Commissioner Flatley seconded the adoption of Resolution No. 2016-1 approving qualifications, financial responsibility of redeveloper, determining reuse value of land, and authorizing sale of land to the redeveloper for the property located at 129 West Richmond Street.

Motion carried 6 ayes/0 nays

Moved/Second: Commissioner Niederkorn moved and Commissioner Podgorski seconded the motion to authorize and accept assignment of the rights and obligations held by the South St. Paul HRA with regard to the reacquisition of 119 19th Avenue South, a property previously sold pursuant to the Rediscover South St. Paul Program.

Motion carried 6 ayes/0 nays

Moved/Second: Commissioner Hansen moved and Commissioner Niederkorn seconded the approval of the 2016 EDA meeting calendar schedule.

Motion carried 6 ayes/0 nays

7. ADJOURNMENT

Motion/Second: Commissioner Seaberg moved and Commissioner Podgorski seconded the motion to adjourn the meeting at 8:30 p.m.

Approved: February 1, 2016

Christy Wilcox, Secretary



EDA Agenda Report

Date: February 1, 2016

Department: Finance

Administrator: SPK

4-B

Agenda Item: Authorize City Finance to Process EDA Payments

Action to be considered:

Motion to adopt Resolution No. 2016-2 to authorize City of South St. Paul Finance Department to Process Payments in Accordance with City Policies and Procedures.

Overview:

The City of South St. Paul has assumed responsibility for the various programs and projects of the Housing and Redevelopment Authority through the creation of the South St. Paul Economic Development Authority (EDA). The processing of payroll transferred to the City on January 1, 2016 when the employees became employees of the EDA. The processing of all other payables will be transferred to the City on February 1, 2016. The payables will be processed through the City's financial system and the EDA staff will follow all policies and procedures governing payments. The payments will be part of the Accounts Payable approved by the City Council. All check stock will be physically transferred to the City Finance Director who will dispose of the checks appropriately.

Source of Funds:

Individual program budgets in the 2016 Budget.

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. EDA-2016-2

**RESOLUTION AUTHORIZING CITY OF SOUTH ST PAUL FINANCE
DEPARTMENT TO PROCESS PAYMENTS IN ACCORDANCE WITH CITY
POLICIES AND PROCEDURES**

WHEREAS, the City of South St. Paul has assumed responsibility for the various programs and projects of the Housing and Redevelopment Authority through the creation of the South St. Paul Economic Development Authority (EDA),

WHEREAS, the processing of accounts payable will be transferred from the Housing and Redevelopment Authority to the City Finance Department starting February 1, 2016. The City has policies and procedures governing payments which the EDA staff will follow. The payments will be part of the Accounts Payable approved by the City Council.

NOW, THEREFORE, BE IT RESOLVED, that the South St. Paul Economic Development Authority hereby authorizes the City of South St. Paul Finance Department to process all payments related to EDA activity in accordance with City policies and procedures.

Adopted this first day of February, 2016.

President, EDA

Executive Director, EDA



EDA Agenda Report

Date: February 1, 2016

Department: Finance

Administrator: SPK

4-C

Agenda Item: Professional Services Agreement with BerganKDV-Accounting Services

Action to be considered:

Motion to approve the professional services agreement with Bergan KDV for accounting services related to the Housing and Redevelopment Authority's (HRA) fiscal year 2015 audit.

Overview:

The City of South St. Paul has assumed responsibility for the various programs and projects of the Housing and Redevelopment Authority through the creation of the South St. Paul Economic Development Authority (EDA). For fiscal year 2015, the HRA's accounting was done by the former Finance Director and two different temporary accountants from Accountemps/Robert Half. The HRA's auditors identified in late December that there were several areas that were not kept up during fiscal year 2015. In an effort to get the HRA's accounting records current and ready for audit, we need to engage additional services. BerganKDV has a consulting division, separate from their audit division that can provide these services. In addition, the City Finance Director and Assistant Finance Director are actively assisting in getting the records current.

The HRA audit is anticipated to occur mid-February and in order to stay on track, the professional services offered by BerganKDV consulting division are necessary.

The Finance Director requests approval of the attached professional services agreement which was drafted by the City Attorney.

Source of Funds:

HRA/EDA general and administrative fund budgets.

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT ("Agreement") is made and executed this 28th day of January, 2016, by and between the South St. Paul Economic Development Authority, 125 3rd Avenue North, South St. Paul, Minnesota 55075, ("EDA") and BerganKDV, 3800 American Blvd W. Suite 1000, Bloomington, MN 55431-4420 ("Consultant").

WHEREAS, the EDA has accepted the proposal of the Consultant for certain professional Services; and

WHEREAS, Consultant desires to perform the Services for the EDA under the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual consideration contained herein, it is hereby agreed as follows:

1. SERVICES.

- a. EDA agrees to engage Consultant as an independent contractor for the purpose of performing certain professional Services ("Services"), as defined in the following documents:

- i. A proposal dated December 30, 2015, incorporated herein as Exhibit 1;
- ii. Intentionally Left Blank

(Hereinafter "Exhibits.")

