



**CITY OF MARSHALL
City Council Meeting
A g e n d a**

**Tuesday, June 08, 2021 at 5:30 PM
Minnesota Emergency Response and Industrial
Training (MERIT) Center, 1001 Erie Road**

NOTICE: Pursuant to Minnesota State Statute 13D.021

Some or all members of the City Council may participate by telephone or other electronic means. Regular attendance and meeting location are not feasible due to the Coronavirus Disease (COVID-19) pandemic.

OPENING ITEMS

1. Call to Order/Pledge of Allegiance

APPROVAL OF AGENDA

APPROVAL OF MINUTES

2. Consider approval of the minutes of the regular meeting held on May 25, 2021.

PUBLIC HEARING

3. 600 Elizabeth St.– 1) Public Hearing regarding a home property tax abatement request 2) Consideration of a resolution approving home property tax abatement.

CONSENT AGENDA

4. Wastewater Treatment Facilities Improvement Project - Consider Application for Payment No. 23 to Magney Construction, Inc.
5. Consider approval of a Temporary On-Sale Intoxicating Liquor License for the Marshall Area Chamber of Commerce.
6. Consider approval of the bills/project payments.

APPROVAL OF ITEMS PULLED FROM CONSENT

NEW BUSINESS

7. Presentation of the 2020 Year-End Audit for the City of Marshall.
8. Consider approval of the 2021 Service Agreement between the City of Marshall and Marshall Visitors and Convention Bureau.
9. Consider approving the recommendation made by the Joint Law Enforcement Center Committee to accept the lowest quotes for the replacement of the carpeting, lighting, and ceiling tile in the Law Enforcement Center.
10. Tiger Lake Lift Station Control System Upgrade.
11. Community Feedback on Funding of Future Needed Projects.
12. Consider Termination of the Local State of Emergency.

COUNCIL REPORTS

13. Commission/Board Liaison Reports
14. Councilmember Individual Items

STAFF REPORTS

15. City Administrator
16. Director of Public Works
17. City Attorney

ADMINISTRATIVE REPORTS

18. Administrative Brief

Disclaimer: These agendas have been prepared to provide information regarding an upcoming meeting of the Common Council of the City of Marshall. This document does not claim to be complete and is subject to change.

INFORMATION ONLY

[19.](#) Information Only

MEETINGS

[20.](#) Upcoming Meetings

ADJOURN

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RULES OF CONDUCT

- You may follow the meeting online – www.ci.marshall.mn.us.
- Public Hearing – the general public shall have the opportunity to address the Council.
 - Approach the front podium
 - State you name, address and interest on the subject
- Mayor may choose to allow others to address the Council during other agenda items. Persons who desire to speak should do so only after being recognized by the Mayor.
 - Approach the front podium
 - State you name, address and interest on the subject
- Persons in attendance at the meeting should refrain from loud discussions among themselves, clapping, whistling or any other actions. Our values include mutual respect and civility for all in attendance.
- If you have questions during the Council meeting please see Kyle Box, City Clerk who sits in the front left area of the audience sitting area.



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, June 8, 2021
Category:	APPROVAL OF MINUTES
Type:	ACTION
Subject:	Consider approval of the minutes of the regular meeting held on May 25, 2021.
Background Information:	Enclosed are the minutes from the regular meeting held on May 25, 2021.
Fiscal Impact:	None
Alternative/ Variations:	Staff encourages City Council Members to provide any suggested corrections to the minutes in writing to City Clerk Kyle Box, prior to the meeting.
Recommendations:	That the minutes of the regular meeting held on May 25, 2021 be approved as filed with each member and that the reading of the same be waived.

**CITY OF MARSHALL
CITY COUNCIL MEETING
M I N U T E S
Tuesday, May 25, 2021**

The regular meeting of the Common Council of the City of Marshall was held May 25, 2021, at the Minnesota Emergency Response and Industrial Training (MERIT) Center, 1001 West Erie Road. The meeting was called to order at 5:30 P.M. by Mayor Robert Byrnes. In addition to Byrnes the following members were in attendance: Craig Schafer, Steve Meister, Don Edblom, John DeCramer, Russ Labat and James Lozinski. Absent: None. Staff present included: Sharon Hanson, City Administrator; Dennis Simpson, City Attorney; Jason Anderson, Director of Public Works/ City Engineer; Annette Storm, Director of Administrative Services; Jim Marshall; Director of Public Safety; Quentin Brunsvold, Fire Chief; Ilya Gutman, Plan Examiner/ Assistant Zoning Administrator; Lauren Deutz, Economic Development Director and Kyle Box, City Clerk.

The Pledge of Allegiance was recited at this time.

There was a consensus to operate under the current agenda.

Consider approval of the minutes from previous work sessions and the regular meeting held on May 11, 2021.

Motion made by Councilmember Meister, Seconded by Councilmember Lozinski that the minutes of the Local Board of Appeal and Equalization held on April 19, 2021, the Local Board of Appeal and Equalization Reconvene held on May 4, 2021, the work session and regular meeting held on May 11, 2021, and work session held of May 19, 2021 be approved as filed with each member and that the reading of the same be waived. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 7-0**

Sounds of Summer 2021 – 1. Public Hearing on Private Use of Public Streets and Parking Lots (August 19-23, 2021); 2. Approval of Private Use of Public Streets and Parking Lots (August 19-23, 2021); 3. Approval of Parade (August 21, 2021).

The following request is from the Sounds of Summer Committee requesting permission for the following:

1. Use of Whitney Lot (08/19-08/23/2021 (Th-M)): Use of Whitney Parking Lot from Thursday, August 19, 2021 to Monday, August 23, 2021. The Committee officers met with the Downtown Business Association on 05/05/2021 regarding the use of the parking lot during this time frame. Actual start and end times are to be determined. Per Committee officer Brock Klaith, no objections were received from the DBA.
2. Closure of West College Drive (TH 19) (08/20-08/22/2021 (Fri-Sat)): Closure of West College Drive from the corner of Main Street to Saratoga Street, and also closure of Marvin Schwan Memorial Drive from West College Drive (TH 19) to South 1st Street on Friday, August 20, 2021 from 3:00 p.m. to approximately 10:00 pm, and again on Saturday, August 21, 2021 from 6:00 am to Sunday, August 22, 2021, to approximately 3:00 am. to allow adequate time for clean up after the Saturday evening activities.
3. Parade Line-Up (08/21/2021 (Sat)): Closure of East Lyon Street, beginning at the corner of Nuese Lane to Jewett Street on Saturday, August 21, 2021 starting at approximately 12:00 noon to approximately 5:00 pm. Line-up would begin at 2:00 pm.

4. Parade (08/21/2021 (Sat)): Closure of East Lyon Street from South Bruce Street to Main Street and closure of Main Street from East Lyon Street to North 6th Street Saturday, August 21, 2021 from 3:00 pm to approximately 6:00 pm. Parade would start at 4:00 pm with an estimated 5:30 pm end time.

In accordance with Section 62-6 of the Marshall City Code, any private use of public streets and parking lots on either a temporary or permanent basis should be considered by the Marshall City Council.

In the past, the City's Public Safety and Public Works Departments have worked with applicants on the issues and public safety concerns that would have to be addressed as part of this request.

Due to the magnitude of the proposed event and potential impact to the businesses adjacent to the areas that are being requested to be blockaded, a public hearing will be conducted at this evening's meeting. In addition, a representative from the Committee will be present at the hearing to provide a brief overview of the activities and events that are going to occur during the celebration.

There will be costs involved for overtime for personnel for set-up and take-down of the detours, barricades, traffic control and street sweeping. Staff is proceeding with plans not to charge fees for this event based on past practice. Costs for operations attributed to the parade only are estimated at less than \$5,000.

Director of Public Works/ City Engineer Jason Anderson provided the background information on the agenda item.

Marc Klaith, Sounds of Summer Committee member discussed the change of location from the Schwan's parking lot to the Whitney parking lot due to the Schwan's campus continuing to be closed.

Motion made by Councilmember Meister, Seconded by Councilmember Lozinski to close the public hearing. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 7-0**

Motion made by Councilmember DeCramer, Seconded by Councilmember Schafer that the Council approve the private use of public streets and parking lots for Sounds of Summer (August 19-23, 2021). Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Lozinski. Voting Abstaining: Councilmember Labat. The motion **Passed. 6-0-1**

Motion made by Councilmember Schafer, Seconded by Councilmember Lozinski that the Council approve the Sounds of Summer Parade to be held Saturday, August 21, 2021, subject to Mn/DOT approval. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Lozinski. Voting Abstaining: Councilmember Labat. The motion **Passed. 6-0-1**

309 Brussels Ct. – 1) Public Hearing regarding a home property tax abatement request 2) Consideration of a resolution approving home property tax abatement.

On May 11, 2021 a public hearing was called for and to be held on May 25, 2021 regarding a home property tax abatement request. Per M.S 469.1813 sub 5 The governing body of the political subdivision may approve an abatement under sections 469.1812 to 469.1815 only after holding a public hearing on the abatement. The property is located at 309 Brussels Ct. with an estimated market value of \$203,900 with the difference of

improvement being \$191,900. The approximate amount of assistance is \$1,059 a year or \$2,118 over a maximum period of 2 years as a Homestead.

City Clerk Kyle Box provided the background information on the agenda item.

Motion made by Councilmember Edblom, Seconded by Councilmember Labat to close the public hearing. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 7-0**

Motion made by Councilmember Schafer, Seconded by Councilmember Labat to approve Resolution Number 21-044, a resolution approving a home property tax abatement. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat. Voting Abstaining: Councilmember Lozinski. The motion **Passed. 6-0-1**

Consider Approval of the Consent Agenda.

Councilmember DeCramer requested that item number 5, Consider authorization to declare bicycles as surplus property for the Marshall Police Department, be removed from the consent agenda for further discussion.

Councilmember Labat requested that item number 8, MERIT Center Lease with Minnesota West Community and Technical College, be removed from the consent agenda for further discussion.

Councilmember Lozinski requested that item number 6, Consider authorization to declare vehicles as surplus property for the Marshall Police Department, be removed from the consent agenda for further discussion.

Motion made by Councilmember Edblom, Seconded by Councilmember DeCramer to approve the consent agenda. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 7-0**

Approval to declare unclaimed evidence as surplus property.

Approval to call for a Public Hearing Regarding proposed Property Tax Abatement at 600 Elizabeth St.

Approval for a Transient Merchant License for KT's Fireworks.

Approval of a Temporary On-Sale Intoxicating Liquor License for Holy Redeemer Church for August 18, 2021.

Approval of three LG220 Application for Exempt Permits for Holy Redeemer Church.

Approval of a request for out of State travel.

Approval of a request for Southwest Minnesota State University for Homecoming Parade (Saturday-October 9, 2021).

Approval of the bills/project payments

Consider authorization to declare bicycles as surplus property for the Marshall Police Department.

There are 45 bicycles that have been abandoned or seized by the Marshall Police Department and have gone through the notification processes and required periods for disposal.

Councilmember DeCramer requested that the bicycles are provided to kids and others through various programs rather than be disposed.

Motion made by Councilmember DeCramer, Seconded by Councilmember Meister. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 7-0**

Consider authorization to declare vehicles as surplus property for the Marshall Police Department.

These vehicles have been abandoned or seized by the Marshall Police Department and have gone through the notification processes and required periods for disposal. These vehicles will be auctioned on-line at the state site, sold, or will be taken to Alters for disposal.

Councilmember Lozinski asked a clarifying question on the surplus vehicle process. Director Marshall provided additional insight on the City's process. Typically, vehicles in process are taken possession due to being abandon, keyless and in unknown condition.

Motion made by Councilmember Lozinski, Seconded by Councilmember Meister That these vehicles be declared as surplus property by the City of Marshall. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 7-0**

MERIT Center Lease with Minnesota West Community and Technical College

The existing lease with MN West Community and Technical College at the MERIT Center expires on June 30th, 2021.

Councilmember Labat asked a clarifying question regarding the storage of hazmat equipment which has moved to the Fire Department. Director Marshall commented that those items are not related to this agreement, but the CAT Team has transitioned its operations to the Fire Department but can still use the MERIT Center for storage of its equipment if needed.

The proposed Lease Agreement gives MN West Community and Technical College the exclusive use of identified office space and the right to reserve classrooms, driving track and props through the scheduling software. The annual amount of rent for office space and right to reserve classroom space is \$25,000. This annual amount will be paid quarterly (\$6,250.00)

The Lease Agreement is a two (2) year agreement with it ending on June 30th, 2023. Total amount of the Lease Agreement will be \$50,000.00 over the two- year agreement.

City of Marshall is to receive \$50,000.00 over the two- year Lease Agreement from Minnesota State Colleges and Universities system.

Motion made by Councilmember Labat, Seconded by Councilmember DeCramer Approve the Lease Agreement with Minnesota State Colleges and Universities system. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 7-0**

Consider a MOU between the City of Marshall and Bird Scooters

The City of Marshall was approached by Bird Scooters to bring a fleet of 50-75 electric scooters to Marshall at no cost to the city. Bird's mission is to make cities more livable and bring communities together by providing an affordable, environmentally friendly transit alternative. The program would be administered on a trial basis during the Summer and Fall of 2021 and facilitated by a fleet manager hired directly by Bird.

Staff has spoken with stakeholders both internally and externally on the proposal and supports pursuing the trial period. Internally, we have discussed several factors of the program including policing, safety, and utilization. Staff agreed that the trial period would allow us to determine if the program would a good fit for the community long term.

Externally we spoke with SMSU, UCAP, and MDBA. SMSU would support the project and feel the scooters would be helpful their on-campus student population. UCAP did not feel the program would have an impact on its transportation options. MBDA did not feel as though the program would benefit downtown businesses but were not opposed to moving forward with a trial period.

Similar communities including Albert Lea and New Ulm recently adopted Scooter programs.

Motion made by Councilmember Lozinski, Seconded by Councilmember Meister Council approve the MOU provided by Bird to begin trial period in the Summer of 2021. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 7-0**

Request for a Variance Adjustment Permit by Todd and Barbara Raske at 400 West Southview Drive.

The existing lot is 66 feet deep and required rear yard is 25% of the lot depth or about 16.5 feet. The house is located about 14 feet from the front property line; the original deck extended 8 feet from the house. The Ordinance allows decks to project 8 feet into required front and rear yards so both the house and the deck were projecting 2.5 feet more into required yards than permitted. The house was built in 1909 and the deck was originally added in 1991. It was redone in 2011.

To grant a variance, City Ordinance would require the presence of practical difficulties. The term "practical difficulties," as used in connection with the granting of a variance means that the property owner proposes to use the property in a reasonable manner not permitted by the zoning ordinance, the plight of the landowner is due to circumstances unique to the property not created by the landowner, and the variance, if granted, will not alter the essential character of the locality.

Based on the above information and considering that there are no decks nearby that are close to the front property lines, staff does not believe that there are practical difficulties in this case and therefore recommends that the variance be denied.

Prior to a public hearing at the Planning Commission meeting, a neighbor sent a letter requesting the variance be denied. The variance regulations and procedures are found in Section 86-29.

At the Planning Commission meeting on May 12, 2021, a public hearing was held and Muchlinski MADE A MOTION, SECOND BY Knieff to recommend to City Council to grant the variance as requested. Motion failed with 3 - 3 with Knieff, Carstens and Muchlinski in favor and Lee, Fox, and Schroeder against.

Fox proposed to make the deck 2-feet shorter, in essence, building same size deck but allowing the stairs to project towards the front sidewalk. Muchlinski MADE A MOTION, SECOND BY Fox to recommend to City Council that new deck is 2 feet shorter than asked but the stair goes to the street. ALL VOTED IN FAVOR OF THE MOTION.

There was continued discussion by the Council. The applicants, Todd and Barbara Raske were in attendance. Mr. Raske provided additional information regarding his property. Mr. Raske asked to be allowed to return his deck to its original size prior to his home renovation.

Motion made by Councilmember Lozinski, Seconded by Councilmember Schafer that the Council approve the request by Todd and Barbara Raske for a Variance Adjustment Permit for building a 4-foot deck within required front yard with the stairs going towards the street Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Edblom, Councilmember Lozinski. Voting Nay: Councilmember Meister, Councilmember DeCramer, Councilmember Labat. The motion **Passed. 4-3**

At 6:24 P.M., Councilmember Meister excused himself from the remainder of the meeting.

Request for Conditional Use Permit / Daycare Facility by The Church of the Holy Redeemer at 501 South Whitney Street.

This request by the Church of the Holy Redeemer is for a Conditional Use Permit to operate a daycare facility serving 57 individuals at 501 South Whitney Street.

The daycare facility is in the Holy Redeemer school building, which is in an R-1 One Family Residence District. A daycare facility serving more than 14 individuals is a conditional use in this district. This daycare has been located there for some time, possibly before the current Ordinance took effect. The Department of Human Services requested that the City confirms the daycare's compliance with the Ordinance, so a conditional use permit is required for full compliance. To avoid a need for more Conditional Use Permits in the future in case the number of kids increases, the staff suggested a reference to permitted number of kids rather than specific number. There have never been any complaints on file for current operations.

The conditional use permit regulations are found in Section 86-46.

At the Planning Commission meeting on May 12, 2021, after a public hearing, a motion was made by Fox, seconded by Knieff, to recommend approval as recommended by city staff to City Council. ALL VOTED IN FAVOR

Motion made by Councilmember DeCramer, Seconded by Councilmember Edblom to approve the request of the Church of the Holy Redeemer for a Conditional Use Permit for a daycare facility at 501 South Whitney Street with the following conditions applied:

1. That the regulations, standards, and requirements as set forth in the City Code and as pertains to the class of district in which such premises are located shall be conformed with.
2. That the City reserves the right to revoke the Conditional Use Permit if any person has breached the conditions contained in this permit provided first, that the City serve the person with written notice specifying items of any default and allow the applicant a reasonable time in which to repair such default.
3. That the property is maintained to conform to the Housing Code, Zoning Code, Building Code, and not cause or create negative impacts to adjacent existing or future properties.
4. The use must be licensed by the State of Minnesota.
5. The use is limited to serving no more than the number of individuals permitted by State Licensing Agency.

Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

Request for Conditional Use Permit / school in R-1 One Family Residential District

This request of the Church of the Holy Redeemer is for a Conditional Use Permit to operate a school at 501 South Whitney Street. The building is in an R-1 One Family Residence District and the Ordinance requires a Conditional Use Permit for schools there. This school has been located there for long time before the current Ordinance took effect. The school is grandfathered in but if an addition or significant remodeling will take place, a Conditional Use Permit will be required. Since they are applying for a Conditional Use Permit for a daycare, it made sense to run a Conditional Use Permit for a school concurrently.

The conditional use permit regulations are found in Section 86-46.

At the Planning Commission meeting on May 12, 2021, after a public hearing, a motion was made by Schroeder, seconded by Lee, to recommend approval as recommended by city staff to City Council. ALL VOTED IN FAVOR.

Motion made by Councilmember Lozinski, Seconded by Councilmember Schafer Planning to approve the request by Church of the Holy Redeemer for a Conditional Use Permit for a school in an R-1 One Family Residence District at 501 South Whitney Street with the following conditions applied:

1. That the regulations, standards, and requirements as set forth in the City Code and as pertains to the class of district in which such premises are located shall be conformed with.
2. That the City reserves the right to revoke the Conditional Use Permit in the event that any person has breached the conditions contained in this permit provided first, that the City serve the person with written notice specifying items of any default and allow the applicant a reasonable amount of time in which to repair such default.
3. That the property is maintained to conform to the Housing Code, Zoning Code, Building Code, and not cause or create negative impacts to adjacent existing or future properties

Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

Consider signing a contract with SRF for City of Marshall 2021 Comprehensive Plan

At its November 24, 2020 meeting, the City Council authorized staff to advertise a request for proposal for the new City of Marshall Comprehensive Plan. The Request for Proposal was posted on the City's website and social media and advertised on the League of Minnesota Cities website. At its January 26, 2021, the Council Established the Comprehensive Plan Proposal Review Committee for review of proposals, which were due on February 3, 2021. The established Committee included two Council members (Dr. Steve Meister and Don Edblom), one Planning Commission member (Amanda Schroeder), one EDA Board member (Dan Herrmann), One Chamber of Commerce representative (Eric Eben), and two city staff (Laurent Deutz and Ilya Gutman). Five proposals were received by the due date: They were from Bolton & Menk, Short Elliott Hendrickson Inc. (SEH), SRF Consulting Group, MSA Professional Services, Inc., and Praxis Strategy Group.

The Committee first met on February 19, 2021 and reviewed the scoring sheet compiled by staff. All proposals were sent out shortly thereafter and scored by the Committee members based on merit and technical issues only. Each firm included a separate cost envelope along with their proposals; however, these cost envelopes were not open until after the first round of scoring. At the next meeting on March 8, 2021, the Committee discussed all proposals and summarized all evaluations. Proposal from one firm was unanimously found to be too weak and not worth consideration. The other four proposals were all deemed very close; in fact, the difference in scores between them was within 3 percent. The next Committee meeting took place on March 10, 2021; this time discussion included costs considerations, but three proposals suggested almost identical cost and the fourth one was just slightly more expensive. The discussion centered on proposals' inclusions and additional costs. At the end, the decision was to limit consideration to just two firms, mostly based on the number of hours they included in their proposals and covered Plan components. Finally, at its March 17, 2021 meeting, the Committee decided to recommend SRF Consulting Group to the Council.

At its March 23, 2021 meeting, the City Council authorized staff to enter into contract negotiations with SRF with additional \$5,000 allowance to provide for flexibility with the type and number of meetings and some additional Plan inclusions. In a follow up phone conversation, staff conveyed Council's approval to SRF and requested an updated summary of work with included additional services that were authorized by the Council. That updated summary was received by staff and reviewed a few days later; in its review, staff noticed that the number of hours listed was significantly lower than the number of hours listed in the original proposal. Subsequently, SRF provided an explanation that the number of hours listed in their proposal was in error and offered to increase the number of hours, in part by reassigning tasks. The proposed contract reflects the new increased number of hours, which is still lower than originally proposed.

Staff reached out to the Proposal Review Committee asking their opinion on SRF mistake and further actions but have heard only from a few members with one selection committee member questioning SRF's attention to detail and ability to deliver on behalf of the city following their errant tabulation of hours on the project. Staff believe that SRF made an honest error in their proposal, and that SRF has made a good, honest attempt to compromise and increase the number of hours that they intend to provide on this project. Staff also negotiated some aspects of the scope of work and requested that several changes and additions to scope of work be made. Staff believe that SRF is a firm that is very capable of delivering a quality product, giving us a Comprehensive Plan that the City can use as a guide for the next 15-20 years.

The last complete City of Marshall Comprehensive Plan was done in 1996. It was partially updated in 2004 and has not been touched since. General recommendation is to update comprehensive plans every 10 to 15 years and our Plan is over 16 years old even if we consider the update. Out of all comparable cities, Marshall seems to have the oldest Comprehensive Plan. It is becoming increasingly difficult to conduct zoning operations, development, and enforcement, considering how much conditions in the City have changed since 1996 and even since 2004. According to the League of Minnesota Cities, a comprehensive plan is an expression of the community's vision for the future and a strategic map to reach that vision. It is an important tool to guide future development of land to ensure a safe, pleasant, and prosperous environment. The process of its adoption also creates an extensive opportunity for residents to participate in guiding community's future and all proposals include extensive public participation provisions.

The schedule proposed by SRF calls for final Plan to be ready by April 2022.

Motion made by Councilmember Schafer, Seconded by Councilmember Edblom that the Council approves the contract and scope of work for the new City of Marshall Comprehensive Plan from SRF Consulting Group with the cost of \$64,955 with additional \$5,000 contingency Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Edblom, Councilmember DeCramer, Councilmember Lozinski. Voting Nay: Councilmember Labat. The motion **Passed. 5-1**

US Army Corps of Engineers Betterments Project Authorization.

In spring-summer 2019, City staff brought forward six different locations where some level of slope failure was occurring along our US Army Corps of Engineers (USACE) flood control project. High water events in summer 2018 and spring 2019 resulted in some areas of significant damage to our flood control project. After reviewing the locations with USACE St. Paul District staff, it was determined that four of the six locations may be eligible for federal assistance in rehabilitation under Public Law 84- 99 (PL 84-99).

At the September 24, 2019 meeting, the City Council entered into an agreement with the USACE for city participation in "betterments" associated with the flood control project repairs. At the time, City staff was informed that the federal government would pay for costs associated with repairing the flood control project to its preexisting/pre-flood damage condition, and the city would be responsible for all costs associated with improving the project to make the system more resistant to similar damage in the future. In the agreement, the City's estimated cost participation for these "betterments" is \$150,483.

Recently, USACE staff completed project plans and are nearly ready to prepare the project for bid with a 2021 construction schedule. Along with completed plans, the USACE sent over an updated cost proposal. The updated cost proposal reflected a city cost participation of \$440,919, which was significantly greater than the \$150,483 cost participation that the City Council had previously agreed to. City staff initiated conversation with USACE staff and held multiple meetings to discuss the discrepancy and the lack of communication to get to this point.

In reviewing the cost estimate City staff learned that the USACE was proposing to cover the costs of site #2 in its entirety, with the city covering the costs of all other project sites (Sites #1, #3, and #6) in their entirety. The thought process from the USACE was that the failure at site #2 was directly compromising the flood protection project and the other three sites were not immediately hazardous to the integrity of the flood control project. City staff disagreed with this proposal and presented our argument to the USACE staff. City staff shared some

historical aerial imagery as well as some local river and project knowledge and following further discussion, USACE staff have now proposed to cover all project costs for Sites #1 and #2, with the city being entirely responsible for Sites #3 and #6. The cost estimates for Sites #3 and #6 were \$82,342.63 and \$128,323.55, respectively.

At the January 26, 2021 meeting, the City Council authorized City staff to advise USACE officials to bid Sites #3 and #6 as alternates for City consideration upon receipt and tabulation of bids. On May 18, 2021, the USACE opened bids for the levee project four bids were received, with one bid from a local contractor. The low bid was provided by Kovilic Construction of Franklin Park, Illinois.

The construction cost for Site #3 is \$72,300 and the construction cost for Site #6 is \$125,000, for a total of \$197,300. After removing \$20,821.01 for USACE engineering design services, the City has \$129,661.99 balance remaining with the USACE. To complete both Sites #3 and #6, the City would need to contribute an additional \$67,638.01, plus an estimated 10% for construction administration and inspection, resulting in an additional contribution of \$19,730. This is summarized below: If the City does not view the costs as favorable, we may choose to not cost participate and not complete work at Sites #3 and #6. By choosing this route, the City will very likely need to expend funds at these two locations in the future to protect and manage the flood control project. These locations will very likely be continually flagged on our inspection reports which will require the City to utilize our funds to maintain the project. The benefit of waiting is that there may be another high-water event that clearly causes significant damage to the project and these sites may be eligible for federal cost participation at that time.

After reviewing bid costs and the washout locations at Sites #3 and #6, City staff believes we can complete some smaller maintenance and rehabilitation operations for a lesser cost that can stabilize the washout areas and delay further degradation of the USACE Flood Control Project. The washouts at these locations are not as near the levee and therefore, are a lesser threat to the City's flood protection.

Motion made by Councilmember Schafer, Seconded by Councilmember Lozinski that the Council reject the bid alternates as proposed by the USACE for Sites #3 and #6 and authorize city staff to utilize some of the funds that we receive back from the USACE to complete a more minor stabilization project. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

Consider Collection of 2021 On-Sale Intoxicating Liquor Fees.

During 2020 On-Sale licenses holders were reimbursed for each day they were not able to use their license as well as in correlation with capacity restrictions put in place by Governor Walz's Executive Orders. On-Sale license reimbursement totaled \$23,290.12 in 2020.

At the November 24, 2020 council meeting Motion made by Councilmember Lozinski, Seconded by Councilmember Schafer to waive the On-Sale License fees for the 1st half of 2021 and to reconvene in May of 2021 to discuss the collection for the 2nd half of license fees. The motion Carried. 7-0

At this time no fees for 2021 On-Sale licenses have been collected.

If the Council chooses to collect the remaining 6 months of On-Sale license fees correspondence will be provided to each license holder requesting that all fees are paid in full by June 30, 2021.

For future reference 2022 fees will be requested as normal beginning in the fall of 2021 and are due before a new license can be issued.

City across the region and state have taken several different approaches in regard to 2021 On Sale license fees. Cities have chosen to request the full amount in 2021, continue to prorate license fees, or forgive the entire license fee amount.

Motion made by Councilmember Lozinski, Seconded by Councilmember Edblom to direct staff to begin collection of the 2nd half or remaining 50% of On-Sale License fees owed for 2021 and that fees are to be paid by June 30, 2021. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Edblom, Councilmember DeCramer, Councilmember Lozinski. Voting Nay: Councilmember Labat. The motion **Passed. 5-1**

Consider Appointments to the Various Boards, Commissions, Bureaus and Authorities.

Mayor Byrnes made the follow nomination.

Economic Development Authority – Stacy Frost, to an unexpired term to expire 5/31/27

Motion made by Councilmember DeCramer, Seconded by Councilmember Schafer to approve the appointment to the Economic Development Authority. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

Commission/Board Liaison Reports

- | | |
|----------|--|
| Byrnes | <u>Southwest Regional Development Commission</u> held their annual public hearing reading their levy. |
| Schafer | No Report |
| Edblom | <u>Planning Commission</u> met and acted on the items brought up in the Council meeting. |
| DeCramer | <u>Marshall Municipal Utilities</u> met and discussed that MRES will be providing a refund to MMU in the amount of \$435,000. These funds will be used to call an upcoming bond and pay it off early. MMU also elected new officers. |
| Labat | <u>Convention and Visitors Bureau</u> met and reviewed office space options at the Red Baron, the recent successful Shades of the Past event and also began hosting its traveling trivia again.

<u>Marshall Area Transit Committee</u> met and began working on a new mission and vision statement. |
| Lozinski | No report |

Councilmember Individual Items

Councilmember Lozinski thanked staff for the early jump on construction projects this year.

Councilmember Labat also was appreciative of the progress of this year's construction timeline.

Councilmember Edblom thanked staff for providing additional committee minutes in the council packets.

City Administrator

City Administrator Sharon Hanson discussed future work surrounding aquatic center financing, and a community survey.

Director of Public Works

Director of Public Works/ City Engineer Jason Anderson provided a general update on construction updates. Mill and overlay work should be completed within the next week. Director Anderson also reminded everyone to adjust their water softeners to eight grains of hardness.

City Attorney

City Attorney Dennis Simpson provided an update on a future EDA meeting to close on the sale of a previously discussed property in the Parkway Addition as well as a future public hearing for BSE on June 8. Attorney Simpson will be attending a Use of Force seminar and provided that information to the Director of Public Safety.

Information Only

Councilmember Lozinski provided an update on the City Hall project. Member Lozinski commented that the project is behind schedule as not all life safety issues have been addressed. Conversations have been had with the Architect to encourage the General Contractor to complete the project as soon as possible. At this time there is a 50/50 chance the council will meet in City Hall on June 8, 2021.

Councilmember DeCramer provided a brief update on the Audio-Visual equipment. Installation and programming will continue throughout the next week and is moving along nicely.

City Administrator Hanson provided an update on furniture for the City Hall project. There were a few delays with specific items, but the remaining items should arrive and be installed within the week.

Councilmember Labat thanked Ray Henriksen, Chief Building Official/ Building Services Coordinator for his continued work on the City Hall project.

Upcoming Meetings

There were no questions on the upcoming meetings.

Adjourn

At 7:07 P.M., Motion made by Councilmember Schafer, Seconded by Councilmember Lozinski to adjourn.
Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Edblom, Councilmember DeCramer,
Councilmember Labat, Councilmember Lozinski the motion **Carried. 6-0**

Mayor

Attest:

City Clerk

**CITY OF MARSHALL
AGENDA ITEM REPORT**

Meeting Date:	Tuesday, June 8, 2021																					
Category:	PUBLIC HEARING																					
Type:	ACTION																					
Subject:	600 Elizabeth St.– 1) Public Hearing regarding a home property tax abatement request 2) Consideration of a resolution approving home property tax abatement.																					
Background Information:	<p>On May 25, 2021 a public hearing was called for and to be held on June 8, 2021 regarding a home property tax abatement request. Per M.S 469.1813 sub 5 The governing body of the political subdivision may approve an abatement under sections 469.1812 to 469.1815 only after holding a public hearing on the abatement. The property is located at 600 Elizabeth St. with an estimated market value of \$346,200 with the difference of improvement being \$313,500.</p> <p>27-143055-0 Scott & Lisa Mauch 600 Elizabeth St.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #76b82a; color: white;"> <th colspan="3" style="text-align: center;">HOMESTEAD TAX RATE</th> </tr> <tr style="background-color: #d9e1f2;"> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">2021 post build total value</th> <th style="width: 20%; text-align: center;">Difference of improvement</th> </tr> </thead> <tbody> <tr> <td style="background-color: #d9e1f2;">2021 prebuild raw land value</td> <td style="text-align: center;">32,700 \$</td> <td style="text-align: center;">\$</td> </tr> <tr> <td style="background-color: #d9e1f2;"></td> <td style="text-align: center;">346,200.00</td> <td style="text-align: center;">313,500.00</td> </tr> <tr style="background-color: #d9e1f2;"> <td>taxes @ 2021 rates</td> <td style="text-align: center;">taxes @ 2021 rates</td> <td></td> </tr> <tr> <td style="text-align: center;">\$ 117.00</td> <td style="text-align: center;">\$ 2,026.00</td> <td style="text-align: center; background-color: #ffc000;">\$ 1,909.00</td> </tr> <tr> <td colspan="3" style="text-align: center;"><i>city portion only</i></td> </tr> </tbody> </table>	HOMESTEAD TAX RATE				2021 post build total value	Difference of improvement	2021 prebuild raw land value	32,700 \$	\$		346,200.00	313,500.00	taxes @ 2021 rates	taxes @ 2021 rates		\$ 117.00	\$ 2,026.00	\$ 1,909.00	<i>city portion only</i>		
HOMESTEAD TAX RATE																						
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taxes @ 2021 rates	taxes @ 2021 rates																					
\$ 117.00	\$ 2,026.00	\$ 1,909.00																				
<i>city portion only</i>																						
Fiscal Impact:	The approximate amount of assistance is \$1,909 a year or \$3,818 over a maximum period of 2 years as a Homestead.																					
Alternative/ Variations:	None Recommended.																					
Recommendations:	Recommendation #1- To Close the Public Hearing Recommendation #2- To approve the resolution approving home property tax abatement																					

Resolution Number 21-045

RESOLUTION RELATING TO A TAX ABATEMENT ON PROPERTY BY SCOTT & LISA MAUCH; GRANTING THE ABATEMENT

BE IT RESOLVED by the Common Council of the City of Marshall, Minnesota, as follows:

Section 1. AUTHORIZATION AND RECITALS.

- 1.01. The City, pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815, as amended (the "Act"), is authorized to grant an abatement of the property taxes imposed by the County on a parcel of property (Property Tax Abatement) if certain conditions are met, through the adoption of a resolution specifying the terms of the abatement.
- 1.02. The City has adopted the City of Marshall Tax Abatement Policy which further stipulates requirements before an abatement of taxes will be granted for residential development.
- 1.03. SCOTT & LISA MAUCH; have applied for a Home Tax Abatement pursuant to the City's Home Tax Abatement Policy on property legally described as: Parcel ID: 27-143055-0, 600 Elizabeth St., Marshall, MN 56258.
- 1.04. Pursuant to the Act, this Common Council on June 8, 2021, conducted a public hearing on the desirability of granting the abatement. Notice of the public hearing was duly published as required by law in the Marshall Independent, the official newspaper of the City.

Section 2. FINDINGS. On the basis of information compiled by the City and elicited at the public hearing referred to in Section 1.04, it is hereby found, determined and declared:

- 2.01. There is a need for new development on the Property to increase the tax base of the City and to improve the general economy of the state.
- 2.02. The granting of the proposed abatement is in the public interest because it will increase or preserve the tax base of the City.
- 2.03. The Property is not located in a tax increment financing district.
- 2.04. The granting of the proposed abatement will not cause the aggregate amount of abatements granted by the City under the Act to exceed the greater of ten percent (10.00%) of the County's current property tax levy, or \$200,000.

2.05. It is in the best interests of the City to grant the tax abatement authorized in this Resolution.

Section 3. GRANTING OF TAX ABATMENT

3.01. A property tax abatement (the "Abatement") is hereby granted in respect of property taxes levied by the City on the Property for two (2) years, commencing with taxes payable for the assessed value related to the capital improvements outlined in 1.03.

3.02. The City shall provide the awarded abatement payment following payment of due real estate taxes annually. One single payment shall be made to the owner of record by December 30th of that calendar year.

3.03 The tax abatement shall be for the residential capital improvements only. Land values and the current base value are not eligible and will not be abated.

3.04 The tax abatement period will commence with receipt of the Certificate of Occupancy, or not more than one year following approval of the taxing authority's resolution, whichever is first.

3.05. The Abatement may be modified or terminated at any time by the Common Council in accordance with the Act.

Passed by the Common Council of the City of Marshall, this 8th day of June, 2021.

Mayor

ATTEST:

City Clerk

Application Review and Approval Process shall be followed as specified in Tax Abatement Policy as specified herein.

Property Information:

Location: 600 Elizabeth St. Marshall Access Road: Elizabeth St
Section: _____ Township: _____ Range: _____ Property Identification Number: 27-143055-0
Legal Description: Carr Subdivision #1 Lot #8 Block #4
(attach if needed)
Parcel Width: 97'-4³/₈ (feet) Length: 153'-3³/₈ (feet) Acres: .34

Applicant Information:

Applicant Name: Scott & Lisa Mauch Phone: 507-317-5835 (h) 320-669-7501 (w)
Mailing Address: 602 Elizabeth St; Marshall, MN. 56258
Applicant Signature: [Signature]

Owner Information:

Owner Name: Scott & Lisa Mauch Phone: 507-317-5835 (h) 320-669-7501 (w)
Mailing Address: 602 Elizabeth St; Marshall, MN, 56258
Owner Signature: [Signature]
Contractors or Contract for Deed Holders – owner must sign the application.

Company Information:

Owner Name: _____ Phone: _____ Fax: _____
Location: _____
Type of Company: _____ Service Provided: _____

Please attach the following documentation:

- Map or site plan, prepared by an architect or engineer, showing the boundaries of the proposed development, the size and location of the building(s) and parking areas.
- Written narrative describing the project, the size and type of building(s), business type and use, traffic information (parking capacity, vehicle counts, traffic flow, pedestrian facilities), project timing, and estimated market value.
- A statement identifying the public benefits of the proposal, including estimated increase in property valuation, and other community benefits.
- Statement showing the private investment and any public investment dollars for the project
- Financial information including past performance and pro forma future projections for the project.
- Application Fee (please see City of Marshall Fee Schedule for current fee amount).
- Other information as requested.

Return Completed Applications to:

City Clerk
City of Marshall
344 West Main St.
Marshall, MN 56258

We - Scott & Lisa March are Requesting
a Tax Abatement for new home going on
600 Elizabeth st.

600 Elizabeth st.
Marshall Md 20758

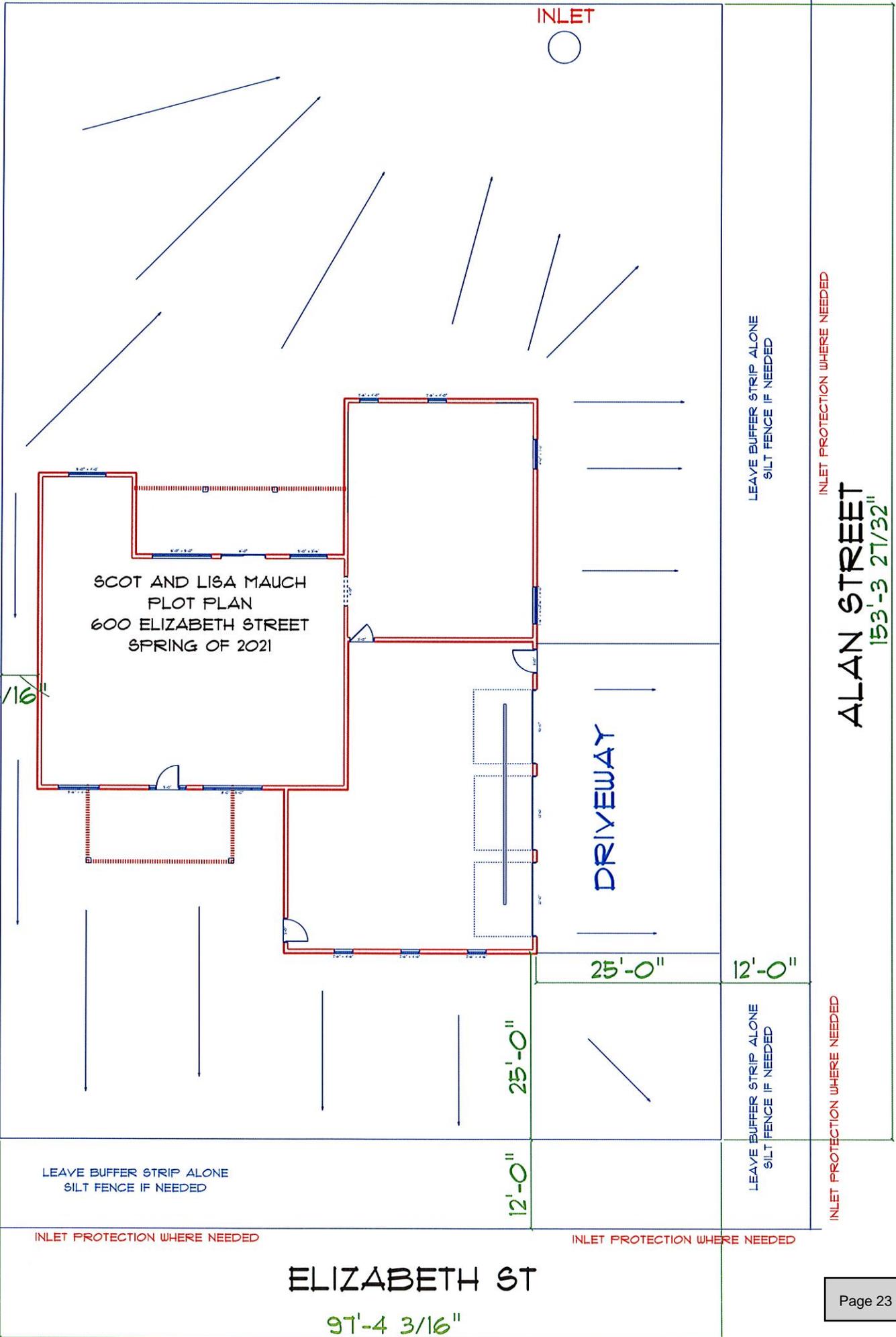
Carr Subdivision #1

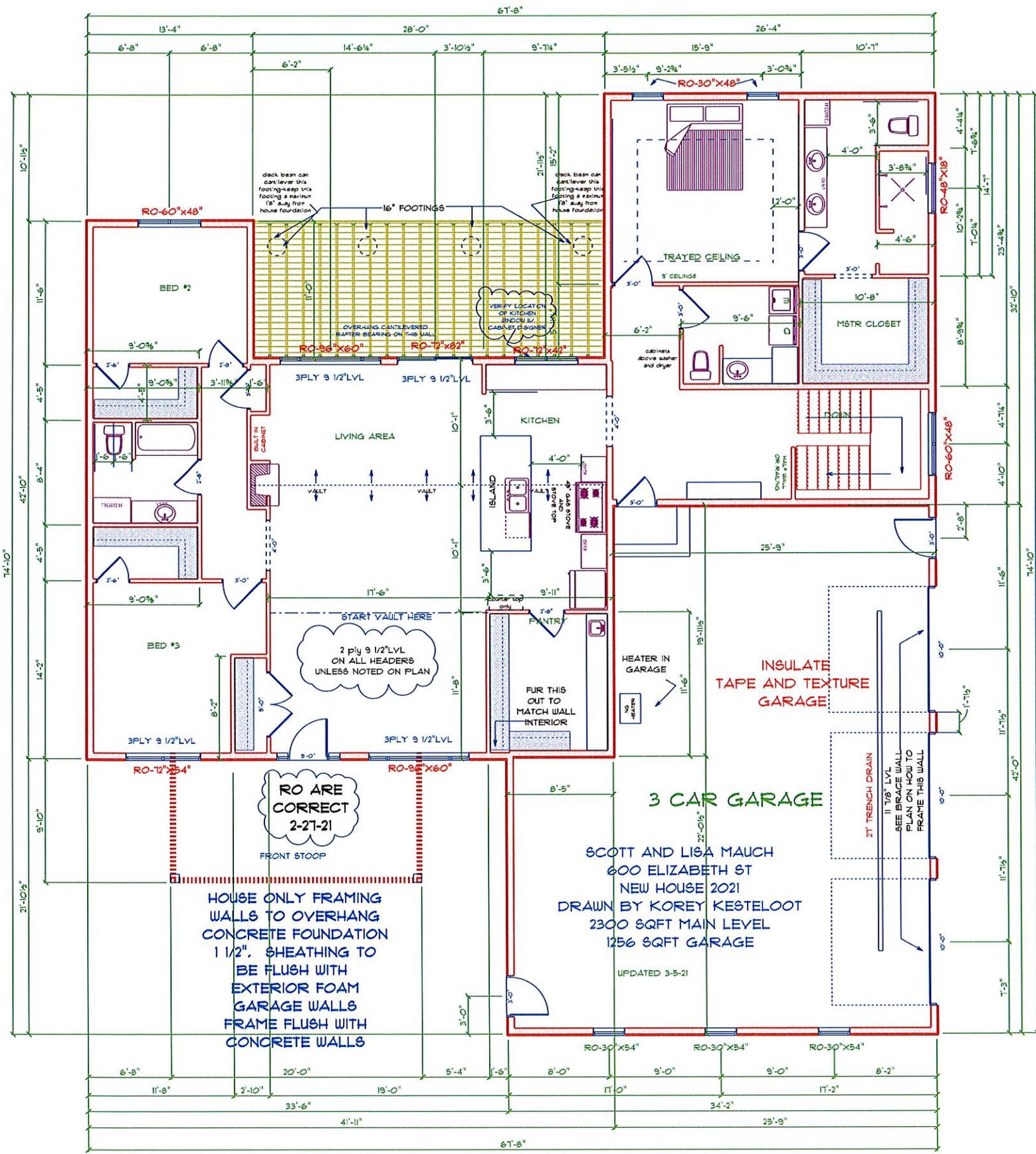
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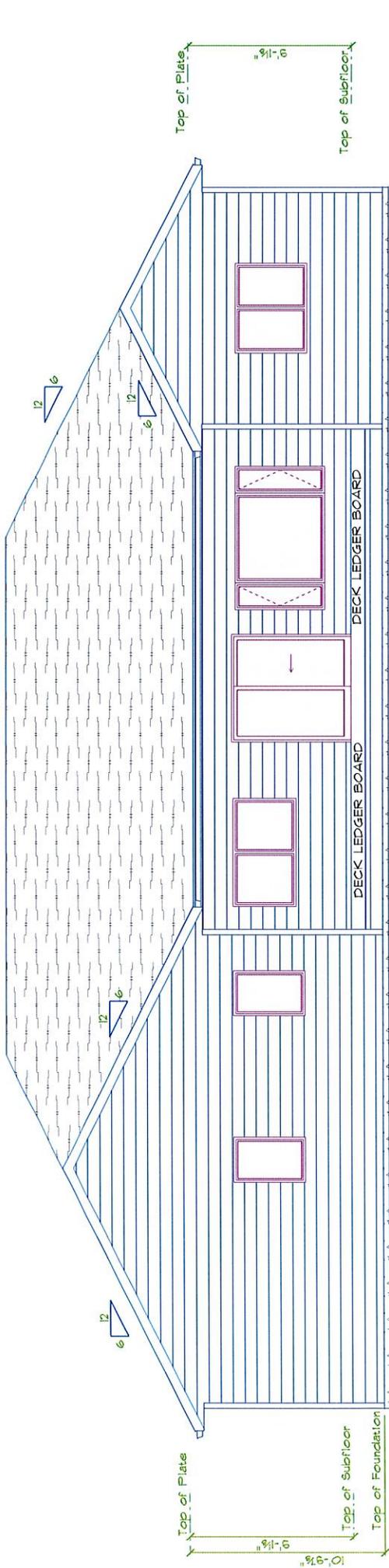
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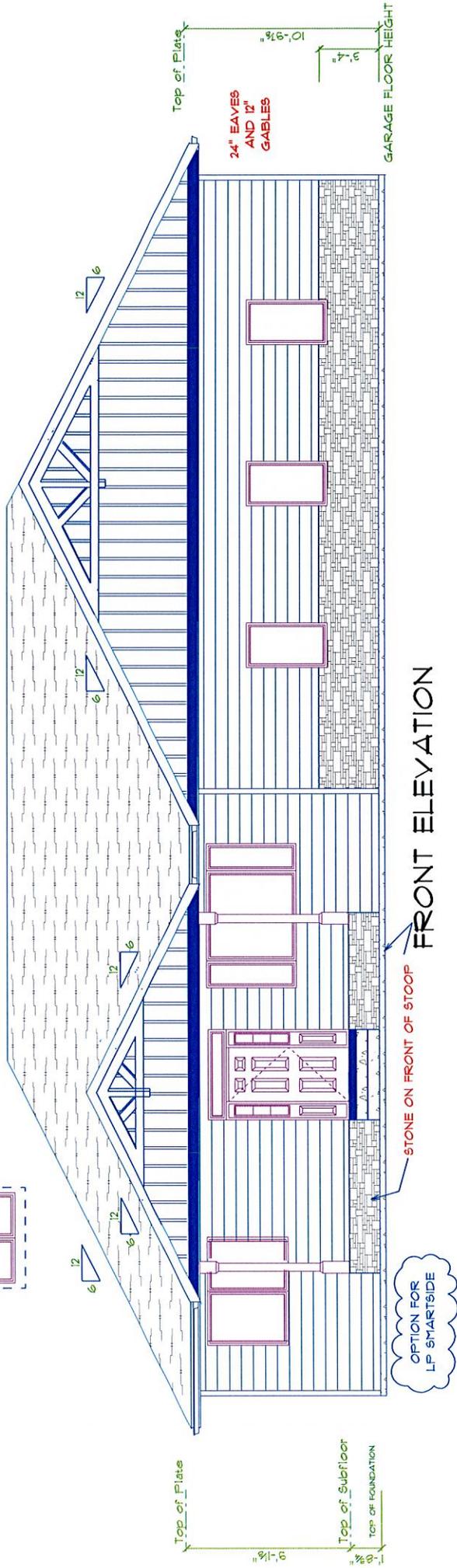
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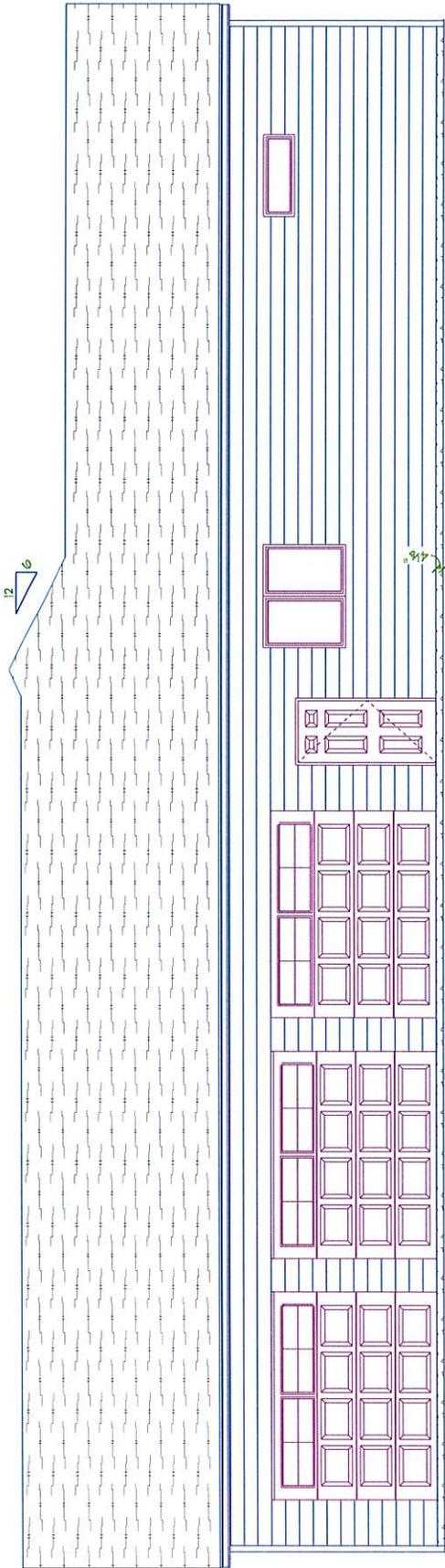




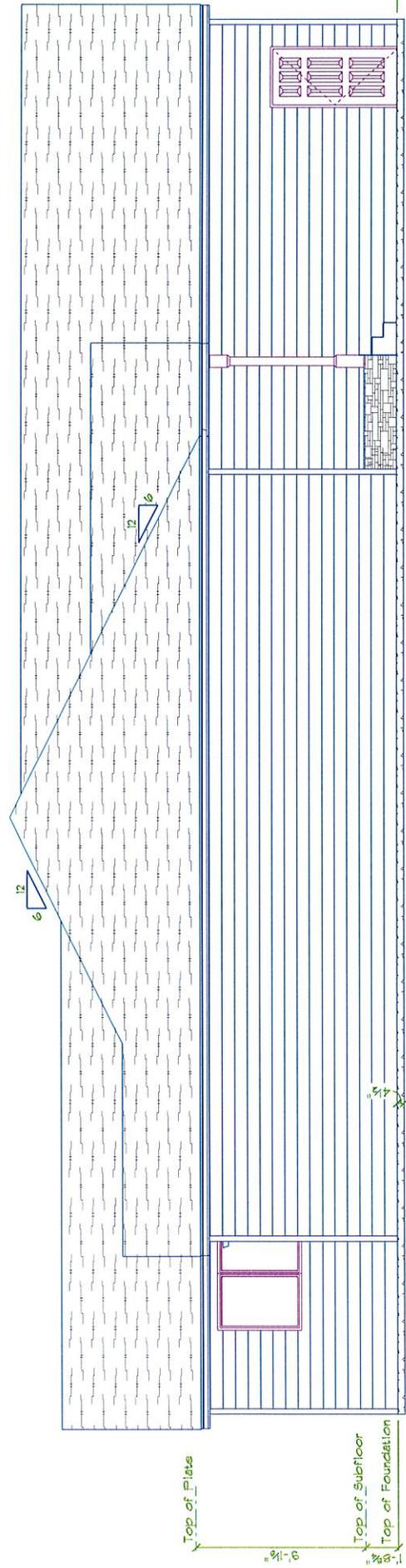
REAR ELEVATION



FRONT ELEVATION



RIGHT ELEVATION



LEFT ELEVATION





MARSHALL

CITY OF MARSHALL
344 WEST MAIN
MARSHALL, MN 56258-1313
(507) 537-6773 FAX: (507) 537-6830



* 2 0 2 1 - 0 0 0 7 1 *

DATE ISSUED:03/25/2021

BUILDING PERMIT

PERMIT NUMBER : 2021-00071
ADDRESS : 600 ELIZABETH ST
PIN : 27-143055-0
LEGAL DESC : CARR SUBDIVISION 1
PERMIT TYPE : BUILDING
PROPERTY TYPE : SINGLE FAMILY
CONSTRUCTION TYPE : NEW BUILDING
VALUATION : \$ 350,000.00
NOTE: NEW BUILDING

Form containing sections for APPLICANT, OWNER, AGREEMENT, and permit fee breakdown. Includes signature lines for Building Official and Date.