- b. Consultant covenants and agrees to provide Services to the satisfaction of the EDA in a timely fashion, as set forth in the Exhibits, subject to Section 7 of this Agreement.

2. PAYMENT.

- a. EDA agrees to pay and Consultant agrees to receive and accept payment for Services as set forth in the Exhibits.
- b. Any changes in the scope of the work of the Services that may result in an increase to the compensation due the Consultant shall require prior written approval by the authorized representative of the EDA or by the EDA Board. The EDA will not pay additional compensation for Services that do not have prior written authorization.

- c. Consultant shall submit itemized bills for Services provided to EDA on a monthly basis. Bills submitted shall be paid in the same manner as other claims made to EDA.
3. TERM. The term of this Agreement is identified in the Exhibits. This Agreement may be extended upon the written mutual consent of the parties for such additional period as they deem appropriate, and upon the same terms and conditions as herein stated.
4. TERMINATION.
 - a. Termination by Either Party. This Agreement may be terminated by either party upon 30 days' written notice delivered to the other party to the addresses listed in Section 13 of this Agreement. Upon termination under this provision, if there is no default by the Consultant, Consultant shall be paid for Services rendered and reimbursable expenses until the effective date of termination.
 - b. Termination Due to Default. This Agreement may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement. The non-performing party shall have fifteen (15) calendar days from the date of the termination notice to cure or to submit a plan for cure that is acceptable to the other party.
5. SUBCONTRACTORS. Consultant shall not enter into subcontracts for any of the Services provided for in this Agreement without the express written consent of the EDA, unless specifically provided for in the Exhibits. The Consultant shall pay any subcontractor involved in the performance of this Agreement within the ten (10) days of the Consultant's receipt of payment by the EDA for undisputed services provided by the subcontractor.
6. STANDARD OF CARE. In performing its Services, Consultant will use that degree of care and skill ordinarily exercised, under similar circumstances, by reputable members of its profession in the same locality at the time the Services are provided. Contractor agrees to comply with all federal, state and local laws and ordinances applicable to the Services to be performed under this Agreement. The Contractor represents and warrants that it has the requisite training, skills, and experience necessary to provide the Services and is appropriately licensed by all applicable agencies and governmental entities.
7. DELAY IN PERFORMANCE. Neither EDA nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the nonperforming party. For purposes of this Agreement, such circumstances include, but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war, riots, and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage; judicial restraint; and inability to procure permits, licenses or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses, or services required to be provided by either EDA or Consultant under

this Agreement. If such circumstances occur, the nonperforming party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement. Consultant will be entitled to payment for its reasonable additional charges, if any, due to the delay.

8. EDA'S REPRESENTATIVE. The EDA has designated Michelle Pietrick to act as the EDA's representative with respect to the Services to be performed under this Agreement. He or she shall have complete authority to transmit instructions, receive information, interpret, and define the EDA's policy and decisions with respect to the Services covered by this Agreement.
9. PROJECT MANAGER AND STAFFING. The Consultant has designated Joe Rigney and Andrew to be the primary contacts for the EDA in the performance of the Services. They shall be assisted by other staff members as necessary to facilitate the completion of the Services in accordance with the terms established herein. Consultant may not remove or replace these designated staff without the approval of the EDA.
10. INDEMNIFICATION.
 - a. Consultant and EDA each agree to defend, indemnify, and hold harmless each other, its agents and employees, from and against legal liability for all claims, losses, damages, and expenses to the extent such claims, losses, damages, or expenses are caused by its negligent acts, errors, or omissions. In the event claims, losses, damages, or expenses are caused by the joint or concurrent negligence of Consultant and EDA, they shall be borne by each party in proportion to its own negligence.
 - b. Consultant shall indemnify EDA against legal liability for damages arising out of claims by Consultant's employees. EDA shall indemnify Consultant against legal liability for damages arising out of claims by EDA's employees.
11. INSURANCE. During the performance of the Services under this Agreement, Consultant shall maintain the following insurance:
 - a. Commercial General Liability Insurance, with a limit of \$2,000,000 for any number of claims arising out of a single occurrence, pursuant to Minnesota Statutes, Section 466.04, or as may be amended;
 - b. Professional Liability Insurance, with a limit of \$2,000,000 for any number of claims arising out of a single occurrence.
 - c. Workers' Compensation Insurance in accordance with statutory requirements.

Consultant shall furnish the EDA with certificates of insurance, which shall include a provision that such insurance shall not be canceled without written notice to the EDA. The EDA shall be named as an additional insured on the Commercial General Liability Insurance policy and the Professional Liability Insurance policy.