Meeting Date:	Tuesday, June 8, 2021
Category:	CONSENT AGENDA
Type:	ACTION
Subject:	Wastewater Treatment Facilities Improvement Project - Consider Application for Payment No. 23 to Magney Construction, Inc.
Background Information:	<p>Attached is invoice for the above-referenced project:</p> <p>1) Application for Payment No. 23 to Magney Construction, Inc. of Chanhassen, Minnesota, in the amount of \$565,690.21</p> <p>As this project is financed with a Public Facilities Authority low interest loan through the State of Minnesota, pay applications are required to be placed on the City Council agenda for approval.</p>
Fiscal Impact:	This project is financed with a Public Facilities Authority low interest loan through the State of Minnesota.
Alternative/ Variations:	No alternative actions recommended.
Recommendations:	that the Council authorize Application for Payment No. 23, per the recommendation of the City's consultant, Bolton & Menk, Inc., to Magney Construction, Inc. of Chanhassen, Minnesota, in the amount of \$565,690.21.



**BOLTON
& MENK**

Real People. Real Solutions.

1960 Premier Drive
Mankato, MN 56001-5900

Ph: (507) 625-4171
Fax: (507) 625-4177
Bolton-Menk.com

MEMORANDUM

Date: May 28, 2021
To: Bob Van Moer, Wastewater Treatment Superintendent
From: Jon D. Peterson, P.E., Project Engineer
Subject: Wastewater Treatment Facility Improvements – Magney Construction Inc.
Pay Request No. 23
City of Marshall, Minnesota
Project No.: T22.115360

INTRODUCTION

Pay Request No. 23 for the above-referenced project in the amount of \$565,690.21 is being submitted for approval.

DISCUSSION

This pay application covers work completed on the project through May 27, 2021. The Contractor has completed work on replacing the final clarifier pumps. Work on replacement of aeration basin equipment in the first aeration basin is complete, and equipment replacement in the second basin has begun. Work on trickling filter pump station renovation has begun. In addition, contractor has been working on project completion list items throughout the facility and has completed sidewalk construction and restoration work. Seeding of disturbed areas has been undertaken on the site as weather permits. We recommend approval of the attached Application for Payment No. 23.

BUDGET IMPACT

This expenditure is part of the overall wastewater treatment facility improvements project and will be covered by the PFA loan proceeds.

ACTION REQUESTED

Approve the attached pay request from Magney Construction Inc. in the total amount of \$565,690.21.

Application for Payment No. 23

To: The City of Marshall, MN

From: Magney Construction, Inc., 1401 Park Road, Chanhassen, MN 55317

Contract: _____

Project: Wastewater Treatment Facility Improvements

Owners Contract No. _____ Engineer's Project No. T22.115360

Date of this Invoice: 5/27/2021

Invoice Work Period: May 1-31, 2021

1) Original Contract amount	<u>\$14,074,300.00</u>
2) Change Orders to date	<u>\$0.00</u>
3) Revised Contract amount	<u>\$14,074,300.00</u>
4) Value completed to date	<u>\$13,264,052.73</u>
5) Materials stored on site	<u>\$0.00</u>
6) Total Earned to date	<u>\$13,264,052.73</u>
7) Amount retained	<u>\$663,202.64</u>
8) Amount previously paid	<u>\$12,035,159.88</u>
Amount due this Payment	<u>\$565,690.21</u>

Accompanying Documentation:

CONTRACTOR'S Certification:

The undersigned CONTRACTOR certifies that (1) all previous progress payments received from OWNER on account of work done under the Contract referred to above have been applied on account to discharge CONTRACTOR'S legitimate obligations incurred in connection with Work covered by prior Applications for Payment numbered 1 through 1 inclusive; (2) title of all work, materials and equipment incorporated in said Work otherwise listed in or covered by this Application for Payment will pass to OWNER at time of payment free and clear of all Liens, security interest or encumbrance (except such as are recovered by a Bond acceptable to OWNER indemnifying OWNER against any such Lien, security interest or encumbrance); and (3) all Work covered by this Application for Payment is in accordance by the Contract Documents and not defective.

Magney Construction, Inc. (Contractor)

By: 
Project Manager

Payment of the above AMOUNT DUE THIS APPLICATION is recommended.

Owner: City of Marshall Engineer: Bolton & Menk

By: _____ By: 

Date: _____ Date: 5-28-2021

APPLICATION FOR PAYMENT SCHEDULE

Spec.	Pay Application #23	Scheduled Value	Work Previous Application	Completed This Application	Materials Presently Stored	Total Completed & Stored to Date	% Complete	Balance To Finish
0520	Bond & Insurance	\$ 168,892	168,892.00	0.00	0.00	168,892.00	100%	0.00
1000	Mobilization	\$ 696,545	545,926.00	0.00	0.00	545,926.00	78%	150,619.00
1010	Supervision & General Conditions	\$ 276,000	251,167.00	8,000.00	0.00	259,167.00	94%	16,833.00
1020	General Construction Allowance	\$ 250,000	176,779.82	78,186.38	0.00	254,966.20	102%	-4,966.20
1021	Building Permit Allowance	\$ 10,000	7,499.38	0.00	0.00	7,499.38	75%	2,500.62
2060	Demolition of Existing WWTP Facilities:							
	Trickling Filter Pump Station Top	\$ 4,650	0.00	4,650.00	0.00	4,650.00	100%	0.00
	Trickling Filter Pump Station Pumps/Piping	\$ 3,480	0.00	1,500.00	0.00	1,500.00	43%	1,980.00
	Sludge Control Structure	\$ 13,540	13,540.00	0.00	0.00	13,540.00	100%	0.00
	Control Building Pumps and Piping	\$ 5,850	5,850.00	0.00	0.00	5,850.00	100%	0.00
	Blower Building Blowers and Piping	\$ 6,420	6,420.00	0.00	0.00	6,420.00	100%	0.00
	Trickling Filter Roof/Media/Rotary Distributor	\$ 62,460	62,460.00	0.00	0.00	62,460.00	100%	0.00
	Aeration Equipment and Piping	\$ 17,500	4,375.00	4,375.00	0.00	8,750.00	50%	8,750.00
	Intermediate Clarifier Equipment	\$ 26,417	26,417.00	0.00	0.00	26,417.00	100%	0.00
2140	Dewatering	\$ 19,555	19,555.00	0.00	0.00	19,555.00	100%	0.00
2210	Finish Grading	\$ 14,320	7,000.00	2,500.00	0.00	9,500.00	66%	4,820.00
2220	Structure Excavation - Final Clarifier and Splitter Box	\$ 71,200	71,200.00	0.00	0.00	71,200.00	100%	0.00
2221	Structure Excavation - Sludge Storage Structure	\$ 133,600	133,600.00	0.00	0.00	133,600.00	100%	0.00
2220A	Backfill of Structures - Final Clarifier and Splitter Box	\$ 91,500	91,500.00	0.00	0.00	91,500.00	100%	0.00
2221A	Backfill of Structures - Sludge Storage Structure	\$ 172,620	172,120.00	0.00	0.00	172,120.00	100%	500.00
2370	Erosion and Sediment Control	\$ 12,400	10,000.00	0.00	0.00	10,000.00	81%	2,400.00
2550	Site Utilities	\$ 565,333	565,333.00	0.00	0.00	565,333.00	100%	0.00
2551	Bypass Piping	\$ 49,504	25,000.00	18,000.00	0.00	43,000.00	87%	6,504.00
2600	Roads, Walks and Curbs	\$ 22,540	21,000.00	0.00	0.00	21,000.00	93%	1,540.00
2800	Fencing	\$ 12,200	12,200.00	0.00	0.00	12,200.00	100%	0.00
2920	Seeding	\$ 6,100	0.00	4,000.00	0.00	4,000.00	66%	2,100.00
3200	Rebar - Materials	\$ 678,400	678,400.00	0.00	0.00	678,400.00	100%	0.00
3201	Rebar - Labor	\$ 457,600	454,830.00	0.00	0.00	454,830.00	99%	2,770.00
3300	Concrete Work							
	Clarifier Splitter Structure	\$ 71,760	71,760.00	0.00	0.00	71,760.00	100%	0.00
	Final Clarifier	\$ 214,650	214,650.00	0.00	0.00	214,650.00	100%	0.00
	Control Structure	\$ 29,075	29,071.00	0.00	0.00	29,071.00	100%	4.00
	Sludge Storage Tank	\$ 2,180,839	2,180,839.00	0.00	0.00	2,180,839.00	100%	0.00
	Miscellaneous Concrete	\$ 1,860.00	0.00	0.00	0.00	0.00	0%	1,860.00
3410	Precast Double Tees	\$ 448,980	448,980.00	0.00	0.00	448,980.00	100%	0.00
3411	Precast Hollow Core Planks	W/Double Tees						

APPLICATION FOR PAYMENT SCHEDULE

Spec.	Pay Application #23	Scheduled Value	Work Previous Application	Completed This Application	Materials Presently Stored	Total Completed & Stored to Date	% Complete	Balance To Finish
3460	Precast Non-Architectural Wall Panels	W/Double Tees						
5100	Structural Metals, Misc Metals and Handrail	\$ 456,850	452,224.00	1,500.00	0.00	453,724.00	99%	3,126.00
5500	Access Hatches	\$ 7,820	7,296.00	0.00	0.00	7,296.00	93%	524.00
7535	Fully Adhered Membrane Roofing & Sheet Metal	\$ 279,400	259,856.00	15,000.00	0.00	274,856.00	98%	4,544.00
7900	Joint Sealant	\$ 1,600	1,600.00	0.00	0.00	1,600.00	100%	0.00
8110	Hollow Metal Doors, Frames and Hardware	\$ 22,540	22,540.00	0.00	0.00	22,540.00	100%	0.00
9960	Painting	\$ 299,000	268,500.00	15,500.00	0.00	284,000.00	95%	15,000.00
10400	Identifying Devices	\$ 3,690	0.00	1,500.00	0.00	1,500.00	41%	2,190.00
11213	Vertical Non-Clog Solids Handling Pumps	\$ 212,600	212,600.00	0.00	0.00	212,600.00	100%	0.00
11214	Vertical Turbine Pumps	\$ 143,100	128,990.45	0.00	0.00	128,990.45	90%	14,109.55
11311	Submersible Centrifugal Pumps	\$ 17,400	17,400.00	0.00	0.00	17,400.00	100%	0.00
11312	Replace Vaughan Chopper Pump	\$ 36,400	36,400.00	0.00	0.00	36,400.00	100%	0.00
11316	Progressive Cavity Pumps	\$ 54,750	54,750.00	0.00	0.00	54,750.00	100%	0.00
11321	Grit Separation Equipment	\$ 96,560	96,560.00	0.00	0.00	96,560.00	100%	0.00
11351	Clarifier Equipment - Suction Type Clarifier	\$ 428,500	428,500.00	0.00	0.00	428,500.00	100%	0.00
11365	Gravity Actuated Rotary Distributor	\$ 135,840	135,840.00	0.00	0.00	135,840.00	100%	0.00
11366	Trickling Filter Media	\$ 345,600	345,600.00	0.00	0.00	345,600.00	100%	0.00
11372	Blower Allowance	\$ 650,000	483,118.19	0.00	0.00	483,118.19	74%	166,881.81
11372	Blower System (Positive Displacement w/ Enclosure)	\$ 4,630	4,630.00	0.00	0.00	4,630.00	100%	0.00
11374	Fine Pore Membrane Aeration Equipment	\$ 82,900	39,475.00	15,000.00	0.00	54,475.00	66%	28,425.00
11376	Hybrid Blower System	\$ 6,800	6,800.00	0.00	0.00	6,800.00	100%	0.00
13126	Circular Tank Covers	\$ 185,300	185,300.00	0.00	0.00	185,300.00	100%	0.00
13262	Long Term Storage Mixing System	\$ 266,500	266,500.00	0.00	0.00	266,500.00	100%	0.00
13263	ATAD Equipment Replacement	\$ 140,000	140,000.00	0.00	0.00	140,000.00	100%	0.00
13263	ATAD Equipment Installation	\$ 29,850	29,850.00	0.00	0.00	29,850.00	100%	0.00
13320	Blower Master Control Panel	\$ 900	900.00	0.00	0.00	900.00	100%	0.00
13890	Slide Gates	\$ 10,500	10,500.00	0.00	0.00	10,500.00	100%	0.00
13900	Fiberglass Baffles and Weir Plates	\$ 31,200	31,200.00	0.00	0.00	31,200.00	100%	0.00
14620	Portable Hoist	\$ 9,200	9,200.00	0.00	0.00	9,200.00	100%	0.00
15060	Process Piping - Materials	\$ 307,200	300,699.51	2,000.00	0.00	302,699.51	99%	4,500.49
15060	Process Piping - Labor	\$ 172,800	166,000.00	2,500.00	0.00	168,500.00	98%	4,300.00
15100	Valves - Materials	\$ 744,040	744,040.00	0.00	0.00	744,040.00	100%	0.00
15130	Gauges	\$ 1,600	1,350.00	250.00	0.00	1,600.00	100%	0.00
15140	Pipe Supports and Anchors	\$ 11,600	9,000.00	1,000.00	0.00	10,000.00	86%	1,600.00
15150	Stainless Steel Manways w/ Blind Flanges	\$ 34,500	34,500.00	0.00	0.00	34,500.00	100%	0.00
15250	Plumbing	\$ 14,800	13,400.00	700.00	0.00	14,100.00	95%	700.00
15500	HVAC	\$ 97,800	95,300.00	1,000.00	0.00	96,300.00	98%	1,500.00

APPLICATION FOR PAYMENT SCHEDULE

Spec.	Pay Application #23	Scheduled Value	Work Previous Application	Completed This Application	Materials Presently Stored	Total Completed & Stored to Date	% Complete	Balance To Finish
16010	Electrical - Mobilization, Permits and Job Overhead	\$ 100,000	94,500.00	2,500.00	0.00	97,000.00	97%	3,000.00
16100	Basic Materials and Methods	\$ 260,575	260,575.00	0.00	0.00	260,575.00	100%	0.00
16150	Motors	\$ 20,000	15,800.00	3,500.00	0.00	19,300.00	97%	700.00
16400	Electrical Distribution	\$ 83,000	73,005.00	6,500.00	0.00	79,505.00	96%	3,495.00
16900	Starters and Motor Control Centers	\$ 463,000	463,000.00	0.00	0.00	463,000.00	100%	0.00
16950	Instrumentation and Controls	\$ 958,165	244,926.00	405,802.00	0.00	650,728.00	68%	307,437.00
16990	Computer Allowance	\$ 50,000	0.00	0.00	0.00	0.00	0%	50,000.00
	Totals	14,074,300.00	12,668,589.35	595,463.38	0.00	13,264,052.73	94%	810,247.27
		0.00						
	Original Contract amount		14,074,300.00					
	Change Orders to date		0.00					
	Revised Contract amount		14,074,300.00					
	Value completed to date		13,264,052.73					
	Materials stored on site		0.00					
	Total Earned to date		13,264,052.73					
	Amount retained		663,202.64					
	Amount previously paid		12,035,159.88					
	Amount due this Payment		565,690.21					



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, June 8, 2021
Category:	CONSENT AGENDA
Type:	ACTION
Subject:	Consider approval of a Temporary On-Sale Intoxicating Liquor License for the Marshall Area Chamber of Commerce.
Background Information:	Attached is an application for a Temporary On-Sale Liquor License for the Marshall Area Chamber of Commerce to use at Lockwood Motors, 1310 E. College Dr., Marshall, MN, June 30, 2021.
Fiscal Impact:	\$30.00/day
Alternative/ Variations:	None recommended
Recommendations:	To approve a Temporary On-Sale Liquor License for the Marshall Area Chamber of Commerce to use at Lockwood Motors, 1310 E. College Dr., Marshall, MN, June 30, 2021.



Minnesota Department of Public Safety
Alcohol and Gambling Enforcement Division
 445 Minnesota Street, Suite 222, St. Paul, MN 55101
 651-201-7500 Fax 651-297-5259 TTY 651-282-6555
APPLICATION AND PERMIT FOR A 1 DAY
TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE

Name of organization Marshall Area Chamber of Commerce		Date organized 2/11/1930	Tax exempt number [REDACTED]
Address 118 W. College Dr.	City Marshall	State MN	Zip Code 56258
Name of person making application Brad Gruhot		Business phone 507-532-4484	Home phone [REDACTED]
Date(s) of event June 30, 2021	Type of organization <input type="checkbox"/> Microdistillery <input type="checkbox"/> Small Brewer <input type="checkbox"/> Club <input type="checkbox"/> Charitable <input type="checkbox"/> Religious <input checked="" type="checkbox"/> Other non-profit		
Organization officer's name Kevin Reese	City Marshall	State MN	Zip Code 56258
Organization officer's name	City	State MN	Zip Code
Organization officer's name	City	State MN	Zip Code
Organization officer's name	City	State MN	Zip Code

Location where permit will be used. If an outdoor area, describe.

Lockwood Motors- 1310 E. College Dr., Marshall, MN 56258
 Business After Hours

If the applicant will contract for intoxicating liquor service give the name and address of the liquor license providing the service.
 No.

If the applicant will carry liquor liability insurance please provide the carrier's name and amount of coverage.
 No.

APPROVAL

APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL AND GAMBLING ENFORCEMENT

City of Marshall
 City or County approving the license
\$30.00
 Fee Amount
6-2-21
 Date Fee Paid

6-30-21
 Date Approved
Kyle.box@ci.marshall.mn.us
 Permit Date
 City or County E-mail Address
507-537-6775
 City or County Phone Number

Signature City Clerk or County Official

Approved Director Alcohol and Gambling Enforcement

CLERKS NOTICE: Submit this form to Alcohol and Gambling Enforcement Division 30 days prior to event.

ONE SUBMISSION PER EMAIL, APPLICATION ONLY.

PROVIDE A VALID E-MAIL ADDRESS FOR THE CITY/COUNTY AS ALL TEMPORARY PERMIT APPROVALS WILL BE SENT BY EMAIL. E-MAIL THE APPLICATION SIGNED BY CITY/COUNTY TO AGE.TEMPORARYAPPLICATION@STATE.MN.



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, June 8, 2021
Category:	CONSENT AGENDA
Type:	ACTION
Subject:	Consider approval of the bills/project payments
Background Information:	Staff encourages the City Council Members to contact staff in advance of the meeting regarding these items if there are questions. Construction contract questions are encouraged to be directed to Director of Public Works, Jason Anderson at 537-6051 or Finance Director, Karla Drown at 537-6764
Fiscal Impact:	
Alternative/ Variations:	
Recommendations:	The following bills and project payments be authorized for payment.



Marshall, MN

Council Check Report

By Vendor Name

Date Range: 05/28/2021 - 06/08/2021

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP-REG AP						
4549	A & B BUSINESS, INC	05/28/2021	EFT	0.00	1,989.89	6811
5813	ACE HOME & HARDWARE	06/04/2021	Regular	0.00	158.82	119041
6128	ACTION CO LLC	06/04/2021	EFT	0.00	244.00	6856
0548	ACTION SPORTS INC	05/28/2021	EFT	0.00	49.99	6812
0560	AFSCME COUNCIL 65	06/04/2021	EFT	0.00	1,355.95	6857
6412	AG PLUS COOPERATIVE	05/28/2021	EFT	0.00	4,824.00	6813
6412	AG PLUS COOPERATIVE	06/04/2021	EFT	0.00	30.23	6858
0567	ALEX AIR APPARATUS INC	06/04/2021	EFT	0.00	2,860.90	6859
0578	AMAZON CAPITAL SERVICES	05/28/2021	EFT	0.00	87.98	6814
0578	AMAZON CAPITAL SERVICES	06/04/2021	EFT	0.00	254.58	6860
3761	AMERICAN BOTTLING CO.	06/04/2021	Regular	0.00	86.88	119042
0581	AMERICAN ENGINEERING TESTING INC	06/04/2021	EFT	0.00	472.60	6861
0583	AMERICAN FAMILY LIFE ASSURANCE CO	05/28/2021	EFT	0.00	1,964.56	6815
0658	AP DESIGN	06/04/2021	EFT	0.00	466.00	6862
0630	ARCTIC GLACIER	06/04/2021	Regular	0.00	286.70	119043
5447	ARTISAN BEER COMPANY	06/04/2021	Regular	0.00	3,106.30	119044
2340	BAKER TILLY MUNICIPAL ADVISORS, LLC	05/28/2021	EFT	0.00	49,425.00	6816
0688	BELLBOY CORPORATION	05/28/2021	EFT	0.00	7,466.53	6817
0689	BEND RITE FABRICATION INC	06/04/2021	Regular	0.00	31.84	119045
6471	BERGANKDV LTD	05/28/2021	EFT	0.00	9,000.00	6818
0699	BEVERAGE WHOLESALERS	06/04/2021	Regular	0.00	42,939.60	119046
0707	BISBEE PLUMBING AND HEATING INC	06/04/2021	Regular	0.00	898.11	119047
0726	BORCHS SPORTING GOODS	06/04/2021	EFT	0.00	330.00	6863
0018	BORDER STATES ELECTRIC SUPPLY	05/28/2021	EFT	0.00	14.56	6819
0018	BORDER STATES ELECTRIC SUPPLY	06/04/2021	EFT	0.00	187.32	6864
4506	BOT, JOSEPH	06/04/2021	EFT	0.00	696.00	6865
4457	BREAKTHRU BEVERAGE	06/04/2021	Regular	0.00	9,062.06	119048
0728	BUFFALO RIDGE CONCRETE,INC	06/04/2021	EFT	0.00	228.00	6866
4236	C.E. SIGNS & DESIGNS	06/04/2021	Regular	0.00	244.28	119050
0802	CARLSON & STEWART REFRIG INC	06/04/2021	EFT	0.00	141.35	6867
0815	CATTOOR OIL COMPANY INC	05/28/2021	EFT	0.00	2,509.78	6820
6349	CHAMPAGNE, TIM	05/28/2021	EFT	0.00	20.00	6821
0875	COMPUTER MAN INC	05/28/2021	EFT	0.00	2,282.75	6822
0934	D & G EXCAVATING INC	06/04/2021	EFT	0.00	130,856.56	6868
3819	DACOTAH PAPER CO	06/04/2021	Regular	0.00	714.86	119051
0950	DAKTRONICS INC	06/04/2021	Regular	0.00	865.00	119052
0966	DELTA DENTAL OF MINNESOTA	05/28/2021	Bank Draft	0.00	4,828.84	DFT0000869
0966	DELTA DENTAL OF MINNESOTA	06/02/2021	Bank Draft	0.00	1,137.92	DFT0000881
0990	DIAMOND VOGEL PAINT COMPANY	05/28/2021	EFT	0.00	4,919.10	6823
5731	DOLL DISTRIBUTING	05/28/2021	EFT	0.00	23,035.35	6824
5731	DOLL DISTRIBUTING	06/04/2021	EFT	0.00	19,354.10	6869
1020	DUININCK BROS., INC.	05/28/2021	EFT	0.00	1,857.60	6825
1020	DUININCK BROS., INC.	06/04/2021	EFT	0.00	272,859.72	6870
1035	ECOLAB PEST ELIMINATION SERVICES	06/04/2021	EFT	0.00	611.48	6871
4706	ESS BROTHERS & SONS, INC	06/04/2021	EFT	0.00	5,526.60	6872
6700	EYEMED VISION CARE	06/04/2021	Regular	0.00	399.04	119053
1090	FASTENAL COMPANY	05/28/2021	EFT	0.00	490.12	6826
1090	FASTENAL COMPANY	06/04/2021	EFT	0.00	171.62	6873
1126	FLEXIBLE PIPE TOOL COMPANY	06/04/2021	EFT	0.00	460.00	6874
3772	FRONTIER PRECISION	06/04/2021	EFT	0.00	1,138.50	6875
4805	FURTHER	05/28/2021	Bank Draft	0.00	9,482.33	DFT0000867
4805	FURTHER	05/28/2021	Bank Draft	0.00	7,542.08	DFT0000872
1158	GALLS INC	05/28/2021	EFT	0.00	4,295.48	6827
6478	GOPHER STATE ONE CALL	06/04/2021	EFT	0.00	333.45	6876

Council Check Report

Date Range: 05/28/2021 - 06/08/2021

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1201	GRAINGER INC	06/04/2021	EFT	0.00	63.66	6877
1243	HARDWARE HANK	05/28/2021	EFT	0.00	196.64	6828
1243	HARDWARE HANK	06/04/2021	EFT	0.00	24.98	6878
1256	HAWKINS INC	06/04/2021	Regular	0.00	3,424.98	119055
6430	HEARTLAND ELECTRIC, INC	06/04/2021	Regular	0.00	237.03	119056
1267	HEIMAN INC.	05/28/2021	EFT	0.00	2,596.00	6829
5900	HONETSCHLAGER, ERIC	06/04/2021	Regular	0.00	149.95	119057
4885	HORIZON COMMERCIAL POOL SUPPLY	05/28/2021	EFT	0.00	4,303.72	6830
1358	INTERNAL REVENUE SERVICE	05/28/2021	Bank Draft	0.00	26,831.50	DFT0000873
1358	INTERNAL REVENUE SERVICE	05/28/2021	Bank Draft	0.00	23,997.27	DFT0000874
1358	INTERNAL REVENUE SERVICE	05/28/2021	Bank Draft	0.00	8,111.80	DFT0000875
1399	JOHNSON BROTHERS LIQUOR COMPANY	06/04/2021	Regular	0.00	23,595.27	119058
5095	KIBBLE EQUIPMENT	05/28/2021	EFT	0.00	586.75	6831
5095	KIBBLE EQUIPMENT	06/04/2021	EFT	0.00	170.14	6879
1480	LAW ENFORCEMENT LABOR SERVICE INC	06/04/2021	EFT	0.00	1,270.00	6880
5606	LEGALSHIELD	06/04/2021	Regular	0.00	101.65	119060
1507	LOCHER BROTHERS INC	05/28/2021	EFT	0.00	326.75	6832
1531	LYON COUNTY AUDITOR-TREASURER	06/04/2021	EFT	0.00	1,040.12	6881
3617	LYON COUNTY GIS DEPT	06/04/2021	EFT	0.00	5,673.85	6882
1545	LYON COUNTY HIGHWAY DEPARTMENT	06/04/2021	EFT	0.00	6,534.87	6883
1548	LYON COUNTY LANDFILL	05/28/2021	EFT	0.00	84.00	6833
1548	LYON COUNTY LANDFILL	06/04/2021	EFT	0.00	139.59	6884
1565	MACQUEEN EQUIPMENT INC.	05/28/2021	EFT	0.00	91.70	6834
1571	MADISON NATIONAL LIFE INSURANCE COMPANY	06/04/2021	EFT	0.00	1,063.09	6885
5459	MAGNEY CONSTRUCTION, INC	06/04/2021	Regular	0.00	565,690.21	119061
1616	MARSHALL CONVENTION & VISITORS BUREAU	06/04/2021	EFT	0.00	5,000.00	6886
1635	MARSHALL NORTHWEST PIPE FITTINGS INC	05/28/2021	EFT	0.00	235.08	6835
1637	MARSHALL PUBLIC SCHOOLS	05/28/2021	EFT	0.00	1,824.94	6836
1637	MARSHALL PUBLIC SCHOOLS	06/04/2021	EFT	0.00	2,045.63	6887
5139	MATHESON TRI-GAS INC	06/04/2021	Regular	0.00	298.00	119062
4980	MENARDS INC	06/04/2021	Regular	0.00	777.13	119063
1808	MINNESOTA MUNICIPAL UTILITIES ASSOC	06/04/2021	EFT	0.00	5,125.00	6888
3669	MINNESOTA STATE RETIREMENT SYSTEM	05/28/2021	Bank Draft	0.00	7,611.69	DFT0000870
1839	MINNESOTA VALLEY TESTING LABS INC	06/04/2021	EFT	0.00	461.80	6889
1757	MN CHILD SUPPORT PAYMENT CENTER	05/28/2021	Bank Draft	0.00	356.25	DFT0000865
1757	MN CHILD SUPPORT PAYMENT CENTER	05/28/2021	Bank Draft	0.00	287.49	DFT0000866
6440	MN PEIP-C/O MMB FISCAL SVC	06/04/2021	Regular	0.00	149,641.62	119064
1818	MN REVENUE	05/28/2021	Bank Draft	0.00	11,198.22	DFT0000876
1787	MN STATE BOARD OF ASSESSORS	06/04/2021	Regular	0.00	275.00	119070
1887	MTI DISTRIBUTING INC	06/04/2021	EFT	0.00	132.24	6890
2512	NATIONWIDE RETIREMENT	05/28/2021	Bank Draft	0.00	200.00	DFT0000860
2513	NATIONWIDE RETIREMENT-FIRE	05/28/2021	Bank Draft	0.00	25.99	DFT0000861
1923	NCPERS MN GROUP LIFE INS.	06/04/2021	EFT	0.00	352.00	6891
1945	NORMS GTC	06/04/2021	Regular	0.00	137.12	119071
1958	NORTHERN BUSINESS PRODUCTS, INC	06/04/2021	EFT	0.00	71.96	6892
5891	ONE OFFICE SOLUTION	05/28/2021	EFT	0.00	138.32	6837
2019	PAUSTIS WINE COMPANY	06/04/2021	Regular	0.00	4,150.67	119072
2026	PEPSI COLA BOTTLING OF PIPESTONE MN INC	05/28/2021	EFT	0.00	71.10	6838
2028	PERA OF MINNESOTA REG	05/28/2021	Bank Draft	0.00	51,866.43	DFT0000868
2036	PHILLIPS WINE AND SPIRITS INC	06/04/2021	Regular	0.00	22,591.29	119073
2049	PLUNKETTS PEST CONTROL INC	05/28/2021	EFT	0.00	39.09	6839
5585	PRESTIGE CHEMICALS	06/04/2021	Regular	0.00	545.84	119075
6166	PULVER MOTOR SVC, LLC	05/28/2021	EFT	0.00	125.00	6840
6166	PULVER MOTOR SVC, LLC	06/04/2021	EFT	0.00	75.00	6893
2096	QUARNSTROM & DOERING, PA	05/28/2021	EFT	0.00	3,279.25	6841
2096	QUARNSTROM & DOERING, PA	06/04/2021	EFT	0.00	10,874.67	6894
6267	RATWIK, ROSZAK & MALONEY, PA	05/28/2021	EFT	0.00	259.00	6842
4939	RECSUPPLY	05/28/2021	EFT	0.00	1,324.40	6843
2137	REDWOOD RIVER SPORTSMAN CLUB	06/04/2021	Regular	0.00	500.00	119076
5867	ROUND LAKE VINEYARDS & WINERY	05/28/2021	EFT	0.00	144.00	6844
2201	RUNNINGS SUPPLY INC	05/28/2021	EFT	0.00	94.59	6845

Council Check Report

Date Range: 05/28/2021 - 06/08/2021

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
2201	RUNNINGS SUPPLY INC	06/04/2021	EFT	0.00	314.97	6895
6251	SHRED RIGHT	06/04/2021	EFT	0.00	15.00	6896
3495	SMSU	05/28/2021	EFT	0.00	900.00	6846
4855	SOUTHERN GLAZER'S OF MN	05/28/2021	EFT	0.00	9,220.54	6847
4855	SOUTHERN GLAZER'S OF MN	06/04/2021	EFT	0.00	11,946.99	6897
2318	SOUTHWEST SANITATION INC.	05/28/2021	EFT	0.00	168.80	6848
6785	STEEN, MATTHEW & LAUREL	06/04/2021	Regular	0.00	112.00	119077
6706	SUN LIFE FINANCIAL	06/04/2021	EFT	0.00	1,603.15	6898
2425	TIMS TURF	06/04/2021	Regular	0.00	474.00	119078
6156	TRUE BRANDS	05/28/2021	EFT	0.00	326.17	6849
3342	TRUEDSON, SCOTT	06/04/2021	EFT	0.00	89.95	6900
3443	VALIC DEFERRED COMP	05/28/2021	Bank Draft	0.00	1,172.00	DFT0000862
3443	VALIC DEFERRED COMP	05/28/2021	Bank Draft	0.00	42.21	DFT0000863
3443	VALIC DEFERRED COMP	05/28/2021	Bank Draft	0.00	1,650.00	DFT0000864
5733	VAST BROADBAND	06/04/2021	Regular	0.00	633.03	119079
4489	VERIZON WIRELESS	05/28/2021	EFT	0.00	1,270.76	6850
2538	VIKING COCA COLA BOTTLING COMPANY	05/28/2021	EFT	0.00	335.90	6851
2538	VIKING COCA COLA BOTTLING COMPANY	06/04/2021	EFT	0.00	498.33	6901
4594	VINOUCPIA	05/28/2021	EFT	0.00	1,302.65	6852
6085	VOYA - INVESTORS CHOICE	05/28/2021	Bank Draft	0.00	1,828.24	DFT0000871
2591	WESTERN PRINT GROUP	05/28/2021	EFT	0.00	268.75	6853
2602	WILLOW CREEK CONCRETE PRODUCTS INC	06/04/2021	Regular	0.00	1,222.00	119081
6379	WINEBOW	05/28/2021	EFT	0.00	2,516.50	6854
2632	ZIEGLER INC	05/28/2021	EFT	0.00	21.42	6855
2632	ZIEGLER INC	06/04/2021	EFT	0.00	509.01	6902

Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	78	31	0.00	833,350.28
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	18	18	0.00	158,170.26
EFT's	170	91	0.00	639,959.47
	266	140	0.00	1,631,480.01

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	78	31	0.00	833,350.28
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	18	18	0.00	158,170.26
EFT's	170	91	0.00	639,959.47
	266	140	0.00	1,631,480.01

Fund Summary

Fund	Name	Period	Amount
999	POOLED CASH FUND	5/2021	303,316.85
999	POOLED CASH FUND	6/2021	1,328,163.16
			1,631,480.01

CITY OF MARSHALL, MINNESOTA
 PRIOR AND CURRENT YEARS CONSTRUCTION CONTRACTS
 6/8/2021

PROJECT #:	Coding	DATE	CONTRACTOR:	ORIGINAL CONTRACT AMOUNT:	CHANGE ORDERS	CURRENT CONTRACT AMOUNT	2019 Prior Payments	2020 Prior Payments	2021 Prior Payments	PYMTS THIS MEETING:	RETAINAGE	BALANCE:	PERCENT COMPLETE
602-49500-55120		5/28/2019	WWTF Improvement Project	Magney Construction, Inc.		14,074,300.00							
630-49600-55130		9/24/2019	COE Flood Control 2019 Betterments	U.S. Army Corps of Engineers		190,000.00							
494-43300-55120		11/12/2019	City Hall Renovation	Brennan Companies		5,030,200.00	695,744.00						
476-43300-55170		4/14/2020	S 4th St Reconstruction	R & G Construction		2,583,754.90	10,885.14						
476-43300-55170		5/26/2020	S 1st St Reconstruction	Duininck, Inc		617,136.55	5,683.75						
630-49600-55170		6/23/2020	Legion Field Strom Water Improvements-Phase 1	Towme & Country Excavating LLC		277,943.00	(2,967.25)						
630-49600-55170		9/8/2020	MERIT Center Outfall Project	Towme & Country Excavating LLC		251,297.00							
479-43300-55170		2/9/2021	N 1st St/W Redwood St/W Marshall St Reconstruction	D & G Excavating Inc.		1,051,247.90	6,200.00						
495-43300-55170		2/23/2021	2021 Bituminous Overlay	Duininck, Inc		580,564.28							
479-43300-55170		2/23/2021	James Ave/Camden Dr Reconstruction	Kkuechle Underground		849,244.50							
479-42400-55120		2/23/2021	Fire Station Roofing	Gag Sheet Metal, Inc.		103,800.00	1,200.00						
101-43300-53425		3/9/2021	2021 Chip Sealing on Various City Streets	Asphalt Preservation Company Inc.		122,134.12							
479-45200-55120		3/9/2021	Restroom Facility and Picnic Pavilion - Patriot Park	Bladholm Construction		188,886.00							
630-49600-55170		4/13/2021	Storm Structure Outfall Improvements	R & G Construction		49,358.10							
479-43300-55170		4/13/2021	State Aid Overlay	Duininck, Inc		1,924,600.45							
602-49500-55170		5/11/2021	T.H. 23/Independence Park Sewer Realignment	D & G Excavating Inc.		189,448.50							
				28,269,165.45 714,150.69 28,983,316.14 4,249,748.87 13,490,265.10 1,286,688.03 1,041,827.93 5,244,192.32									



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, June 8, 2021
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Presentation of the 2020 Year-End Audit for the City of Marshall
Background Information:	<p>Attached is the 2020-year end audit for the City of Marshall. The City Auditors, Nancy Schulzetenberg and Andrew Grice of BerganKDV will present the 2020-year end audit.</p> <p>Staff encourage questions on the audit report in advance to Mrs. Drown, Finance Director or Mrs. Storm, Director of Administrative Services.</p>
Fiscal Impact:	
Alternative/ Variations:	
Recommendations:	Approve the 2020-year end audit report for the City of Marshall

**City of Marshall
Lyon County, Minnesota**

Communications Letter

December 31, 2020



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

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

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

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

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

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

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.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated May 20, 2021, on such statements.

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

BergankDV, Ltd.

St. Cloud, Minnesota
May 20, 2021

City of Marshall Required Communication

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

Our Responsibility in Relation to the Financial Statement Audit

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

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

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

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

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

Our Responsibility in Relation to *Government Auditing Standards*

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

City of Marshall Required Communication

Our Responsibility in Relation to Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

As communicated in our engagement letter, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the City's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the City's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it did not provide a legal determination on the City's compliance with those requirements.

In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

Qualitative Aspects of Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in the notes to financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

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

City of Marshall Required Communication

Qualitative Aspects of Significant Accounting Practices (Continued)

Significant Accounting Estimates (Continued)

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

Total Other Post Employment Benefits (OPEB) Liability, Deferred Outflows of Resources Related to OPEB and Deferred Inflows of Resources Related to OPEB – These balances are based on an actuarial study using the estimates of future obligations of the City for post employment benefits.

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

Allowance for Uncollectible Accounts – an allowance is used to reduce the balance of notes receivable that are estimated to be forgiven.

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

Financial Statement Disclosures

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

Management did not identify and we did not notify them of any uncorrected financial statement misstatements. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

City of Marshall Required Communication

Disagreements with Management

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

Representations Requested from Management

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

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

Other Information in Documents Containing Audited Financial Statements

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

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

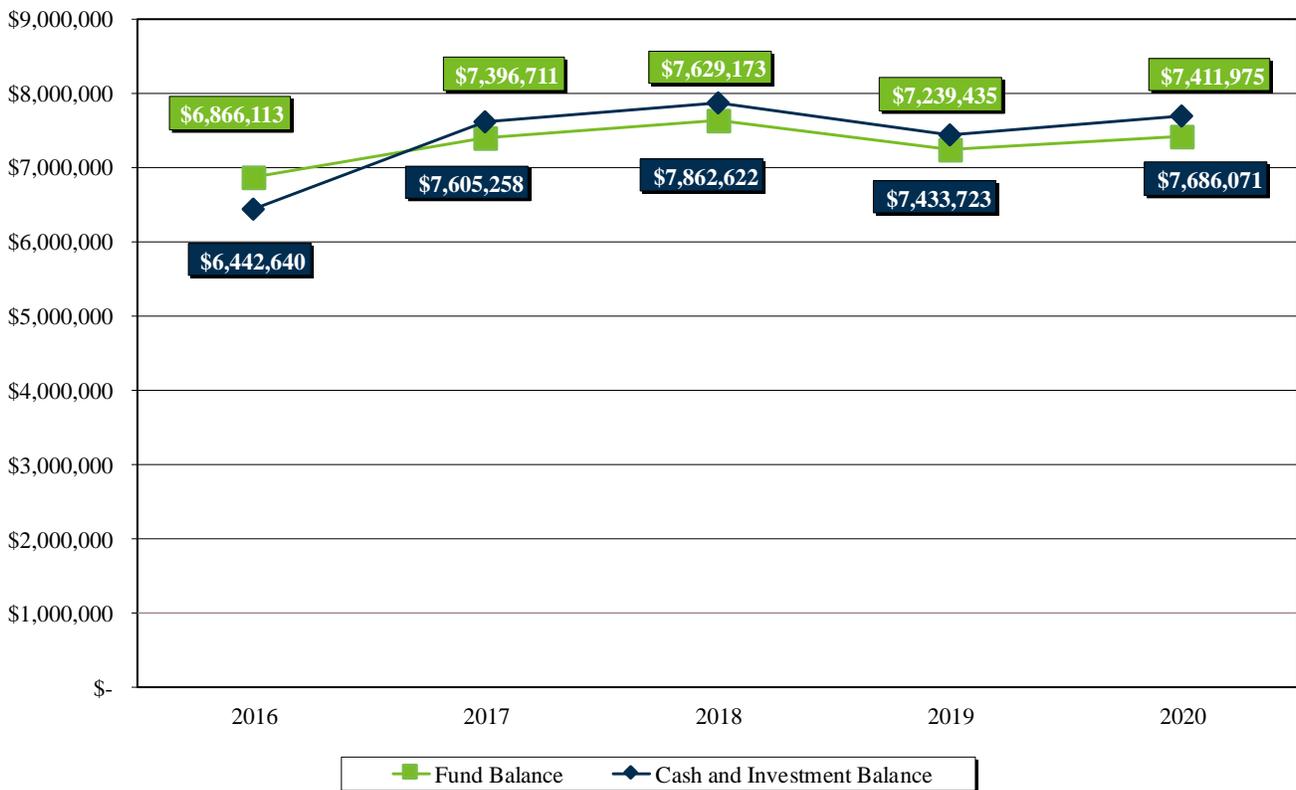
City of Marshall Financial Analysis

The following pages provide graphic representations of select data pertaining to the financial position and operations of the City for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance. We suggest you view each graph and document if our analysis is consistent with yours. A subsequent discussion of this information should be useful for planning purposes.

General Fund – Fund Balance

The following graph illustrates the relationship between cash and investments and fund balance over the past five years. At December 31, 2020, the General Fund balance consisted of \$125,488 nonspendable, \$11,611 restricted, \$884,244 assigned, and \$6,390,632 unassigned. The total unrestricted fund balance represented over seven months of expenditures at current levels. The Office of the State Auditor has issued a statement of position recommending cities maintain an unreserved fund balance of approximately 35% to 50% of fund operating revenues, or no less than five months of operating expenditures. The City's fund balance policy for the General Fund is to maintain a minimum unrestricted fund balance of an amount not less than 5 months of the next year's budgeted expenditures. The City's unrestricted fund balance in the General Fund at December 31, 2020 was 55.7% of 2021 budgeted expenditures of \$12,280,619, which represented just over six and a half months of expenditures.

Cash and Investments and Fund Balance



On the following pages, we will discuss the revenues and expenditures of the General Fund and the variations in the fund balance.

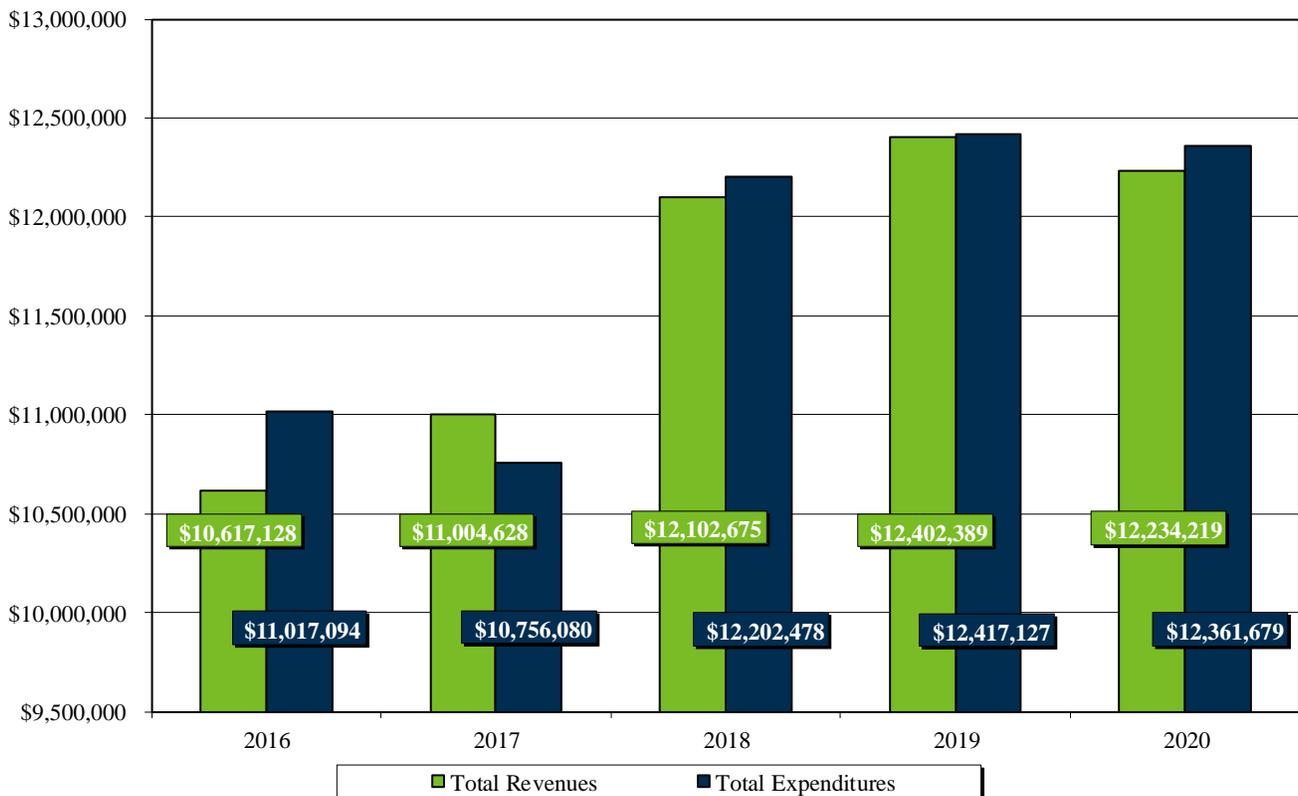
City of Marshall Financial Analysis

General Fund – Revenues and Expenditures

The following table and graph show the overall operations of the General Fund. Revenues have fluctuated over the five years shown from a high in 2019 of \$12,402,389 to a low of \$10,617,128 in 2016. In 2020, revenues were \$12,234,219, a decrease from the prior year of \$168,170. Overall from 2016 to 2020, revenues have increased \$1,617,091. Similarly, expenditures have fluctuated over the five years presented. In 2020, expenditures were \$12,361,679, a decrease from the prior year of \$55,448. Since 2016, expenditures have increased \$1,344,585.

	2016	2017	2018	2019	2020
Revenues	\$ 10,617,128	\$ 11,004,628	\$ 12,102,675	\$ 12,402,389	\$ 12,234,219
Expenditures	11,017,094	10,756,080	12,202,478	12,417,127	12,361,679
Proceeds from the sale of capital assets	31,585	29,945	5,160	-	-
Net transfers	302,022	252,105	327,105	(375,000)	300,000
Net change in fund balance	\$ (66,359)	\$ 530,598	\$ 232,462	\$ (389,738)	\$ 172,540

Revenues and Expenditures



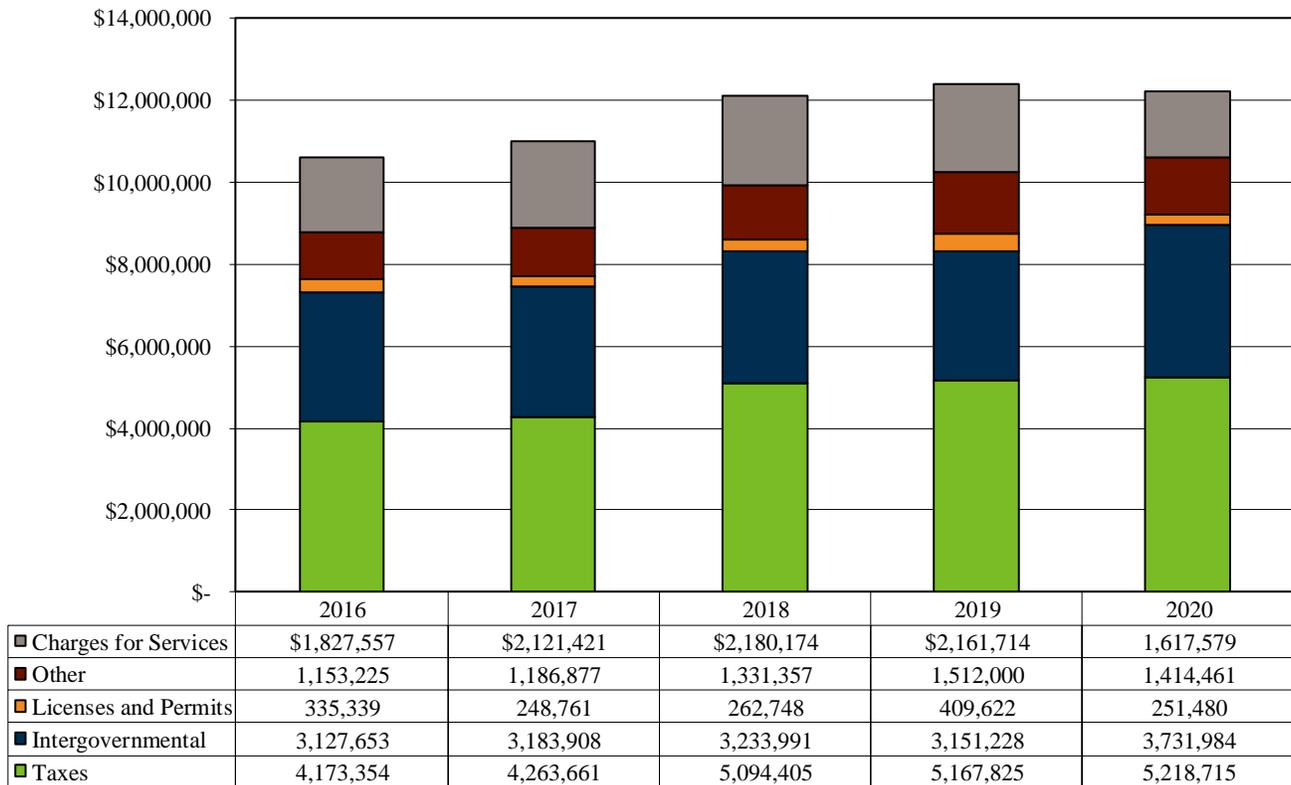
City of Marshall Financial Analysis

General Fund – Revenues

The following graph presents comparisons of revenues by type, illustrating the majority of revenue for the City is from taxes, intergovernmental sources, and charges for services. These three sources represent 42.7%, 30.5%, and 13.2% of total General Fund revenues, respectively. Other revenues include items such as licenses and permits, fines and forfeitures, special assessments, investment earnings, and other miscellaneous items.

Revenues of the General Fund decreased from 2019 to 2020 by \$168,170. Charges for services decreased \$544,135 due in large part to the effects of COVID-19 on community education and pool revenue along with a decrease in administration and engineering revenue. Licenses and permits decreased \$158,142 with less building activity and related permit revenue in 2020. The other revenue category decreased \$97,539 due in part to less revenue from both fines and investment earnings. These decreases were offset by an increase in intergovernmental revenue of \$580,756 due primarily to Federal funding received for the Coronavirus Aid, Relief, and Economic Security Act (CARES).