12. OWNERSHIP OF DOCUMENTS. Professional documents, drawings, and specifications prepared by the Consultant as part of the Services shall become the property of the EDA when Consultant has been compensated for all Services rendered, provided, however, that Consultant shall have the unrestricted right to their use. Consultant shall retain its rights in its standard drawing details, specifications, databases, computer software, and other proprietary property. Rights to proprietary intellectual property developed, utilized, or modified in the performance of the Services shall remain the property of the Consultant.

13. NOTICES. Notices shall be communicated to the following addresses:

If to EDA: South St. Paul EDA
 125 3rd Avenue North
 South St. Paul, MN 55075
 Attention: Steve King, Executive Director

Or emailed: sking@southstpaul.org

If to Consultant: BerganKDV
 3800 American Blvd W
 Suite 1000
 Bloomington, MN 55431-4420

Or emailed:

14. INDEPENDENT CONTRACTOR STATUS. All services provided by Consultant, its officers, agents and employees pursuant to this Agreement shall be provided as employees of Consultant or as independent contractors of Consultant and not as employees of the EDA for any purpose.

15. GENERAL PROVISIONS.

a. Assignment. This Agreement is not assignable without the mutual written agreement of the parties.

b. Waiver. A waiver by either EDA or Consultant of any breach of this Agreement shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

c. Amendments. Any modification or amendment to this Agreement shall require a written agreement signed by both parties.

- d. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Minnesota and any action must be venued in Dakota County District Court.
- e. Severability. If any term of this Agreement is found be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect.
- f. Data Practices Compliance. All data collected by the EDA pursuant to this Agreement shall be subject to the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.
- g. Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior communications, understandings and agreements relating to the subject matter hereof, whether oral or written.

**SOUTH ST. PAUL
ECONOMIC DEVELOPMENT AUTHORITY**

By: _____
Beth Baumann, President

By: _____
Steve King, Executive Director

Date: _____

CONSULTANT

By: 

Its: Governance Consulting Manager

Date: 01/27/16



EXHIBIT 1

BerganKDV, Ltd.

December 30, 2015

Commissioners and Management
The South St. Paul Economic Development Authority
125 Third Avenue North
South St. Paul, MN 55075

Cedar Falls
602 Main Street
Suite 100
P.O. Box 489
Cedar Falls, IA
50613-0026
T 319.268.1715
F 319.268.1720

We are pleased to confirm our understanding of the services we are to provide to The South St. Paul Economic Development Authority. We are proposing one or more of (but not limited to) the following nonaudit services:

Cedar Rapids
2720 1st Avenue NE
Suite 300
P.O. Box 10200
Cedar Rapids, IA
52402-0200
T 319.294.8000
F 319.294.9003

- A. Training and assistance with reconciliations related to the year-end close of the Authority's 2015 financial statements of the Housing and Redevelopment Authority in and for the City of South St. Paul

Coralville
2530 Corridor Way
Suite 301
P.O. Box 5267
Coralville, IA
52241-0267
T 319.248.0367
F 319.248.0582

Management is responsible for the reconciliations, audit work papers, and all accompanying information as well as all representations contained therein. 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*. You agree to assume all management responsibilities relating to the reconciliations and audit work papers and any other nonaudit services we provide. You will be required to acknowledge in the audit management representation letter our assistance with reconciliations and audit work papers and that you have reviewed and approved the reconciliations and audit work papers prior to issuance of the financial statements and has accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Des Moines
9207 Northpark Drive
Johnston, IA
50131-2933
T 515.727.5700
F 515.727.5800

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

Minneapolis
3800 American Blvd W
Suite 1000
Bloomington, MN
55431-4420
T 952.563.6800
F 952.563.6801

St. Cloud
220 Park Avenue S
P.O. Box 1304
St. Cloud, MN
56302-3713
T 320.251.7010
F 320.251.1784

Waterloo
100 East Park Avenue
Suite 300
P.O. Box 2100
Waterloo, IA
50704-2100
T 319.234.6885
F 319.234.6287

bergankdv.com

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation of reconciliations and audit work papers, (2) additional information

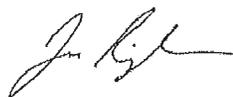
that we may request for the purpose of the preparation of reconciliations and audit work papers, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain reconciliations and audit work papers evidence.

Our charges for services, including travel and out-of-pocket expenses, will be billed as the work progresses on a monthly basis. Payments for our services are due upon receipt of our billing. These services will be billed at the rate of \$ 150 per hour. When, and if, our hours or billings approach estimated amounts, we will discuss the progress of the above consulting services with you. We will also provide the City with progress reports on objectives accomplished on an "as requested" basis.

Should our relationship terminate before our engagement is completed, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

We appreciate the opportunity to be of service to The Housing and Redevelopment Authority of South St. Paul 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 sign a copy and return it to us. At any time, please feel free to contact me at 952.563.6868.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Rigdon". The signature is fluid and cursive, with a prominent initial "J" and a long, sweeping underline.

Joe Rigdon
Certified Public Accountant