General Fund Revenues



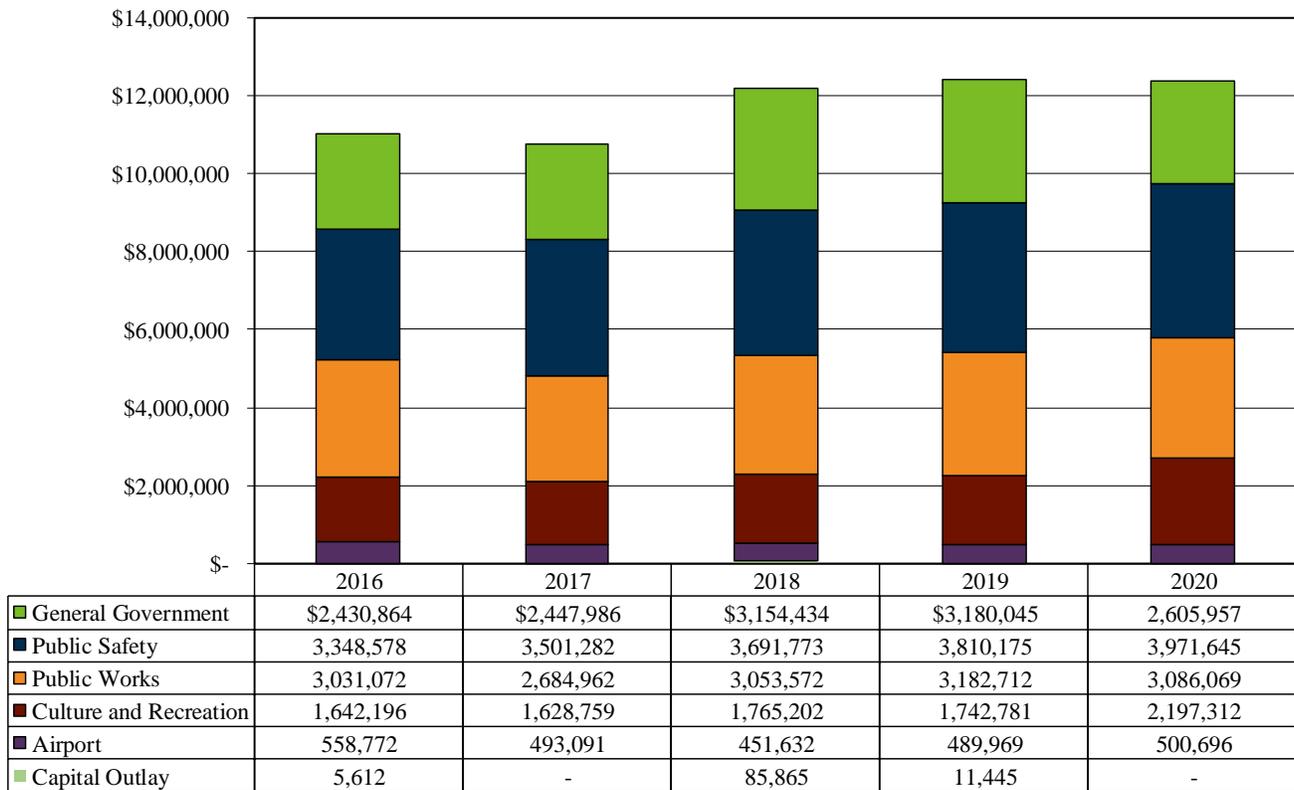
City of Marshall Financial Analysis

General Fund – Expenditures

The graph below represents the breakdown of expenditures by department. Public safety continues to comprise the largest portion of General Fund expenditures, representing 32.1%. Overall, General Fund expenditures decreased \$55,448 from 2019.

General government expenditures decreased \$574,088 due primarily to change in classification of the library appropriation, which is now included in the culture and recreation program. As a result, culture and recreation expenditures increased by \$454,531 compared to the prior year. Public works decreased \$96,643 compared to the prior year due in part to a decrease in repair and maintenance costs, fuel expenditures, and professional fees particularly related to snow removal. Public safety increased \$161,470 as a result of wage increases with changes in staffing and an added captain position in 2020.

General Fund Expenditures



**City of Marshall
Financial Analysis**

General Fund – Budgetary Comparison

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget - Over (Under)
Revenues				
Taxes	\$5,390,747	\$5,390,747	\$5,218,715	\$ (172,032)
Licenses and permits	291,990	291,990	251,480	(40,510)
Special assessments	-	-	1,203	1,203
Intergovernmental	3,137,512	3,137,512	3,731,984	594,472
Charges for services	2,229,746	2,229,746	1,617,579	(612,167)
Fines and forfeitures	111,450	111,450	77,870	(33,580)
Investment earnings	125,000	125,000	137,228	12,228
Miscellaneous	1,128,118	1,128,118	1,198,160	70,042
Total revenue	12,414,563	12,414,563	12,234,219	(180,344)
Expenditures				
General government	2,746,226	2,746,226	2,605,957	(140,269)
Public safety	4,048,032	4,048,032	3,971,645	(76,387)
Public works	3,019,446	3,019,446	3,086,069	66,623
Culture and recreation	2,596,167	2,596,167	2,197,312	(398,855)
Airport	496,566	496,566	500,696	4,130
Total expenditures	12,906,437	12,906,437	12,361,679	(544,758)
Excess of revenue over (under) expenditures	(491,874)	(491,874)	(127,460)	364,414
Other Financing Sources (Uses)				
Net transfers	300,000	300,000	300,000	-
Total other financing sources (uses)	300,000	300,000	300,000	-
Net change in fund balances	\$ (191,874)	\$ (191,874)	\$ 172,540	\$ 364,414

Overall, actual revenues were \$180,344, or 1.5%, under budget. Charges for services were \$612,167 under budget as the result of the effects of COVID-19 on programming, particularly community education and pool revenue. Administration and engineering revenue was also well under budget for the public works department. Tax revenue was \$172,032 under budget, primarily the result of franchise fees coming in under budget. Intergovernmental revenue was \$594,472 over budget as a result of receiving CARES funding that was not part of the budget. Other revenue categories were relatively consistent with the budget.

Overall, actual expenditures were less than budgeted amounts by \$544,758, or 4.2%. Similar to the revenue side, culture and recreation was well under budget by \$398,855 as a result of the effects of COVID-19. General government was \$140,269 under budget with noted variances in expenditures for lodging taxes, information technology maintenance agreements, electric utilities, and adult community center program wages.

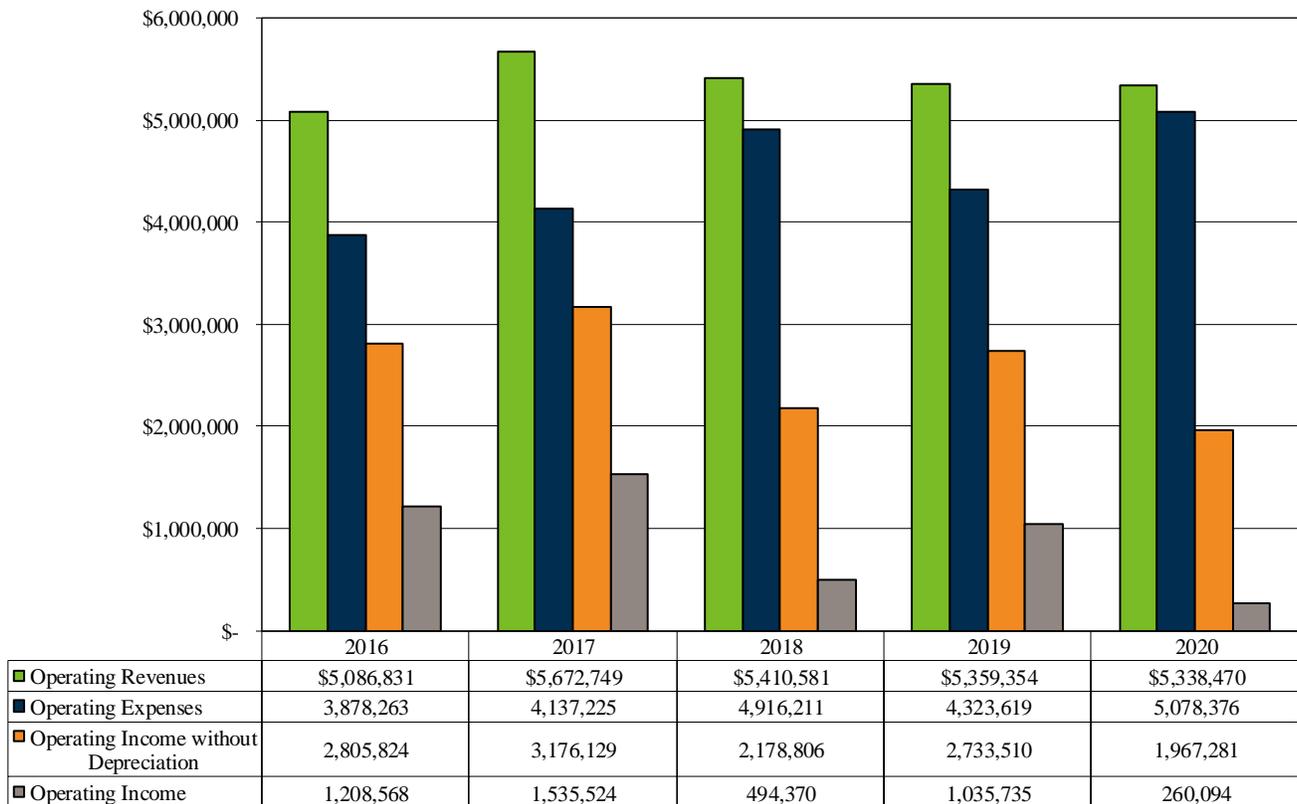
City of Marshall Financial Analysis

Wastewater Treatment Enterprise Fund

The following graph illustrates the current operations of the Wastewater Treatment Fund for the past five years. Operating income is shown with and without depreciation below.

Operating revenue decreased \$20,884, or 0.4%, from 2019 while operating expenses increased by \$754,757, or 17.5%. The increase is primarily due to increased professional services expenses related to the timing of significant planning activity for the wastewater treatment upgrades. The net effect of the decreased revenues and increased expenses is operating income of \$260,094, which is a decrease of \$775,641 compared to 2019.

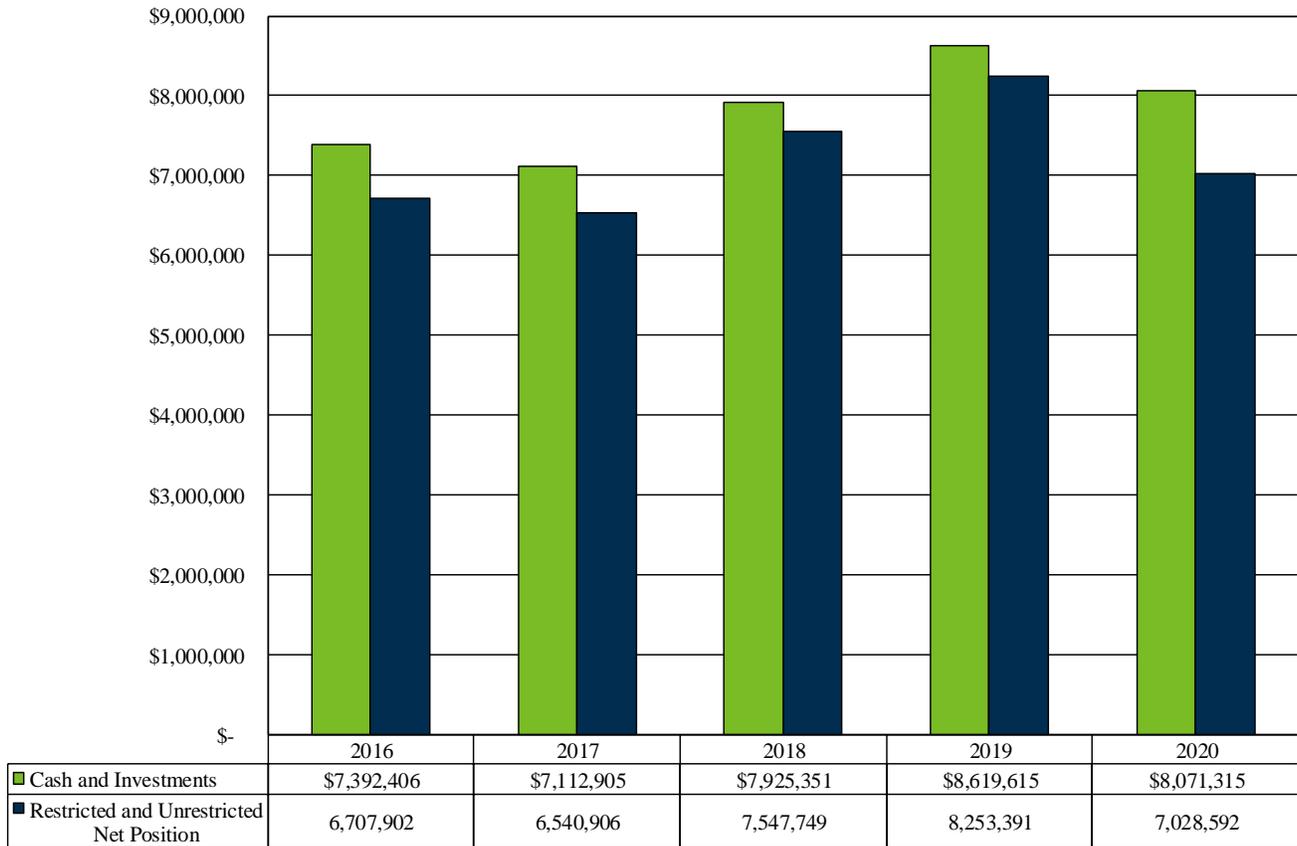
Wastewater Treatment Operations



**City of Marshall
Financial Analysis**

Wastewater Treatment Enterprise Fund (Continued)

Wastewater Treatment Fund



The above graph shows the cash and investment balances and restricted and unrestricted net position balances as of December 31 for the last five years. The cash and investment balance decreased \$548,300 during 2020 while the restricted and unrestricted net position for the Wastewater Treatment Fund decreased \$1,224,799 during the same time period. This was due to significant funds being spent for construction of the wastewater treatment upgrades during 2020. Unrestricted net position as of December 31, 2020 was \$5,034,918.

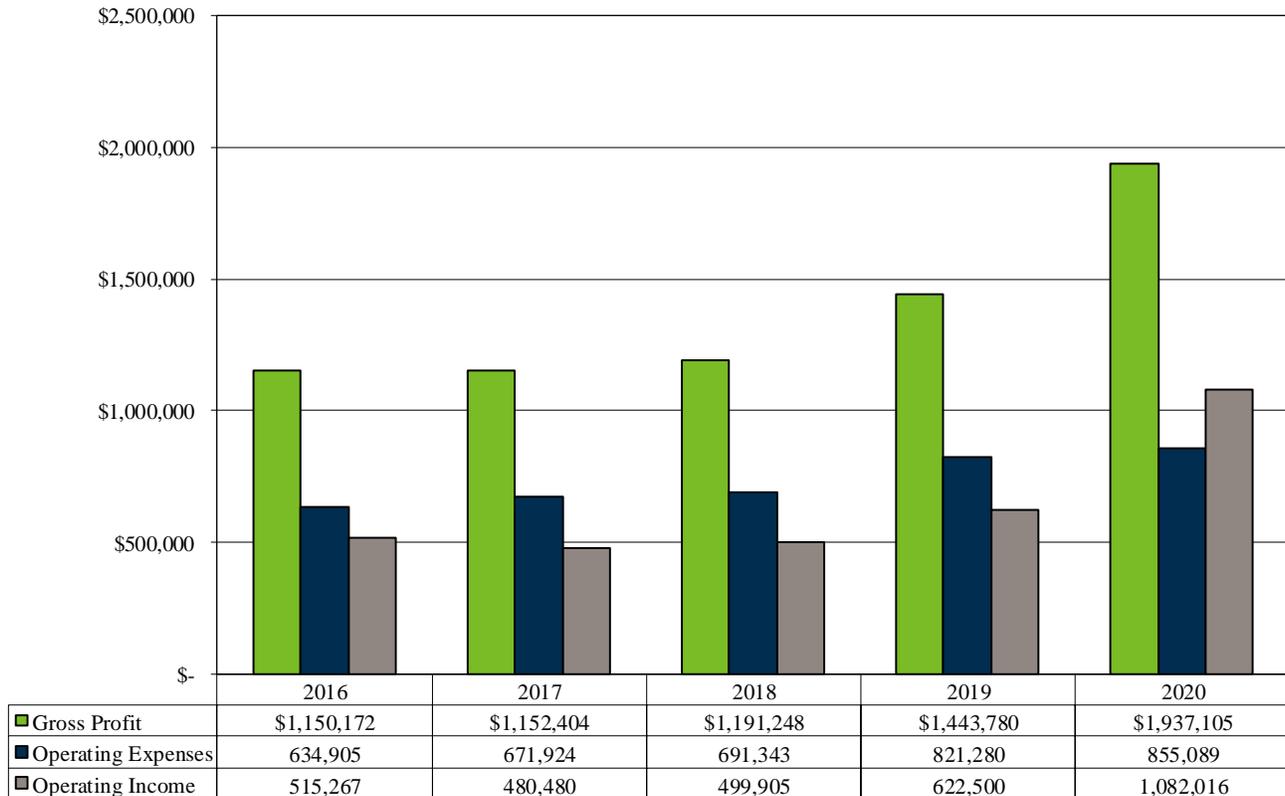
City of Marshall Financial Analysis

Municipal Liquor Store Enterprise Fund

The following graph illustrates the current operations of the Municipal Liquor Store Fund for the past five years.

The Municipal Liquor Store Fund has shown an operating income in each of the five years presented. In 2020, the Fund showed an operating income of \$1,082,016. This is an increase in operating income of \$459,516, or 73.8%, when compared to 2019. The Fund experienced an increase in gross profit of \$493,325 while liquor store expenses increased \$33,809. Revenues likely increased due to the effects of COVID-19 on local bars and establishments along with management monitoring gross profit more closely and adjusting sales price based on current gross profit. The Fund was able to transfer \$300,000 to the General Fund in 2020.

Municipal Liquor Store Operations

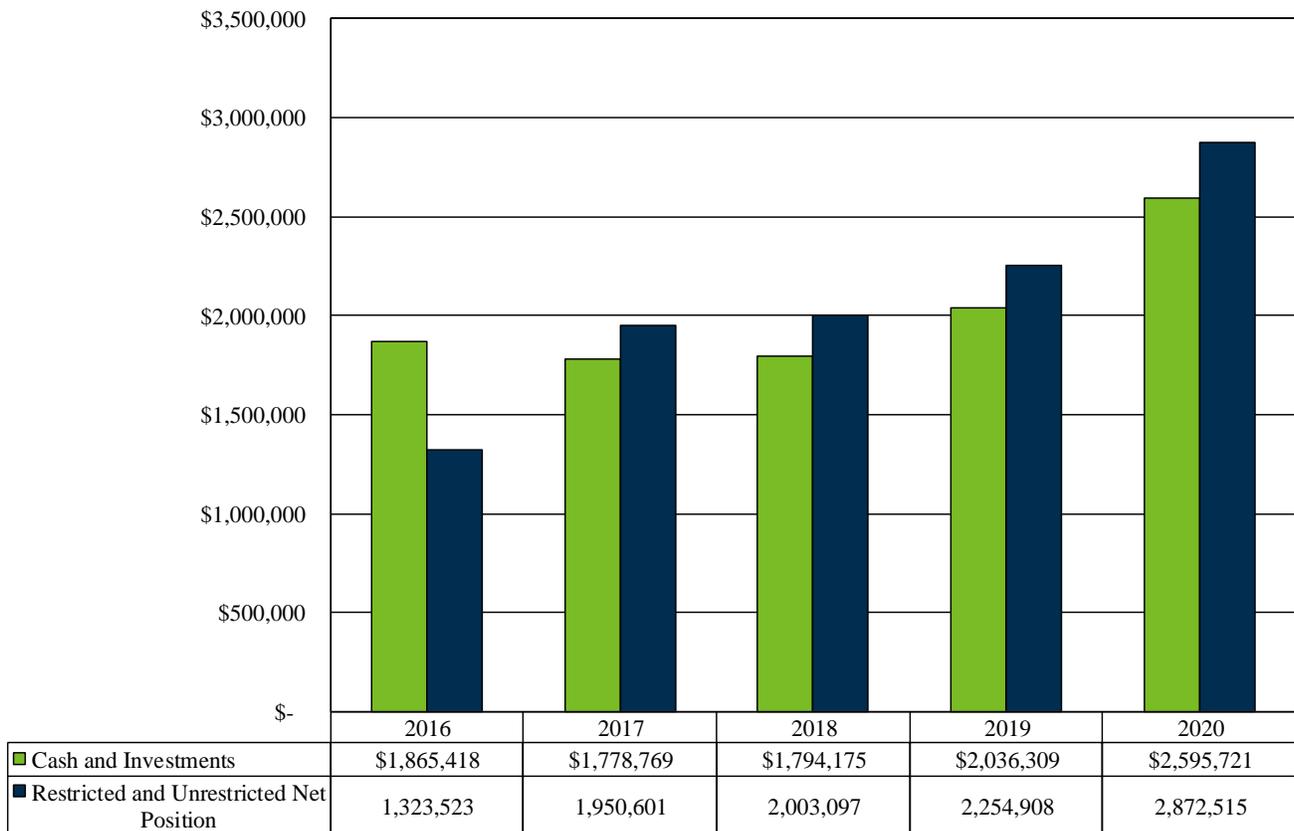


**City of Marshall
Financial Analysis**

Municipal Liquor Store Enterprise Fund (Continued)

The graph below shows the cash and investment balances and restricted and unrestricted net position balances as of December 31 for the last five years. The Municipal Liquor Store Fund cash and investment balance increased \$730,303 while the restricted and unrestricted net position increased \$1,548,992 since 2016 based on strong operations. Unrestricted net position as of December 31, 2020 was \$1,151,843.

Municipal Liquor Store Fund

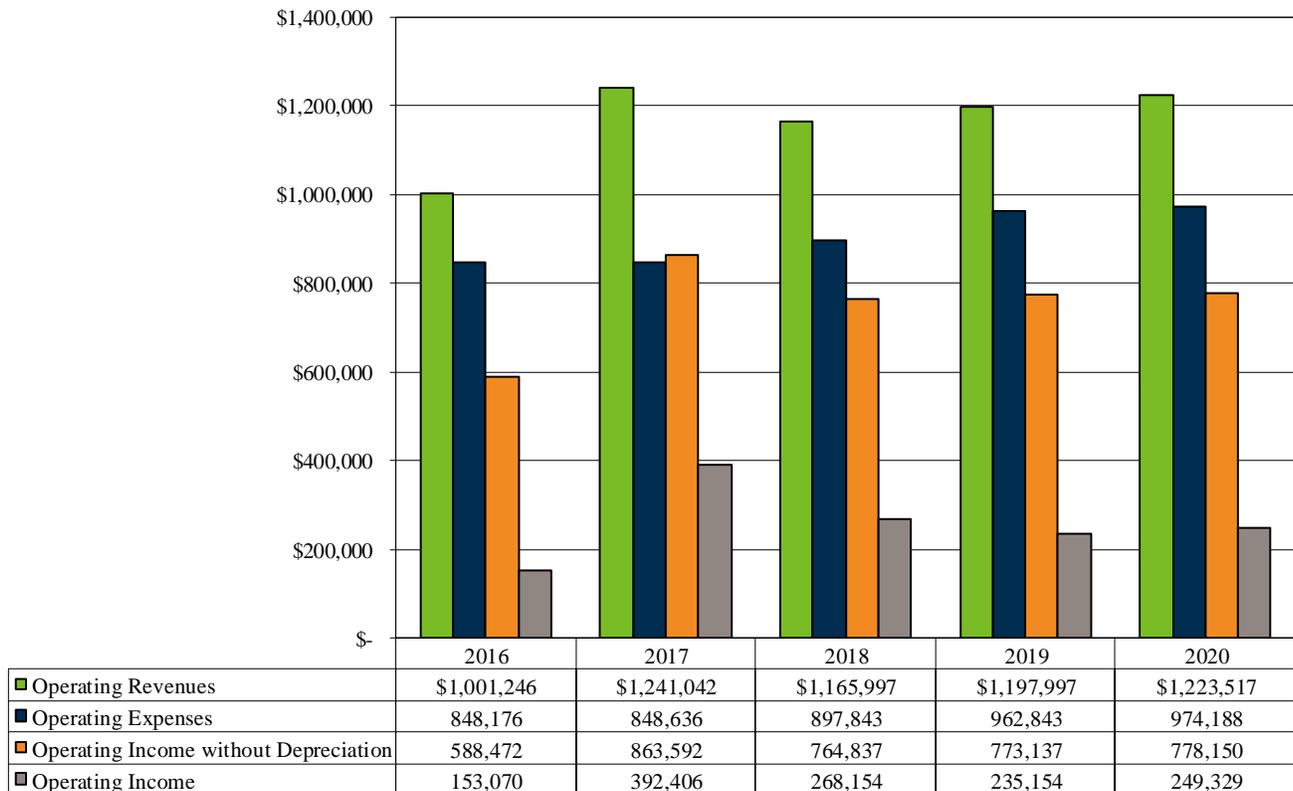


City of Marshall Financial Analysis

Surface Water Management Enterprise Fund

The following graph illustrates the current operations of the Surface Water Management Fund for the past five years. For all five years shown, the City's Surface Water Management Fund has generated an operating income. Operating revenue increased \$25,520 or 2.1% while expenses increased \$11,345 or 1.2% compared to 2019. The net effect of the changes in revenues and expenses is operating income of \$249,329.

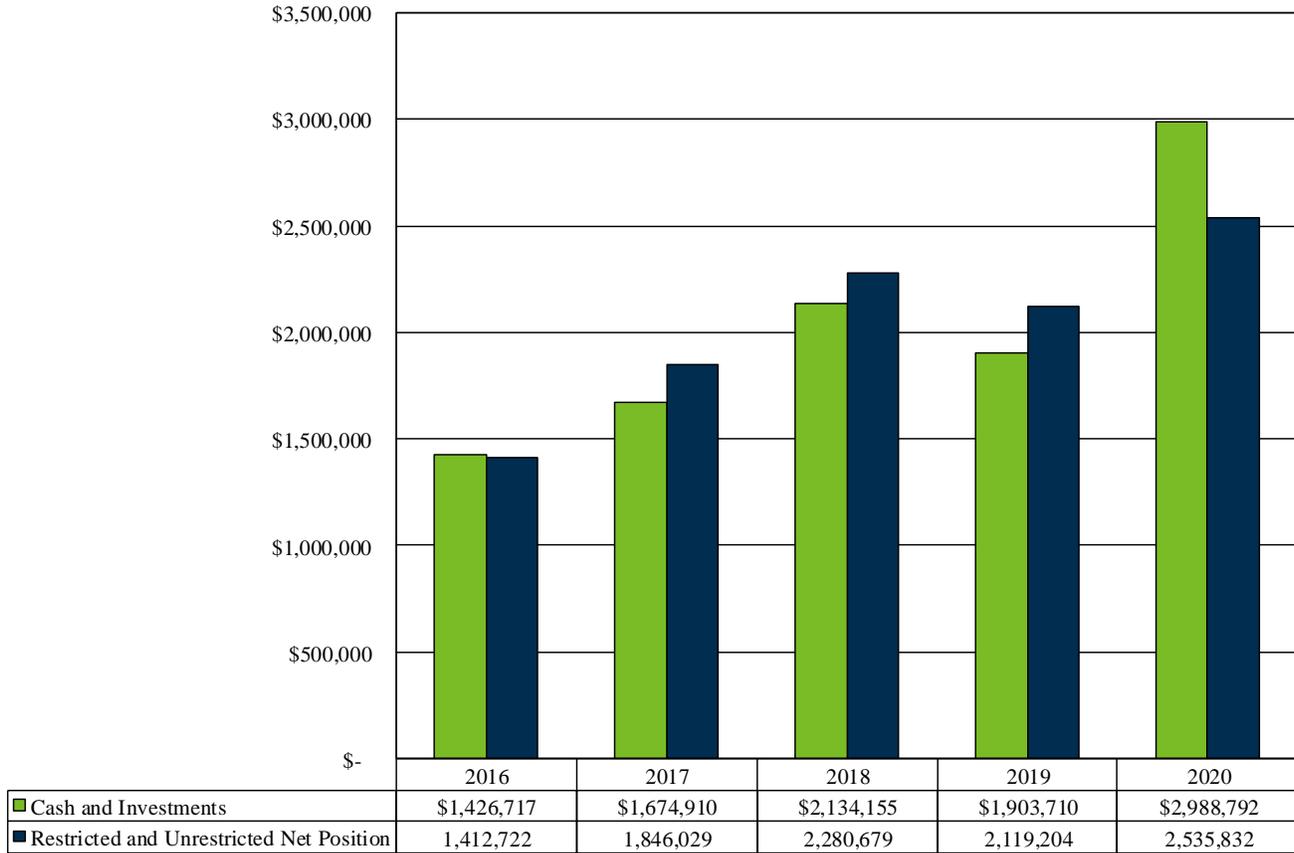
Surface Water Management Operations



**City of Marshall
Financial Analysis**

Surface Water Management Enterprise Fund (Continued)

Surface Water Management Fund



As of December 31, 2020, the Surface Water Management Fund had a net cash and investment balance of \$2,988,792. This is an increase of \$1,085,082 compared to 2019 which related to the issuance of bonds in 2020. Restricted and unrestricted net position at year-end 2020 was \$2,535,832 an increase of \$416,628 compared to 2019. Unrestricted net position as of December 31, 2020 was \$2,252,604.

City of Marshall Financial Analysis

Governmental Activities

The tables below and on the following page illustrate the City's various sources of revenue and expenditures per capita over a three-year period in comparison to 2019 data for Minnesota cities ranked by various sizes.

Governmental Funds Revenue Per Capita with State-Wide Averages by Population Class						
Year Population	State-Wide*			City of Marshall**		
	December 31, 2019			2018	2019	2020
	2,500-10,000	10,000-20,000	20,000-100,000	13,783	13,835	13,851
Property taxes	\$ 514	\$ 489	\$ 512	\$ 607	\$ 650	\$ 651
Tax increments	30	28	44	54	22	26
Franchise fees and other taxes	44	50	50	34	35	27
Special assessments	54	38	53	116	99	59
Licenses and permits	40	35	51	19	30	18
Intergovernmental revenues	342	297	201	487	660	452
Charges for services	134	108	115	177	178	139
Other	88	78	79	249	190	181
Total revenue	\$ 1,246	\$ 1,123	\$ 1,105	\$ 1,743	\$ 1,864	\$ 1,553

* State-wide data obtained from the Office of the State Auditor's *2019 Minnesota City Finances Report*. Comparative data for 2020 is not yet available.

** Population was estimated based on latest available data.

The City traditionally receives sizeable intergovernmental revenues, including Local Government Aid and, thus, has consistently produced higher revenues intergovernmental revenues per capita compared to the state averages. Property taxes and the other revenue category have also consistently been above the state averages, due in large part to payments in lieu of taxes from Marshall Municipal Utilities.

**City of Marshall
Financial Analysis**

Governmental Activities (Continued)

Governmental Funds Expenditures Per Capita with State-Wide Averages by Population Class						
Year	State-Wide*			City of Marshall**		
	December 31, 2019			2018	2019	2020
Population	2,500-10,000	10,000-20,000	20,000-100,000	13,783	13,835	13,851
Current						
General government	\$ 152	\$ 128	\$ 107	\$ 229	\$ 250	\$ 191
Public safety	300	282	306	280	288	298
Public works	146	149	119	222	230	281
Parks and recreation	104	124	106	178	252	289
Other	74	75	95	43	60	122
Total current	<u>\$ 776</u>	<u>\$ 758</u>	<u>\$ 733</u>	<u>\$ 952</u>	<u>\$ 1,080</u>	<u>\$ 1,181</u>
Capital outlay and construction	<u>\$ 436</u>	<u>\$ 376</u>	<u>\$ 358</u>	<u>\$ 586</u>	<u>\$ 489</u>	<u>\$ 601</u>
Debt service						
Principal	\$ 168	\$ 182	\$ 88	\$ 245	\$ 321	\$ 261
Interest and fiscal	43	41	28	82	77	82
Total debt service	<u>\$ 211</u>	<u>\$ 223</u>	<u>\$ 116</u>	<u>\$ 327</u>	<u>\$ 398</u>	<u>\$ 343</u>

* State-wide data obtained from the Office of the State Auditor's *2019 Minnesota City Finances Report*. Comparative data for 2020 is not yet available.

** Population was estimated based on latest available data.

The City's current, capital outlay, and debt service expenditures were all higher than the state-wide average for a city of a comparable population. Current expenditures increased in 2020 as expected related to the spending of CARES funding. Capital outlay and construction costs per capita also increased in 2020 in relation to the ongoing construction projects including City Hall. Debt service expenditures per capita were fairly consistent from 2018 through 2020. Overall, governmental expenditures increased \$158 per capita when comparing 2019 to 2020.

City of Marshall Emerging Issue

Executive Summary

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

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

The following is an extensive summary of the current update. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss this issue with you further and their applicability to your City.

Accounting Standard Update – GASB Statement No. 87 – Leases

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

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

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

City of Marshall
Emerging Issue

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

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

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

GASB Statement No. 87 is effective for fiscal years beginning after June 15, 2021.

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

**City of Marshall
Lyon County, Minnesota**

Financial Statements

December 31, 2020

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

<u>Elected Officials</u>	<u>Position</u>	<u>Term Expires</u>
Robert Byrnes	Mayor	January 12, 2021
John DeCramer	Council Member, Ward 1	January 10, 2023
Glenn Bayerkohler	Council Member, Ward 1	January 12, 2021
Steven Meister	Council Member, Ward 2	January 12, 2021
Russ Labat	Council Member, Ward 2	January 10, 2023
Craig Schafer	Council Member, Ward 3	January 10, 2023
James Lozinski	Council Member, Ward 3	January 12, 2021
<u>Administration</u>	<u>Position</u>	
Sharon Hanson	City Administrator	Appointed
Karla Drown	Finance Director	Appointed

Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following discretely presented component units: Marshall Municipal Utilities and Marshall Housing Authority. Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion insofar, as it relates to the amounts presented for the discretely presented component units mentioned above, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Marshall's basic financial statements. The combining nonmajor and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the financial statements.

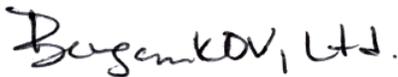
Other Matters (Continued)

Other Information (Continued)

The combining nonmajor and individual fund financial statements and schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor and individual fund financial statements and schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2021, on our consideration of the City of Marshall's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Marshall's internal control over financial reporting and compliance.



St. Cloud, Minnesota
May 20, 2021

City of Marshall Management's Discussion and Analysis

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

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$119,151,311 (net position). Of this amount, \$10,620,503 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$1,016,607, compared to an increase of \$4,887,816 in the previous year. Business-type activities (enterprise funds) had an increase of \$1,184,355 and governmental activities had a decrease of \$2,200,962.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$26,889,680, a decrease of \$57,102 in comparison with the prior year. Approximately 32 percent of this total amount, \$8,574,600, is available for spending at the City's discretion between assigned and unassigned fund balance. The fund balances are classified in accordance with GASB Statement No. 54 as follows: 1) nonspendable - \$161,237; 2) restricted - \$18,153,843; 3) assigned - \$4,808,660; and 4) unassigned \$3,765,940.

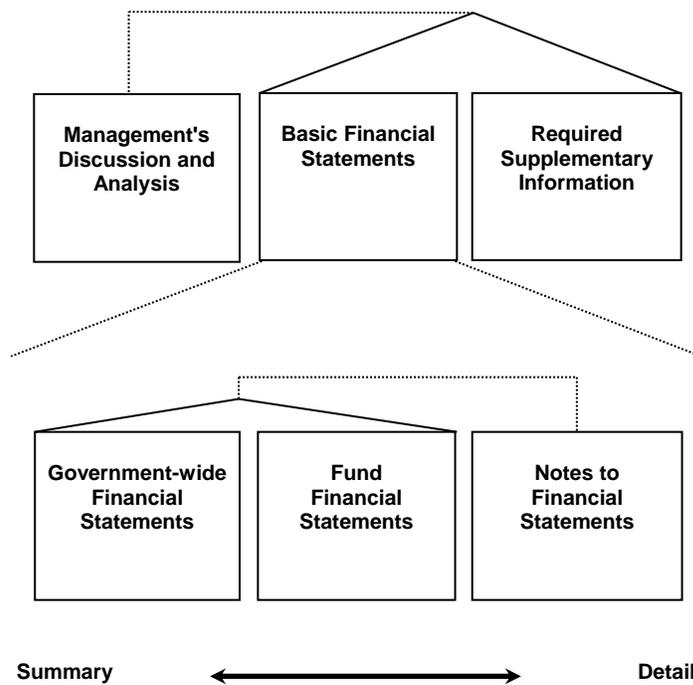
Overview of the Financial Statements

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

City of Marshall Management's Discussion and Analysis

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 show how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining an individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

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



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

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

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

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses, and Changes in Net Position • 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/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid.	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/out flow 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 of Marshall Management's Discussion and Analysis

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

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Marshall Housing Commission, Marshall Municipal Utilities, and Economic Development Authority, all for which the City is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found as listed in the table of contents.

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

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

City of Marshall Management's Discussion and Analysis

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

The City maintains numerous individual governmental funds, many of which are Debt Service funds, which are considered one fund for reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, the Debt Service fund, the 2018 Public Improvement fund, the 2020 Public Improvement fund, and the City Hall Building fund, all of which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General fund and certain special revenue funds. Budgetary comparison statements have been provided for the General fund and the Tax Increment Financing and Sales/Lodging Tax special revenue funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found as listed in the table of contents.

Proprietary Funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, wastewater treatment, surface water, and liquor store operations. The electric and water operations are accounted for in the Public Utilities Commission (PUC).

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

The basic proprietary fund financial statements can be found as listed in the table of contents.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found as listed in the table of contents.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 35 of this report.

City of Marshall Management's Discussion and Analysis

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Marshall's share of net pension liabilities for defined benefit plans and schedules of contributions and other postemployment benefits. The required supplementary information can be found as listed in the table of contents.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to financial statements. Combining and individual fund financial statements and schedules can be found as listed in the table of contents.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$119,151,311 at the close of the most recent fiscal year.

A large portion of the City's net position (72.9%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Marshall's Summary of Net Position

	Governmental Activities			Business-Type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Assets						
Current and other assets	\$ 35,593,795	\$ 34,645,329	\$ 948,466	\$ 15,782,655	\$ 15,098,489	\$ 684,166
Capital assets	98,168,941	96,138,952	2,029,989	44,605,739	37,166,383	7,439,356
Total assets	<u>133,762,736</u>	<u>130,784,281</u>	<u>2,978,455</u>	<u>60,388,394</u>	<u>52,264,872</u>	<u>8,123,522</u>
Deferred Outflows of Resources						
Deferred OPEB resources	62,796	53,470	9,326	11,173	9,227	1,946
Deferred pension resources	1,443,812	2,069,052	(625,240)	86,737	93,517	(6,780)
Total deferred outflows of resources	<u>1,506,608</u>	<u>2,122,522</u>	<u>(615,914)</u>	<u>97,910</u>	<u>102,744</u>	<u>(4,834)</u>
Liabilities						
Other liabilities	1,816,152	1,249,051	567,101	1,510,308	1,186,173	324,135
Noncurrent liabilities	42,220,349	37,648,014	4,572,335	25,238,018	18,501,073	6,736,945
Total liabilities	<u>44,036,501</u>	<u>38,897,065</u>	<u>5,139,436</u>	<u>26,748,326</u>	<u>19,687,246</u>	<u>7,061,080</u>
Deferred Inflows of Resources						
Grants for subsequent years	3,674,883	2,675,379	999,504	-	-	-
Deferred OPEB resources	49,774	56,739	(6,965)	8,856	9,791	(935)
Deferred pension resources	2,047,326	3,615,798	(1,568,472)	38,671	164,483	(125,812)
Total deferred inflows of resources	<u>5,771,983</u>	<u>6,347,916</u>	<u>(575,933)</u>	<u>47,527</u>	<u>174,274</u>	<u>(126,747)</u>
Net Position						
Net investment in capital assets	65,622,642	64,893,310	729,332	21,253,512	19,878,593	1,374,919
Restricted	17,657,080	18,439,295	(782,215)	3,997,574	3,777,752	219,822
Unrestricted	2,181,138	4,329,217	(2,148,079)	8,439,365	8,849,751	(410,386)
Total net position	<u>\$ 85,460,860</u>	<u>\$ 87,661,822</u>	<u>\$ (2,200,962)</u>	<u>\$ 33,690,451</u>	<u>\$ 32,506,096</u>	<u>\$ 1,184,355</u>

An additional portion of the City's net position (18.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (8.9%) may be used to meet the City's ongoing obligations to citizens and creditors.

City of Marshall Management's Discussion and Analysis

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

There was an increase of \$1,184,355 in net position reported in connection with the City's business-type activities. This increase was a result of the following funds change in net position: Municipal Liquor Store \$744,104, Surface Water Management \$191,749, and Wastewater Treatment \$248,502. The Municipal Liquor fund's gross profit percentage is currently at 28.2%, higher than 26.0% in 2019.

Governmental Activities. Governmental activities decreased the City's net position by \$2,200,962. Key elements of this decrease are described above and summarized in the following table:

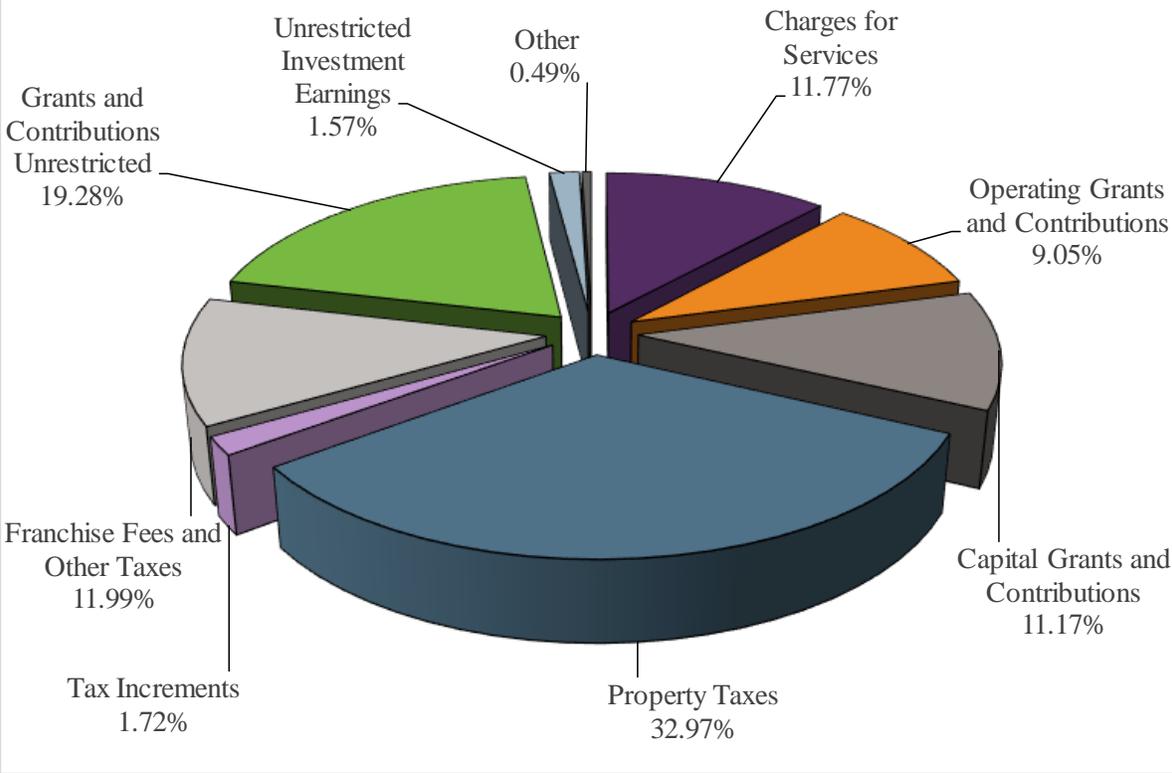
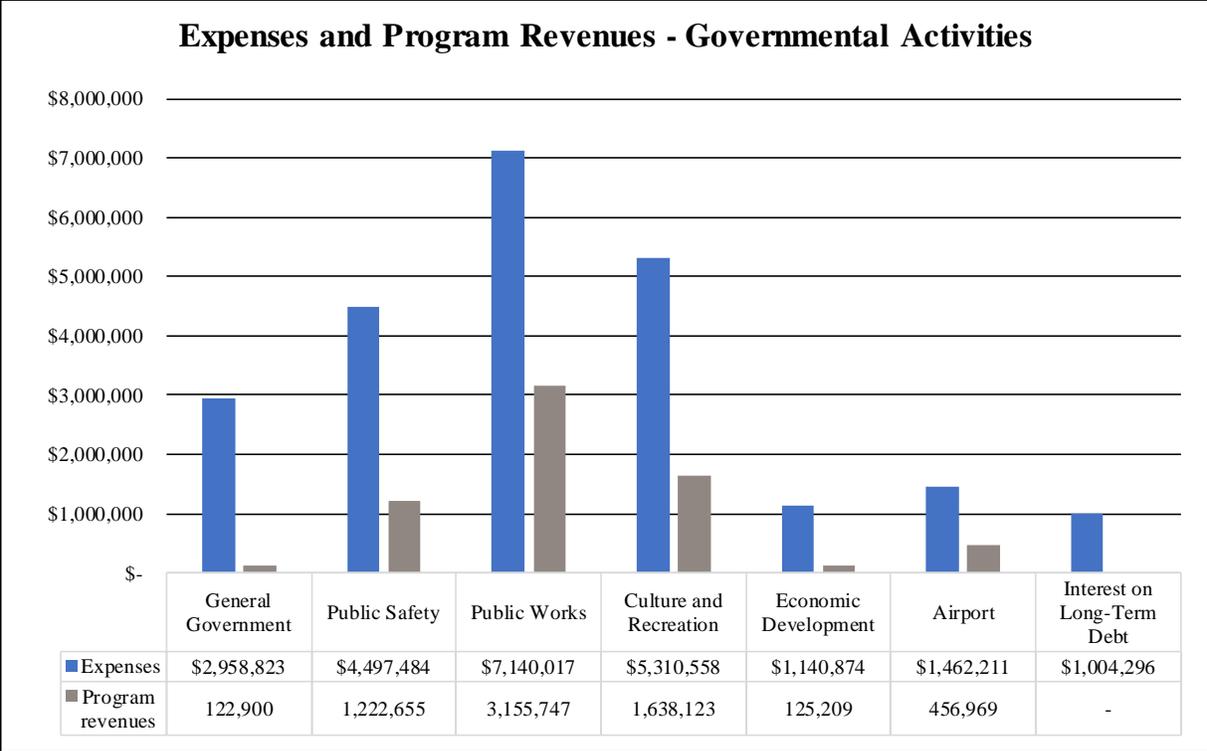
City of Marshall's Changes in Net Position

	Governmental Activities			Business-Type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Revenues						
Program revenues						
Charges for services	\$ 2,474,241	\$ 3,386,582	\$ (912,341)	\$ 13,543,466	\$ 12,509,331	\$ 1,034,135
Operating grants and contributions	1,901,000	1,804,838	96,162	24,711	2,303	22,408
Capital grants and contributions	2,346,362	6,330,338	(3,983,976)	2,987	840,529	(837,542)
General revenues						
Property taxes	6,927,558	6,673,726	253,832	-	-	-
Tax increments	361,523	308,163	53,360	-	-	-
Franchise fees and other taxes	2,519,101	2,799,220	(280,119)	-	-	-
State grants and contributions not restricted to specific programs	4,050,827	3,312,799	738,028	-	-	-
Unrestricted investment earnings	329,552	502,722	(173,170)	169,191	265,151	(95,960)
Other	103,137	100,192	2,945	9,300	-	9,300
Total revenues	<u>21,013,301</u>	<u>25,218,580</u>	<u>(4,205,279)</u>	<u>13,749,655</u>	<u>13,617,314</u>	<u>132,341</u>
Expenses						
General government	2,958,823	3,782,533	(823,710)	-	-	-
Public safety	4,497,484	4,457,441	40,043	-	-	-
Public works	7,140,017	7,757,652	(617,635)	-	-	-
Culture and recreation	5,310,558	4,810,073	500,485	-	-	-
Economic development	1,140,874	339,149	801,725	-	-	-
Airport	1,462,211	1,389,925	72,286	-	-	-
Interest on long-term debt	1,004,296	838,489	165,807	-	-	-
Wastewater treatment	-	-	-	5,324,255	4,540,427	783,828
Surface water management	-	-	-	1,093,555	1,036,031	57,524
Municipal liquor store	-	-	-	5,847,490	4,996,358	851,132
Parkway townhomes	-	-	-	-	-	-
Total expenses	<u>23,514,263</u>	<u>23,375,262</u>	<u>139,001</u>	<u>12,265,300</u>	<u>10,572,816</u>	<u>1,692,484</u>
Increase in Net Position before Transfers	(2,500,962)	1,843,318	(4,344,280)	1,484,355	3,044,498	(1,560,143)
Transfers	300,000	284,292	15,708	(300,000)	(284,292)	(15,708)
Change in Net Position	(2,200,962)	2,127,610	(4,328,572)	1,184,355	2,760,206	(1,575,851)
Net position, January 1, as previously stated	87,661,822	83,447,676	4,214,146	32,506,096	29,745,890	2,760,206
Change in Accounting Principle	-	2,086,536	(2,086,536)	-	-	-
Net position, January 1, as restated	<u>87,661,822</u>	<u>85,534,212</u>	<u>2,127,610</u>	<u>32,506,096</u>	<u>29,745,890</u>	<u>2,760,206</u>
Net position, December 31	<u>\$ 85,460,860</u>	<u>\$ 87,661,822</u>	<u>\$ (2,200,962)</u>	<u>\$ 33,690,451</u>	<u>\$ 32,506,096</u>	<u>\$ 1,184,355</u>

*State grants & contributions not restricted to specific programs

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

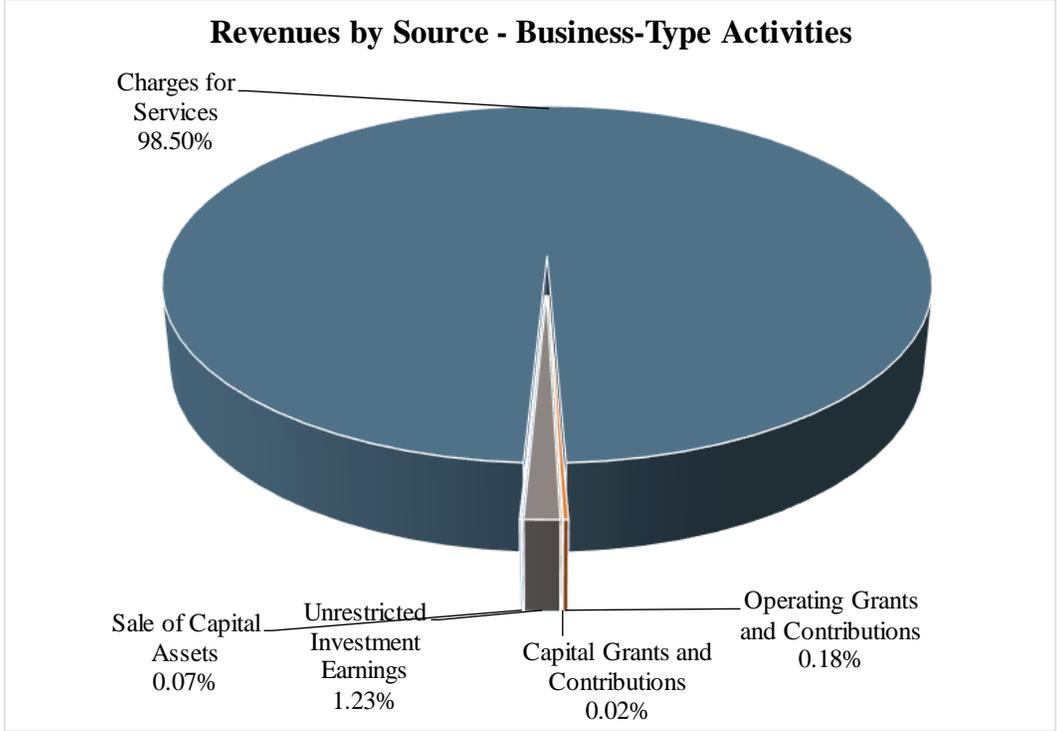
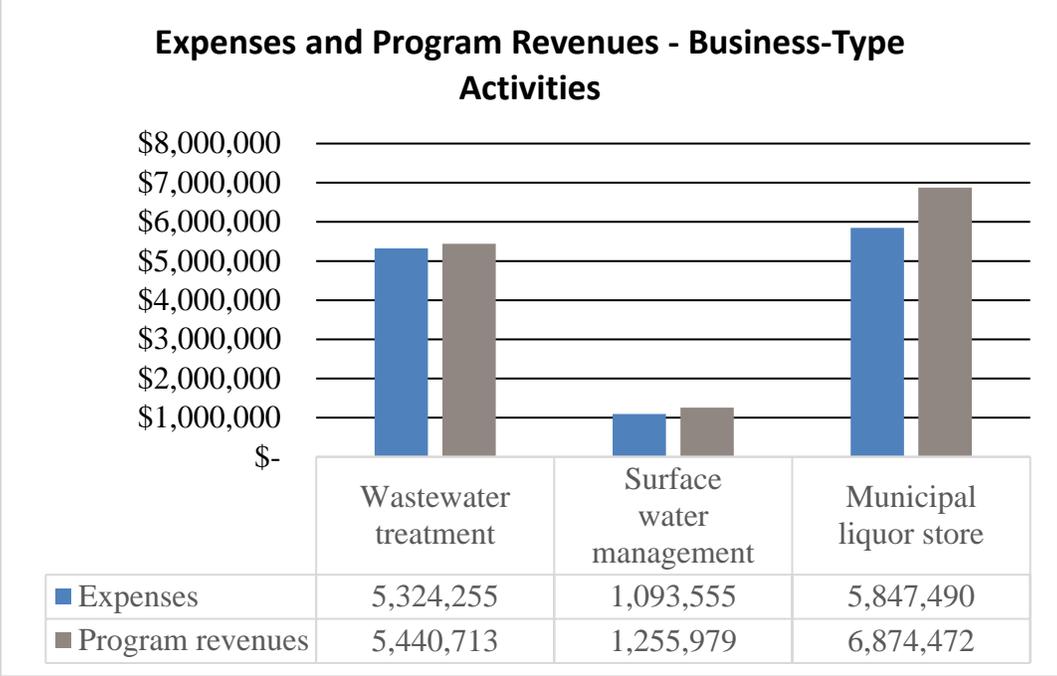
Governmental Activities (Continued) The following graphs depict various governmental activities and show the revenues and expenses directly related to those activities.



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

Business-type Activities. Business-type activities increased the City's net position by \$1,184,355. Key elements of this increase are as follows:

- Overall gross profit increased by \$497,961 in the business-type funds while operating expenses increased by \$799,911.
- Transfers out increased by \$15,708 in the current year.



City of Marshall Management's Discussion and Analysis

Financial Analysis of the City's Funds

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

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

The *General fund* is the chief operating fund of the City. At the end of the current year, the fund balance of the General fund was \$7,411,975. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 51.7% of fund expenditures, while total fund balance represents 60.0% of that same amount.

The fund balance of the City's *General fund* increased by \$172,540 during the current fiscal year. The key factors in this increase were total revenues were under budget by \$180,344 and total expenditures were under budget by \$544,758.

The *Debt Service fund* has a total fund balance of \$7,652,932, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the Debt Service fund was \$1,362,554. The major factor in this increase was a capital project fund closing out remaining funds to debt service in the amount of \$1,225,926.

The *2018 Public Improvement fund* has a total fund balance of negative \$1,662,577. The fund is currently negative due to deferred grant revenue of \$1,837,376 of Municipal State Aid Funds not yet earned.

The *2020 Public Improvement fund* has a total fund balance of negative \$959,112. The fund is currently negative due to deferred grant revenue of \$1,837,507 of Municipal State Aid Funds not yet earned.

The *City Hall Building fund* has a total fund balance of \$2,343,781. The fund is planned to be spent down in 2021 due to construction being finalized in 2021.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$8,439,365. The total increase in net position for the funds was \$1,184,355. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

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

General Fund Budgetary Highlights

The City's General fund budget had no amendments during the year. The budget called for a decrease in fund balance of \$191,874. Actual revenues fell short of budgeted revenues by \$180,344 and the expenditure budget was underspent by \$544,758. Other financing sources (uses) were in line with expectations. The net result was an increase to the General fund balance of \$172,540 in 2020.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2020, amounts to \$142,774,680 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities, roads, highways and bridges. The total increase in the City's investment in capital assets for the current fiscal year was 7.1% (a 2.1% increase for governmental activities and a 20.0% increase for business-type activities).

Some of the major capital asset events during the current fiscal year included the following:

Governmental Activities

- Veteran Memorial Wall Phase cost of \$192,747
- Fire Department SCBA Mask purchase of \$214,637
- S 4th Street Reconstruction costs of \$1,001,120
- S 1st Street Reconstruction costs of \$277,134

Business-type Activities

- Wastewater Plant Upgrade costs of \$7,885,003

Additional information on the City's capital assets can be found in Note 6 in the footnotes as listed in the table of contents.

**City of Marshall's Capital Assets
(net of depreciation)**

	Governmental Activities			Business-Type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Land	\$ 7,320,348	\$ 7,320,348	\$ -	\$ 512,872	\$ 512,872	\$ -
Construction in progress	6,242,138	4,146,722	2,095,416	14,310,306	4,695,278	9,615,028
Buildings	32,498,364	33,634,037	(1,135,673)	2,126,819	2,194,956	(68,137)
Improvements other than buildings	12,180,993	12,895,935	(714,942)	6,394,518	7,288,956	(894,438)
Systems and infrastructure	35,527,628	34,121,551	1,406,077	20,224,457	21,262,887	(1,038,430)
Equipment and machinery	4,371,409	3,959,668	411,741	1,036,767	1,211,434	(174,667)
Library books	28,061	60,691	(32,630)	-	-	-
Total	\$ 98,168,941	\$ 96,138,952	\$ 2,029,989	\$ 44,605,739	\$ 37,166,383	\$ 7,439,356

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

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$56,421,702. Of this amount, \$8,965,000 is general obligation debt, \$2,635,000 is tax increment debt, \$2,460,000 is tax abatement debt, \$18,739,653 is general obligation assessment and sales tax debt and \$23,622,049 is revenue debt. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

City of Marshall's Outstanding Debt

	Governmental Activities			Business-Type Activities		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
General Obligation Bonds	\$ 8,965,000	\$ 2,875,000	\$ 6,090,000	\$ -	\$ -	\$ -
G.O. Tax Increment Bonds	2,635,000	3,210,000	(575,000)	-	-	-
G.O. Tax Abatement Bonds	2,460,000	2,580,000	(120,000)	-	-	-
G.O. Improvement Bonds	18,739,653	20,793,608	(2,053,955)	-	-	-
G.O. Revenue Bonds	-	-	-	10,285,348	10,126,392	158,956
Revenue Bonds	-	-	-	2,145,000	2,355,000	(210,000)
PFA Notes	-	-	-	11,191,701	4,463,363	6,728,338
Total	\$ 32,799,653	\$ 29,458,608	\$ 3,341,045	\$ 23,622,049	\$ 16,944,755	\$ 6,677,294

The City's total debt increased \$10,018,339, or 21.6 percent during the current fiscal year. Long-term debt of \$15,914,338 was issued during the year and \$5,896,000 was retired during the year.

Minnesota statutes limit the amount of net general obligation debt a City may issue up to 3 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The current debt limitation for the City is \$29,903,652, which is significantly in excess of the City's outstanding debt subject to the limit of \$13,280,000.

The City of Marshall maintains an AA bond rating on its general obligation bonds from Standard and Poor's. Marshall Municipal Utilities has also received an A rating from Standard and Poor's.

Additional information on the City's long-term debt can be found in Note 7 in the footnotes as listed in the table of contents.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Lyon County is currently 4.5%. This is comparable to the State's average unemployment rate of -6.2% and the national average rate of 10.2%.
- Property valuations within the City remain relatively stable.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2020 fiscal year.

Property tax levies increased by \$197,894 or (2.8 percent) during the year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Marshall, 344 West Main Street, Marshall, Minnesota 56258.

BASIC FINANCIAL STATEMENTS

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**City of Marshall
Statement of Net Position
December 31, 2020**

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Marshall Municipal Utilities	Marshall Housing Commission	Economic Development Authority
Assets						
Cash and temporary investments	\$ 30,601,131	\$ 9,658,254	\$ 40,259,385	\$ 25,360,617	\$ 527,672	\$ 1,358,900
Restricted assets	-	3,997,574	3,997,574	6,317,493	7,791	-
Receivables						
Interest	28,186	14,520	42,706	140,757	2,602	1,480
Delinquent taxes	207,940	-	207,940	-	-	4,042
Accounts	199,152	126,061	325,213	4,382,315	11,076	-
Notes	32,180	-	32,180	14,054	-	215,575
Special assessments	2,713,718	33,153	2,746,871	-	-	-
Intergovernmental	688,709	269,233	957,942	-	-	542
Due from component units/primary government	194,319	818,650	1,012,969	219,199	-	-
Inventories	-	816,587	816,587	744,586	1,100	-
Prepaid items	161,237	48,623	209,860	223,845	15,787	181
Land held for resale	-	-	-	-	-	1,025,341
Net pension asset	767,223	-	767,223	-	-	-
Capital assets						
Nondepreciable	13,562,486	14,823,178	28,385,664	11,494,919	514,965	-
Depreciable, net of accumulated depreciation	84,606,455	29,782,561	114,389,016	63,283,523	2,407,529	5,006
Total Assets	133,762,736	60,388,394	194,151,130	112,181,308	3,488,522	2,611,067
Deferred Outflows of Resources						
Deferred outflows related to OPEB	62,796	11,173	73,969	59,364	-	-
Deferred outflows related to pensions	1,443,812	86,737	1,530,549	183,481	-	-
Total Deferred Outflows of Resources	1,506,608	97,910	1,604,518	242,845	-	-
Liabilities						
Accounts payable	128,661	230,272	358,933	3,001,747	3,363	1,469
Contracts payable	790,026	835,069	1,625,095	-	-	-
Other payable	-	-	-	-	-	19,769
Due to other governments	47,452	78,824	126,276	-	8,616	-
Due to component units/primary government	79,806	139,376	219,182	845,895	-	167,091
Accrued interest payable	470,355	155,871	626,226	301,306	-	-
Accrued salaries payable	284,100	59,185	343,285	296,748	4,708	2,646
Accrued liabilities - other	-	-	-	-	3,866	-
Deposits payable	-	-	-	75,330	23,721	-
Unearned revenue	15,752	11,711	27,463	2,123,714	7,791	-
Noncurrent liabilities						
Due within one year	3,633,576	2,565,590	6,199,166	3,645,000	8,709	-
Due in more than one year	32,401,133	21,703,179	54,104,312	16,386,054	43,818	-
Net pension liability, due in more than one year	5,701,056	883,034	6,584,090	2,626,010	-	-
Total OPEB liability, due in more than one year	484,584	86,215	570,799	365,499	-	-
Total liabilities	44,036,501	26,748,326	70,784,827	29,667,303	104,592	190,975
Deferred Inflows of Resources						
Grants for subsequent years	3,674,883	-	3,674,883	8,696,865	-	-
Deferred inflows related to OPEB	49,774	8,856	58,630	7,697	-	-
Deferred inflows related to pensions	2,047,326	38,671	2,085,997	212,288	-	-
Total deferred inflows of resources	5,771,983	47,527	5,819,510	8,916,850	-	-
Net Position						
Net investment in capital assets	65,622,642	21,253,512	86,876,154	47,811,577	2,922,494	5,006
Restricted for						
Debt service	9,817,103	3,997,574	13,814,677	6,317,493	-	-
City celebrations	18,425	-	18,425	-	-	-
Economic development	2,151,375	-	2,151,375	-	-	48,650
Tax increment financing	4,361,185	-	4,361,185	-	-	-
Capital projects	253,483	-	253,483	-	-	-
Operations - Arena and MERIT	970,686	-	970,686	-	-	-
Library	84,823	-	84,823	-	-	-
Unrestricted	2,181,138	8,439,365	10,620,503	19,710,930	461,436	2,366,436
Total net position	\$ 85,460,860	\$ 33,690,451	\$119,151,311	\$ 73,840,000	\$ 3,383,930	\$ 2,420,092

See notes to financial statements.

Net (Expense) Revenues and Changes in Net Position

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Marshall Municipal Utilities	Marshall Housing Commission	Economic Development Authority
\$ (2,835,923)	\$ -	\$ (2,835,923)	\$ -	\$ -	\$ -
(3,274,829)	-	(3,274,829)	-	-	-
(3,984,270)	-	(3,984,270)	-	-	-
(3,672,435)	-	(3,672,435)	-	-	-
(1,015,665)	-	(1,015,665)	-	-	-
(1,005,242)	-	(1,005,242)	-	-	-
(1,004,296)	-	(1,004,296)	-	-	-
<u>(16,792,660)</u>	<u>-</u>	<u>(16,792,660)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	116,458	116,458	-	-	-
-	162,424	162,424	-	-	-
-	1,026,982	1,026,982	-	-	-
<u>-</u>	<u>1,305,864</u>	<u>1,305,864</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (16,792,660)</u>	<u>\$ 1,305,864</u>	<u>\$ (15,486,796)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 1,804,073	\$ -	\$ -
-	-	-	559,418	-	-
-	-	-	-	66,564	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,213)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,363,491</u>	<u>\$ 66,564</u>	<u>\$ (34,213)</u>
\$ 5,433,762	\$ -	\$ 5,433,762	\$ -	\$ -	\$ -
1,493,796	-	1,493,796	-	-	-
361,523	-	361,523	-	-	-
1,946,695	-	1,946,695	-	-	-
199,482	-	199,482	-	-	-
372,924	-	372,924	-	-	-
4,050,827	-	4,050,827	-	-	-
329,552	169,191	498,743	1,076,904	6,313	9,260
103,137	9,300	112,437	-	-	35,319
300,000	(300,000)	-	-	-	-
<u>14,591,698</u>	<u>(121,509)</u>	<u>14,470,189</u>	<u>1,076,904</u>	<u>6,313</u>	<u>179,687</u>
(2,200,962)	1,184,355	(1,016,607)	3,440,395	72,877	145,474
<u>87,661,822</u>	<u>32,506,096</u>	<u>120,167,918</u>	<u>70,399,605</u>	<u>3,311,053</u>	<u>2,274,618</u>
<u>\$ 85,460,860</u>	<u>\$ 33,690,451</u>	<u>\$ 119,151,311</u>	<u>\$ 73,840,000</u>	<u>\$ 3,383,930</u>	<u>\$ 2,420,092</u>

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

	General Fund (101/106)	Debt Service (300s)	2018 Public Improvements (475)
Assets			
Cash and temporary investments	\$ 7,686,071	\$ 7,634,471	\$ 174,584
Receivables			
Interest receivable	4,736	6,991	215
Delinquent taxes	146,485	45,469	-
Accounts receivable	93,944	-	-
Notes	-	-	-
Special assessments	4,670	2,277,350	-
Intergovernmental	88,021	6,024	-
Due from other funds	-	-	-
Due from component units	3,684	-	-
Prepaid items	125,488	-	-
	<u>\$ 8,153,099</u>	<u>\$ 9,970,305</u>	<u>\$ 174,799</u>
Liabilities			
Accounts payable	\$ 71,412	\$ -	\$ -
Contracts payable	-	-	-
Due to other funds	153,601	-	-
Due to component units	63,278	-	-
Due to other governments	37,126	-	-
Accrued salaries payable	248,800	-	-
Unearned revenue	15,752	-	-
Total liabilities	<u>589,969</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Unavailable revenue - taxes	146,485	45,469	-
Unavailable revenue - special assessments	4,670	2,271,904	-
Grants for subsequent years	-	-	1,837,376
Total deferred inflows of resources	<u>151,155</u>	<u>2,317,373</u>	<u>1,837,376</u>
Fund Balances (Deficits)			
Nonspendable			
Prepaid items	125,488	-	-
Restricted			
Chemical assessment team grant	11,611	-	-
Debt service	-	7,652,932	-
City celebrations	-	-	-
Economic development	-	-	-
Tax increment financing	-	-	-
Capital projects	-	-	-
Operations - Arena and MERIT	-	-	-
Library	-	-	-
Assigned			
Insurance reserve	107,159	-	-
OPEB liability	484,584	-	-
DARE - police department	190,185	-	-
Forfeiture program - police department	72,098	-	-
Unallocated health insurance premium	12,218	-	-
Budgeted and levied expenditures	18,000	-	-
Staff separation	-	-	-
Library operations	-	-	-
Economic development	-	-	-
Capital projects	-	-	-
Drivers education	-	-	-
ASC Arena	-	-	-
Park improvements	-	-	-
Emergency response and industrial training center	-	-	-
Unassigned	6,390,632	-	(1,662,577)
Total fund balances (deficits)	<u>7,411,975</u>	<u>7,652,932</u>	<u>(1,662,577)</u>
	<u>\$ 8,153,099</u>	<u>\$ 9,970,305</u>	<u>\$ 174,799</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 8,153,099</u>	<u>\$ 9,970,305</u>	<u>\$ 174,799</u>

2020 Public Improvements (476)	City Hall Building (494)	Other Governmental Funds	Totals
\$ 913,355	\$ 3,077,214	\$ 11,115,436	\$ 30,601,131
921	2,489	12,834	28,186
-	-	15,986	207,940
-	-	105,208	199,152
-	-	32,180	32,180
-	-	431,698	2,713,718
-	-	594,664	688,709
-	-	675,636	675,636
23,022	-	167,613	194,319
-	-	35,749	161,237
<u>\$ 937,298</u>	<u>\$ 3,079,703</u>	<u>\$ 13,187,004</u>	<u>\$ 35,502,208</u>
\$ 3,055	\$ 921	\$ 53,273	\$ 128,661
55,166	734,860	-	790,026
-	-	522,035	675,636
-	-	16,528	79,806
682	141	9,503	47,452
-	-	35,300	284,100
-	-	-	15,752
<u>58,903</u>	<u>735,922</u>	<u>636,639</u>	<u>2,021,433</u>
-	-	15,986	207,940
-	-	431,698	2,708,272
<u>1,837,507</u>	<u>-</u>	<u>-</u>	<u>3,674,883</u>
<u>1,837,507</u>	<u>-</u>	<u>447,684</u>	<u>6,591,095</u>
-	-	35,749	161,237
-	-	-	11,611
-	-	317,153	7,970,085
-	-	18,425	18,425
-	-	2,151,375	2,151,375
-	-	4,361,185	4,361,185
-	2,343,781	241,872	2,585,653
-	-	970,686	970,686
-	-	84,823	84,823
-	-	-	107,159
-	-	-	484,584
-	-	-	190,185
-	-	-	72,098
-	-	-	12,218
-	-	-	18,000
-	-	109,273	109,273
-	-	92,137	92,137
-	-	83,236	83,236
-	-	3,340,924	3,340,924
-	-	61,934	61,934
-	-	31,051	31,051
-	-	35,854	35,854
-	-	170,007	170,007
(959,112)	-	(3,003)	3,765,940
<u>(959,112)</u>	<u>2,343,781</u>	<u>12,102,681</u>	<u>26,889,680</u>
<u>\$ 937,298</u>	<u>\$ 3,079,703</u>	<u>\$ 13,187,004</u>	<u>\$ 35,502,208</u>

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

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

Total fund balances - governmental funds	26,889,680
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	98,168,941
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of:	
Compensated absences payable	(1,144,629)
Other postemployment benefits obligation	(484,584)
Pension liability	(5,701,056)
Bonds payable	(32,799,653)
Unamortized bond premiums	(2,090,427)
Long-term assets are not available to pay current-period expenditures and, therefore, are unavailable in the funds.	
Delinquent property taxes	207,940
Special assessments receivable	2,708,272
Long-term assets from pensions reported in governmental activities are not financial resources therefore are not reported as assets in the funds.	767,223
Governmental funds do not report long-term amounts related to pensions and other post-employment benefits.	
Deferred outflows of pension resources	1,443,812
Deferred inflows of pension resources	(2,047,326)
Deferred outflows of other postemployment benefits	62,796
Deferred inflows of other postemployment benefits	(49,774)
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(470,355)</u>
Total net position - governmental activities	<u><u>\$ 85,460,860</u></u>

See notes to financial statements.

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

	General Fund (101/106)	Debt Service (300s)	2018 Public Improvements (475)
Revenues			
Taxes	\$ 5,218,715	\$ 1,483,576	\$ -
Special assessments	1,203	703,899	-
Licenses and permits	251,480	-	-
Intergovernmental	3,731,984	-	567,094
Charges for services	1,617,579	-	-
Fines and forfeitures	77,870	-	-
Investment earnings	137,228	34,237	1,666
Miscellaneous	1,198,160	-	3,475
Total revenues	<u>12,234,219</u>	<u>2,221,712</u>	<u>572,235</u>
Expenditures			
Current			
General government	2,605,957	-	-
Public safety	3,971,645	-	-
Public works	3,086,069	-	-
Culture and recreation	2,197,312	-	-
Economic development	-	-	-
Airport	500,696	-	-
Capital outlay			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	4,813
Culture and recreation	-	-	-
Airport	-	-	-
Debt service			
Principal	-	3,613,490	-
Interest and other	-	1,010,283	-
Total expenditures	<u>12,361,679</u>	<u>4,623,773</u>	<u>4,813</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(127,460)</u>	<u>(2,402,061)</u>	<u>567,422</u>
Other Financing Sources (Uses)			
Sale of capital assets	-	-	-
Transfers in	300,000	3,764,768	-
Bonds issued	-	-	-
Premium on bonds issued	-	-	-
Transfers out	-	(153)	-
Total other financing sources (uses)	<u>300,000</u>	<u>3,764,615</u>	<u>-</u>
Net change in fund balances	172,540	1,362,554	567,422
Fund Balances, January 1	<u>7,239,435</u>	<u>6,290,378</u>	<u>(2,229,999)</u>
Fund Balances, December 31	<u>\$ 7,411,975</u>	<u>\$ 7,652,932</u>	<u>\$ (1,662,577)</u>

See notes to financial statements.

2020 Public Improvements (476)	City Hall Building (494)	Other Governmental Funds	Totals
\$ -	\$ -	\$ 3,053,108	\$ 9,755,399
-	-	113,791	818,893
-	-	-	251,480
-	-	1,965,407	6,264,485
-	-	301,521	1,919,100
-	-	4,254	82,124
5,509	37,386	113,526	329,552
775,456	922	118,934	2,096,947
<u>780,965</u>	<u>38,308</u>	<u>5,670,541</u>	<u>21,517,980</u>
-	-	34,895	2,640,852
-	-	157,736	4,129,381
775,456	1,970	34,889	3,898,384
-	-	1,807,333	4,004,645
-	-	1,141,331	1,141,331
-	-	46,256	546,952
-	-	13,840	13,840
-	-	540,321	540,321
1,278,254	4,586,625	1,072,701	6,942,393
126,508	-	435,563	562,071
-	-	266,478	266,478
-	-	-	3,613,490
9,823	106,725	9,943	1,136,774
<u>2,190,041</u>	<u>4,695,320</u>	<u>5,561,286</u>	<u>29,436,912</u>
<u>(1,409,076)</u>	<u>(4,657,012)</u>	<u>109,255</u>	<u>(7,918,932)</u>
-	-	103,137	103,137
-	-	1,254,771	5,319,539
424,535	6,170,000	360,000	6,954,535
25,429	456,474	22,255	504,158
-	-	(5,019,386)	(5,019,539)
<u>449,964</u>	<u>6,626,474</u>	<u>(3,279,223)</u>	<u>7,861,830</u>
(959,112)	1,969,462	(3,169,968)	(57,102)
-	374,319	15,272,649	26,946,782
<u>\$ (959,112)</u>	<u>\$ 2,343,781</u>	<u>\$ 12,102,681</u>	<u>\$ 26,889,680</u>

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

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

Net change in fund balances - governmental funds	\$ (57,102)
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of a Activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	8,325,068
Depreciation expense	(6,295,079)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>	
Bonds issued	(6,954,535)
Premium on bonds issued	(504,158)
Principal repayments	3,613,490
Bond premiums amortization	200,765
<p>Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>	
	(68,287)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	301,926
<p>Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.</p>	
Property taxes	52,783
Special assessments	(698,512)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	(68,240)
Other postemployment benefits costs	(49,081)
	(117,321)
Change in net position - governmental activities	\$ (2,200,962)

See notes to financial statements.

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 5,390,747	\$ 5,390,747	\$ 5,218,715	\$ (172,032)
Licenses and permits	291,990	291,990	251,480	(40,510)
Special assessments	-	-	1,203	1,203
Intergovernmental	3,137,512	3,137,512	3,731,984	594,472
Charges for services	2,229,746	2,229,746	1,617,579	(612,167)
Fines and forfeitures	111,450	111,450	77,870	(33,580)
Investment earnings	125,000	125,000	137,228	12,228
Miscellaneous	1,128,118	1,128,118	1,198,160	70,042
Total revenues	<u>12,414,563</u>	<u>12,414,563</u>	<u>12,234,219</u>	<u>(180,344)</u>
Expenditures				
Current				
General government	2,746,226	2,746,226	2,605,957	(140,269)
Public safety	4,048,032	4,048,032	3,971,645	(76,387)
Public works	3,019,446	3,019,446	3,086,069	66,623
Culture and recreation	2,596,167	2,596,167	2,197,312	(398,855)
Airport	496,566	496,566	500,696	4,130
Total expenditures	<u>12,906,437</u>	<u>12,906,437</u>	<u>12,361,679</u>	<u>(544,758)</u>
Excess of revenues over (under) expenditures	(491,874)	(491,874)	(127,460)	364,414
Other Financing Sources				
Transfers in	300,000	300,000	300,000	-
Net change in fund balances	<u>\$ (191,874)</u>	<u>\$ (191,874)</u>	172,540	<u>\$ 364,414</u>
Fund Balance				
Beginning of year			<u>7,239,435</u>	
End of year			<u>\$ 7,411,975</u>	

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

	Wastewater Treatment (602)	Municipal Liquor Store (609)	Surface Water Management (630)	Totals
Assets				
Current assets				
Cash and temporary investments	\$ 6,077,641	\$ 875,049	\$ 2,705,564	\$ 9,658,254
Restricted assets				
Debt service	1,993,674	1,720,672	283,228	3,997,574
Receivables				
Interest	6,551	3,166	4,803	14,520
Accounts	121,571	265	4,225	126,061
Special assessments	-	-	33,153	33,153
Intergovernmental	269,233	-	-	269,233
Due from component units	608,046	-	210,604	818,650
Inventories	-	816,587	-	816,587
Prepaid items	32,610	12,465	3,548	48,623
Total current assets	<u>9,109,326</u>	<u>3,428,204</u>	<u>3,245,125</u>	<u>15,782,655</u>
Noncurrent assets				
Capital assets				
Land	199,134	48,603	265,135	512,872
Construction in progress	13,034,881	-	1,275,425	14,310,306
Buildings	168,472	2,359,862	-	2,528,334
Improvements other than buildings	28,001,430	123,122	-	28,124,552
Systems and infrastructure	21,482,320	-	17,309,364	38,791,684
Equipment and machinery	3,222,895	177,894	356,215	3,757,004
Total capital assets	<u>66,109,132</u>	<u>2,709,481</u>	<u>19,206,139</u>	<u>88,024,752</u>
Less accumulated depreciation	<u>(35,095,765)</u>	<u>(475,082)</u>	<u>(7,848,166)</u>	<u>(43,419,013)</u>
Total noncurrent assets	<u>31,013,367</u>	<u>2,234,399</u>	<u>11,357,973</u>	<u>44,605,739</u>
Total assets	<u>40,122,693</u>	<u>5,662,603</u>	<u>14,603,098</u>	<u>60,388,394</u>
Deferred Outflows of Resources				
Deferred inflows related to pensions	60,811	25,926	-	86,737
Deferred inflows related to OPEB	9,648	1,525	-	11,173
Total deferred outflows of resources	<u>70,459</u>	<u>27,451</u>	<u>-</u>	<u>97,910</u>
Liabilities				
Current liabilities				
Accounts payable	84,568	140,286	5,418	230,272
Contracts payable	832,466	-	2,603	835,069
Due to component unit	136,182	2,068	1,126	139,376
Due to other governments	428	78,284	112	78,824
Accrued interest payable	110,259	5,152	40,460	155,871
Accrued salaries payable	45,486	13,699	-	59,185
Unearned revenue	-	11,711	-	11,711
Compensated absences payable	62,953	10,735	-	73,688
Notes from direct borrowings - current portion	727,000	-	-	727,000
Bonds payable - current portion	1,266,674	215,000	283,228	1,764,902
Total current liabilities	<u>3,266,016</u>	<u>476,935</u>	<u>332,947</u>	<u>4,075,898</u>
Noncurrent liabilities				
Compensated absences payable	150,549	32,731	-	183,280
Other postemployment benefit obligation	74,448	11,767	-	86,215
Pension liability	619,095	263,939	-	883,034
Notes from direct borrowings - noncurrent portion	10,464,701	-	-	10,464,701
Bonds payable - noncurrent portion	5,356,414	1,930,000	3,379,032	10,665,446
Premium or discount on bonds payable	212,003	-	177,749	389,752
Total noncurrent liabilities	<u>16,877,210</u>	<u>2,238,437</u>	<u>3,556,781</u>	<u>22,672,428</u>
Total liabilities	<u>20,143,226</u>	<u>2,715,372</u>	<u>3,889,728</u>	<u>26,748,326</u>
Deferred inflows of resources related to pension activity				
Deferred inflows related to OPEB	7,647	1,209	-	8,856
Deferred inflows related to pensions	27,112	11,559	-	38,671
Total deferred inflows of resources	<u>34,759</u>	<u>12,768</u>	<u>-</u>	<u>47,527</u>
Net Position				
Net investment in capital assets	12,986,575	89,399	8,177,538	21,253,512
Restricted for debt service	1,993,674	1,720,672	283,228	3,997,574
Unrestricted	5,034,918	1,151,843	2,252,604	8,439,365
Total net position	<u>\$ 20,015,167</u>	<u>\$ 2,961,914</u>	<u>\$ 10,713,370</u>	<u>\$ 33,690,451</u>

See notes to financial statements.

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

	Wastewater Treatment (602)	Municipal Liquor Store (609)	Surface Water Management (630)	Totals
Operating revenues				
Charges for services	\$ 5,338,470	\$ -	\$ 1,223,517	\$ 6,561,987
Sales	-	6,860,252	-	6,860,252
Cost of sales	-	(4,923,147)	-	(4,923,147)
Total operating revenues/gross profit	<u>5,338,470</u>	<u>1,937,105</u>	<u>1,223,517</u>	<u>8,499,092</u>
Operating expenses				
Salaries and benefits	1,147,006	447,836	-	1,594,842
Supplies	310,473	53,245	1,722	365,440
Repairs and maintenance	190,344	5,213	33,279	228,836
Other services and charges	1,419,877	208,425	379,577	2,007,879
Insurance	36,801	16,608	9,877	63,286
Utilities	266,688	30,281	20,912	317,881
Depreciation	1,707,187	93,481	528,821	2,329,489
Total operating expenses	<u>5,078,376</u>	<u>855,089</u>	<u>974,188</u>	<u>6,907,653</u>
Operating income (loss)	260,094	1,082,016	249,329	1,591,439
Nonoperating revenues (expenses)				
Property taxes	-	-	4	4
Special assessments	-	-	2,987	2,987
Other income	-	5,478	-	5,478
Grants and contributions	7,857	6,934	9,920	24,711
Investment earnings (loss)	122,744	17,122	29,325	169,191
Refunds and reimbursements	35,488	1,808	5,427	42,723
Rents	15,282	-	-	15,282
Gain (loss) on disposal of assets	9,300	-	-	9,300
Bond (discount) premium amortization	43,616	-	14,124	57,740
Bond issuance costs	-	-	(43,501)	(43,501)
Interest and other expense	(245,879)	(69,254)	(75,866)	(390,999)
Total nonoperating revenues (expenses)	<u>(11,592)</u>	<u>(37,912)</u>	<u>(57,580)</u>	<u>(107,084)</u>
Income before capital contributions and transfers	248,502	1,044,104	191,749	1,484,355
Transfers out	-	(300,000)	-	(300,000)
Change in net position	248,502	744,104	191,749	1,184,355
Net position, January 1	<u>19,766,665</u>	<u>2,217,810</u>	<u>10,521,621</u>	<u>32,506,096</u>
Net position, December 31	<u>\$ 20,015,167</u>	<u>\$ 2,961,914</u>	<u>\$ 10,713,370</u>	<u>\$ 33,690,451</u>

See notes to financial statements.

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

	Wastewater Treatment (602)	Municipal Liquor Store (609)	Surface Water Management (630)	Totals
Cash Flows - Operating Activities				
Receipts from customers and users	\$ 5,357,208	\$ 6,864,411	\$ 1,215,917	\$ 13,437,536
Payments to suppliers and vendors	(2,793,022)	(5,304,269)	(440,776)	(8,538,067)
Payments to and on behalf of employees	(1,232,405)	(442,847)	-	(1,675,252)
Other receipts	50,770	7,286	5,427	63,483
Net cash Provided (Used) by operating activities	<u>1,382,551</u>	<u>1,124,581</u>	<u>780,568</u>	<u>3,287,700</u>
Cash Flows - Noncapital Financing Activities				
Transfer to other funds	-	(300,000)	-	(300,000)
Cash Flows - Capital and Related Financing Activities				
Acquisition of capital assets	(7,793,697)	(9,978)	(1,138,811)	(8,942,486)
Proceeds from sales of capital assets	15,407	-	-	15,407
Proceeds from bonds and notes issued, net of discounts/premiums issued	7,742,079	-	1,789,922	9,532,001
Principal paid on long-term debt	(1,791,154)	(210,000)	(281,355)	(2,282,509)
State grants	-	6,225	9,920	16,145
Federal grants	6,195	-	-	6,195
Interest paid on long-term debt	(226,145)	(69,648)	(62,439)	(358,232)
Bond issuance costs	-	-	(43,501)	(43,501)
Property taxes received/adjusted	-	-	10	10
Special assessments received	-	-	6,124	6,124
Net cash provided (used) by capital and related financing activities	<u>(2,047,315)</u>	<u>(283,401)</u>	<u>279,870</u>	<u>(2,050,846)</u>
Cash Flows - Investing Activities				
Interest received on cash and investments	116,464	18,232	24,644	159,340
Net increase (decrease) in cash and cash equivalents	(548,300)	559,412	1,085,082	1,096,194
Cash and Cash Equivalents				
January 1	8,619,615	2,036,309	1,903,710	12,559,634
December 31	<u>\$ 8,071,315</u>	<u>\$ 2,595,721</u>	<u>\$ 2,988,792</u>	<u>\$ 13,655,828</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Cash and temporary investments				
Unrestricted	\$ 6,077,641	\$ 875,049	\$ 2,705,564	\$ 9,658,254
Restricted - debt service	1,993,674	1,720,672	283,228	3,997,574
Total Cash and Cash Equivalents	<u>\$ 8,071,315</u>	<u>\$ 2,595,721</u>	<u>\$ 2,988,792</u>	<u>\$ 13,655,828</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided(Used) by Operating Activities				
Operating income (Loss)	\$ 260,094	\$ 1,082,016	\$ 249,329	\$ 1,591,439
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Other income related to operations	50,770	7,286	5,427	63,483
Depreciation	1,707,187	93,481	528,821	2,329,489
(Increase) decrease in assets				
Accounts receivable	30,230	(195)	-	30,035
Due from component units	(15,707)	-	(7,600)	(23,307)
Due from other governments	4,215	-	-	4,215
Inventories	-	(58,401)	-	(58,401)
Prepaid items	(6,680)	(12)	5,145	(1,547)
Increase (decrease) in liabilities				
Accounts payable	(673,984)	(22,928)	(2,429)	(699,341)
Contracts payable	-	-	2,603	2,603
Due to other governments	195	14,061	(33)	14,223
Due to component unit	111,630	(70)	(695)	110,865
Accrued salaries payable	20,771	5,427	-	26,198
Compensated absences payable	(26,785)	6,891	-	(19,894)
Unearned revenue	-	4,354	-	4,354
Pension related activity	(89,734)	(7,971)	-	(97,705)
Other postemployment benefit activity	10,349	642	-	10,991
Net cash provided (used) by operating activities	<u>\$ 1,382,551</u>	<u>\$ 1,124,581</u>	<u>\$ 780,568</u>	<u>\$ 3,287,700</u>
Noncash Investing, Capital and Financing Activities				
Book value of disposed/traded of capital assets	\$ 15,407	\$ -	\$ -	15,407
Amortization of bond (premium) discount	(43,616)	-	(14,124)	(57,740)

See notes to financial statements.

City of Marshall
Statement of Fiduciary Net Position
December 31, 2020

	Private Purpose Trust Fund (802)
Assets	
Current:	
Cash and investments	\$ 16,411
Interest receivable	20
Total assets	\$ 16,431
Net Position	
Held in trust	\$ 16,431

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

	Private Purpose Trust Fund (802)
Additions	
Investment income	\$ 148
Deductions	
Program expenditures	350
Change in net position	(202)
Net Position	
Beginning of year	16,633
End of year	\$ 16,431

See notes to financial statements.

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City of Marshall
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Marshall (the City) was incorporated February 20, 1901, under the provisions of Minnesota Laws of 1870. The City operates under a Mayor-Council form of government with a full-time City Administrator and provides the following services as authorized by its charter, which was adopted in 1969 as provided by *Minnesota Statutes*, chapter 410: public safety (police and fire), highways and streets, culture and recreation, public library, public improvements, planning and zoning, and general administrative services. The City also owns a municipal airport and municipal liquor store. The City also operates public electric, water and wastewater treatment and surface water utilities. The electric and water utilities are presented as a discretely presented component unit. The accompanying financial statements present the government entities for which the government is financially accountable.

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

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

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

1. Blended Component Units

The Housing and Redevelopment Authority (HRA) serves all the citizens of the City and is governed by City appointed boards. The HRA was created pursuant to *Minnesota Statutes* 469.090 through 469.108 to carry out housing development and redevelopment within the City in accordance with policies established by the Council. The HRA may not exercise any of the powers enumerated by the authorizing statutes without prior approval of the Council. Separate financial statements are not issued.

The Marshall-Lyon County Public Library is a joint venture between the City and Lyon County. The City appoints six members and the County appoints three members of the governing board of the Library. The City does have the authority to approve or modify the Library's operational and capital budgets and any bonded debt must be approved by the City Council. The City provides a material portion of the Library's annual operating budget. The Library's total debt outstanding is expected to be repaid entirely with resources of the City. The Library, whose year-end is December 31, is a blended component unit (with special revenue, debt service, and capital project funds) of the City. Separate financial statements are not issued.

City of Marshall
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

2. Discretely Presented Component Units

The Economic Development Authority (EDA) serves all the citizens of the City and is governed by City appointed boards. The EDA was created pursuant to *Minnesota Statutes* 469.090 through 469.108 to carry out economic and industrial development and redevelopment within the City in accordance with policies established by the Council. The seven-member board consists of two Council members and four other City Council approved members along with the City Administrator, who is the executive director. The EDA may not exercise any of the powers enumerated by the authorizing statutes without prior approval of the Council. The EDA is reported as two discretely presented special revenue funds (Economic Development Authority and EDA Parkway Housing). Separate financial statements are not issued.

The Marshall Municipal Utilities (the Utilities) meets the criteria to be included as a discrete presentation. The members of the governing board of the Utilities are appointed by the Mayor and approved by the City Council. The Utilities makes monthly payments to the City "in lieu of taxes" in accordance with an agreement between itself and the City. Therefore, there is a financial benefit to the City. Complete financial statements for the Utilities may be obtained from the Utilities Business Office at 113 South Fourth Street, Marshall, Minnesota.

The Marshall Housing Commission (the Commission) meets the criteria to be included as a discrete presentation. The members of the governing board of the Utilities are appointed by the Mayor and approved by the City Council. Although the City does not have the authority to approve or modify the Commission's operational and capital budgets, the tax rates established by the Commission and bonded debt must be approved by the City Council. The Commission has a September 30 reporting date, therefore, the information presented within the government-wide financial statements is from its September 30, 2020, separately issued financial statements. Complete financial statements for the Commission may be obtained from the Marshall Housing Commission at 202 North First Street, Marshall, Minnesota.

City of Marshall
Notes to Financial Statements

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 on all of the nonfiduciary activities of the City. The fiduciary funds are only reported in the statement of fiduciary net position and the statement of changes in fiduciary net position at the fund financial statement level. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

City of Marshall
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Description of Funds:

Major Governmental Funds:

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

Debt Service Fund – This fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

2018 Public Improvement Capital Project Fund – This fund is used to account for street and utility improvements made to the City's infrastructure system.

2020 Public Improvement Capital Project Fund – This fund is used to account for street and utility improvements made to the City's infrastructure system.

City Hall Building Capital Project Fund – This fund accounts for costs associated with the construction project of City Hall.

Proprietary Funds:

Wastewater Treatment Fund – This fund accounts for the operations, maintenance, and capital improvements of the City's wastewater treatment activities.

Municipal Liquor Store Fund – This fund accounts for the operations of the City's off-sale municipal liquor store.

Surface Water Management Fund – This fund accounts for the operations, maintenance, and capital improvements of the City's storm water collection activities.

Fiduciary Fund:

Private Purpose Trust Fund – This fund accounts for resources legally held by the government in trust. All resources of the fund, including any earnings on invested resources, may be used to support activities of the Trust. There is no requirement that any portion of these resources is preserved as capital.

City of Marshall
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Description of Funds (Continued):

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's utility functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted as needed. Further, when committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order 1) committed 2) assigned, and 3) unassigned.

Component Units

The Marshall Economic Development Authority has adopted the modified accrual basis of accounting. The Marshall Housing Commission and the Marshall Public Utilities have adopted the accrual basis of accounting.

The Marshall Housing Commission has a fiscal year end of September 30. Therefore, the data included for this component unit is as of that date in the statement of net position and for the year then ended in the statement of activities.

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

1. Deposits and Investments

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on participation by each fund for cash and investment balances.

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

City of Marshall
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

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

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

2. Receivables and Payables

All trade and property tax receivables are shown at a gross amount since both are assessable to the property taxes and are collectible upon the sale of the property.

The Marshall Public Utilities grants credit to its customers, which is mainly unsecured in the course of its operations. A portion of customer receivables is secured by deposits based on prior payment history of individual accounts. Monthly sewer rental charges are included in the customer's billings and transferred to the City when collected. No allowance for doubtful accounts has been recorded as management deems all receivables to be collectible.

The City levies its property tax for the subsequent year during the month of December. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and available. Lyon County is the collecting agency for the levy and remits the collections to the City three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Taxes not collected as of December 31 each year are shown as delinquent taxes receivable.

The County Auditor prepares the tax list for all taxable property in the City, applying the applicable tax rate to the tax capacity 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 submits the list of taxes and special assessments to be collected on each parcel of property to the County Treasurer in January of each year.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year end in the governmental fund financial statements.

City of Marshall
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

Special assessments represent the financing for public improvements paid for by benefitting property owners. These assessments are recorded as receivables when assessment rolls are provided to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

3. Inventory, Land Held for Resale, and Prepaid Items

Inventory is valued at the lower of cost or market value using the first in, first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

The material and supply inventory of the Marshall Municipal Utilities is state at average cost which approximates actual cost.

Land held for resale is valued at the lower of cost or fair value.

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

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The City reports infrastructure assets on a network and subsystem basis. Donated capital assets are recorded at acquisition value at the date of donation. 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.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	5-25
Buildings and improvements	20-50
Infrastructure	10-40
Machinery and equipment	3-20
Vehicles	3-30

City of Marshall
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets (Continued)

The Marshall-Lyon County Library provides depreciation based on historical cost or estimated historical cost. The straight-line method of depreciation is used over the estimated useful lives of individual assets. Library books are depreciated using group depreciation by collections. The Library uses a capitalization threshold of \$15,000 for library book collections and \$1,000 for all other capital assets.

The Marshall Economic Development Authority provides depreciation based on the estimated useful lives of individual assets. The straight-line method of depreciation is used.

The Marshall Municipal Utilities uses the straight-line composite group method for depreciation based on estimated useful lives of the various classes of property. The provision is 3.36% of the average balance of depreciable property in service at December 31, 2020.

5. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City presents deferred inflows of resources on the Governmental Funds Balance Sheet as unavailable revenue and grants for subsequent years. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City presents deferred inflows of resources on the Governmental Funds Balance Sheet and Statement of Net Position for grants for subsequent years from the Municipal State Aid Street program as timing requirements for revenue recognition have not yet been met. The City presents deferred inflows of resources related to pensions and OPEB for various estimate differences that will be amortized and recognized over future years.

City of Marshall
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Compensated Absences

City of Marshall

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. The General Fund is typically used to liquidate governmental compensated absences payable.

Vacation is earned and credited to an employee's record after each bi-weekly pay period according to years of service at the following rates:

<u>Years of Service</u>	<u>Hours per Years of Service</u>	<u>Maximum Accrual</u>
0 to 5 years	80 hours (10 days)	160 hours
5 to 10 years	120 hours (15 days)	240 hours
10 to 15 years	144 hours (18 days)	288 hours
15 to 20 years	160 hours (20 days)	320 hours
20+ years	200 hours (25 days)	400 hours

Sick leave is an authorized absence from work with pay, granted to eligible, full-time and ¾ time employees. Sick leave is a privilege, not a right. Employees are to use this paid leave only when they are unable to work for medical reasons and/or under the conditions explained below. Employees are required to exhaust their sick leave balance prior to approval of an unpaid medical leave absence. Sick leave does not accrue during unpaid leave absence.

Full-time employees will earn sick leave at the rate of one (1) day or 8 hours for each month of service and can be accumulated up to 120 days or 960 hours at this rate. Beyond 120 days or 960 hours, sick leave will continue to accumulate at a rate of ½ day or 4 hours for each month of service.

If at any time the accumulation drops below 120 days or 960 hours, the employee will then accumulated one (1) day or 6 hours for each month of service up to 120 days or 960 hours and then continue to accumulate ½ day or 4 hours for each month of service.

When an employee reaches 120 days or 960 hours or more of accumulated sick leave and the employee utilizes sick leave and the employee utilizes sick leave times. It shall first be withdrawn from the 960 hour portion and not from the accumulated sick leave.

City of Marshall
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Compensated Absences (Continued)

Marshall Municipal Utilities

All full time employees accrue vacation time between 10 to 25 days per year based on years of service to 25 years when an additional 1 day may accrue for each 5 years of service thereafter. Employees may accumulate up to 20 days (160 hours) by December 31st of each year to be used in the following year. Up to 10 days of accrued vacation pay in excess of the 20 day maximum accrual will be deposited in the Health Care Savings Plan on an annual basis. Upon termination, 100% of the accrued vacation pay will be deposited into the Health Care Savings Plan.

Under the employee sick leave plan, each employee is allowed to accumulate sick leave up to a maximum of 140 days. Thereafter, when the maximum hours have been reached, any unused sick leave will be deposited into the employee's Health Care Savings Plan on an annual basis. The accumulated leave is remitted to the employee or placed in the Health Care Savings Plan at the Commission's discretion upon retirement or death at a rate of 50% after 5 years of service, 75% after 10 years, and 100% after 15 years or more of service.

Sick leave benefits are recorded as a liability in the period earned by the employee.

7. Severance Plan

Employees hired prior to January 1, 2016, with at least 20 years of service are eligible for retirement payments based upon their years of service. An eligible individual will receive an amount equal to one month's salary plus an additional 3% annual salary each year in excess of twenty years to a maximum of 150% of the monthly salary. As of December 31, 2020, the City has recorded estimated future costs under this plan of \$178,755.

8. Postemployment Benefits Other Than Pensions

Under *Minnesota Statute* 471.61, subdivision 2b, public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees may obtain dependent coverage immediately before retirements. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB Statement No. 75, at December 31, 2019. The General Fund is typically used to liquidate the governmental total OPEB liability.

9. 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 deferred and amortized over the life of the bonds using the effective interest method.

City of Marshall
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Long-Term Obligations (Continued)

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

10. Pensions

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

11. Restricted and Designated Assets

The Wastewater Treatment Fund, Surface Water Management fund and the Marshall Municipal Utilities fund (component unit) have classified resources consisting of cash and investments and delinquent taxes receivable as designated and restricted assets on the statements of net position. These amounts have been set aside for debt service payments and capital improvements. Amounts restricted for debt service are \$3,997,574 and amounts designated for capital reserves are \$3,284,910.

12. Fund Balance

a. Classification

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

- Nonspendable Fund Balance – These are amounts that cannot be spent because they are not in spendable form, such as prepaid items.
- Restricted Fund Balance – These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through enabling legislation.

City of Marshall
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Fund Balance (Continued)

a. Classification (Continued)

- Committed Fund Balance – These are amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council (highest level of decision making authority) through resolution. Committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action used to commit these amounts.
- Assigned Fund Balance – These are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the City's Finance Director based on the City Council's direction.

b. Minimum Fund Balance

The City's fund balance policy for the General Fund is to maintain unrestricted fund balance of an amount not less than 5 months of the next year's budgeted expenditures.

13. Net Position

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

E. Use of Estimates

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

F. Budgetary Information

1. Prior to September 1 of each year, City Administrator submits to the City Council, a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. The final budget is legally enacted through passage of a resolution on or before December 28 and the property tax levy is certified to the County Auditor.

City of Marshall
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Information (Continued)

3. Budgets for the General and certain Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
4. Expenditures may not legally exceed budgeted appropriations at the fund level. All amounts over budget are approved by the City Council through the disbursement process. Management is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Reported budget amounts are as originally adopted or amended by the City Council. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services, supplies, charges for services, and capital outlay) within each program.
5. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Budgetary control for Capital Projects Funds is accomplished through the use of project-length financial plans.
6. Budgeted amounts are as originally adopted or as amended by the City Council. Budgeted expenditure appropriations lapse at year-end.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balance

The following funds had a deficit fund balance at December 31, 2020:

Capital Projects	
2018 Public Improvements	\$(1,662,577)
2020 Public Improvements	(959,112)
2021 Public Improvements	<u>(3,003)</u>
Total	<u><u>\$(2,624,692)</u></u>

NOTE 3 – DEPOSITS AND INVESTMENTS

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

City of Marshall
Notes to Financial Statements

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits

The deposits of the City are subject to the following risk:

Custodial Credit Risk – Deposits: The City has an investment policy in place to address custodial credit risk for deposits, stating all deposits and investments must be in compliance with *Minnesota Statutes* 118A; protected by federal depository insurance and corporate surety bonds or collateral equal to 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance, National Credit Union Administration (NCUA) or corporate surety bonds. As of December 31, 2020, the City's bank balance was not exposed to custodial credit risk because it was insured and fully collateralized with securities held by the pledging financial institution's trust department or agent and in the City's name. As of December 31, 2020, the City's deposits consisted of the following:

Checking	\$ 8,802,129
Certificates of deposit	11,116,504
Money market	<u>13,184,246</u>
Total Deposits	<u>\$ 33,102,879</u>

B. Investments

The investments of the City are subject to the following risks:

Interest Rate Risk: The interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to declines in fair values by limiting the maturity of its investment portfolio.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. *Minnesota Statutes* limit the City's investments.

Concentration of Credit Risk: The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy places no limit on the amount the City may invest in any one issuer; however, it does state diversification strategies shall be determined and revised periodically by the investment officer for all funds. The City was not exposed to concentration of credit risk as none of their investments exceeded 5% of total investments.

City of Marshall
Notes to Financial Statements

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Custodial Credit Risk – Investments: For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City typically limits its exposure by purchasing securities that are insured or registered, or securities held by the City or its agent in the City's name.

As of December 31, 2020, the City had the following investments:

Types of Investments	Credit Quality/ Ratings (1)	Primary Government		Fair Value Measurement Using		
		Segmented Time Distribution (2)	Amount	Level 1	Level 2	Level 3
Investments at Amortized Cost						
Broker Money Market Funds	N/A	less than 1 year	\$ 3,468,999	-	-	-
Real Estate	N/A	less than 1 year	1,148,206			
Investments at Fair Value						
Federal Agency Bonds and Notes	N/A	less than 1 year	70,952	-	70,952	-
Federal Agency Bonds and Notes	N/A	1 to 5 years	637,713	-	637,713	-
Federal Agency Bonds and Notes	N/A	more than 5 years	1,373,421	-	1,373,421	-
Municipal Bonds	Aaa	less than 1 year	926,752	-	926,752	-
Municipal Bonds	Aa1 to Aaa, A to AAA	1 to 5 years	6,401,148	-	6,401,148	-
Municipal Bonds	Aa1 to Aaa	more than 5 years	409,462	-	409,462	-
Certificate Of Deposit	N/A	less than 6 months	631,504	-	631,504	-
Certificate Of Deposit	N/A	6 months to 1 year	1,983,018	-	1,983,018	-
Certificate Of Deposit	N/A	1 to 3 years	747,652	-	747,652	-
Total Primary Government			<u>\$ 17,798,827</u>	<u>\$ -</u>	<u>\$ 13,181,622</u>	<u>\$ -</u>

Types of Investments	Credit Quality/ Ratings (1)	Component Units		Fair Value Measurement Using		
		Segmented Time Distribution (2)	Amount	Level 1	Level 2	Level 3
<i>Component Unit - Marshall Municipal Utilities</i>						
Investments at Amortized Cost						
Broker Money Market Funds	N/A	less than 1 year	\$ 3,463,528	\$ -	\$ -	\$ -
Investments at Fair Value						
U.S Treasury Notes	N/A	1 to 5 years	693,491	-	693,491	-
U.S Treasury Notes	N/A	more than 5 years	440,093	-	440,093	-
Federal Agency Bonds and Notes	N/A	1 to 5 years	1,948,216	-	1,948,216	-
Federal Agency Bonds and Notes	N/A	more than 5 years	1,800,301	-	1,800,301	-
Federal Agency Mortgage Pools	N/A	more than 5 years	920,383	-	920,383	-
Municipal Bonds	A+ to AAA	less than 1 year	2,645,924	-	2,645,924	-
Municipal Bonds	A+ to AAA	1 to 5 years	10,608,577	-	10,608,577	-
Municipal Bonds	A+ to AAA	more than 5 years	4,418,131	-	4,418,131	-
Total Marshall Municipal Utilities Investments			<u>26,938,644</u>	<u>-</u>	<u>23,475,116</u>	<u>-</u>
Total Investments			<u>\$ 44,737,471</u>	<u>\$ -</u>	<u>\$ 36,656,738</u>	<u>\$ -</u>

- (1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.
(2) Interest rate risk is disclosed using the segmented time distribution method.
N/A Indicates not applicable or available.

City of Marshall
Notes to Financial Statements

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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

- Investments of \$36,656,738 are valued using a matrix pricing model (Level 2 inputs)

C. Cash and Investment Summary

Cash and investments as shown on the statement of net position for the City, including component units, follows:

	Component Units			
	Primary Government	Municipal Utilities	Housing Commission	Economic Development Authority
Deposits (Note 3 A.)	\$ 26,454,239	\$ 4,737,866	\$ 535,463	\$ 1,358,900
Cash on Hand	3,893	1,600	-	-
Investments (Note 3 B.)	17,798,827	26,938,644	-	-
Total	<u>44,256,959</u>	<u>31,678,110</u>	<u>535,463</u>	<u>1,358,900</u>
Cash and Temporary Investments	40,259,385	25,360,617	527,672	1,358,900
Restricted Assets	3,997,574	6,317,493	7,791	-
Total	<u>\$ 44,256,959</u>	<u>\$ 31,678,110</u>	<u>\$ 535,463</u>	<u>\$ 1,358,900</u>
	Fiduciary Funds	Total		
Deposits (Note 3 A.)	\$ 16,411	\$ 33,102,879		
Cash on Hand	-	5,493		
Investments (Note 3 B.)	-	44,737,471		
Total	<u>16,411</u>	<u>77,845,843</u>		
Cash and Temporary Investments	16,411	67,522,985		
Restricted Assets	-	10,322,858		
Total	<u>\$ 16,411</u>	<u>\$ 77,845,843</u>		

City of Marshall
Notes to Financial Statements

NOTE 4 – INTERFUND ACTIVITY

A. Transfers

Transfers among funds were for the City to assist with administrative costs, to assist with operations, to cover capital expenditures, to assist with capital projects, and assist with debt service obligations.

Fund	Transfers In			
	General	Debt Service	Nonmajor Governmental	Total
Transfers out				
Debt service	\$ -	\$ 153	\$ -	\$ 153
Nonmajor governmental	-	3,764,615	1,254,771	5,019,386
Municipal liquor store	300,000	-	-	300,000
Total transfers out	\$ 300,000	\$ 3,764,768	\$ 1,254,771	\$ 5,319,539

B. Interfund Receivables/Payables

The following balances arise from negative cash balances in the debtor fund or temporary funding for various projects:

Due From/To Other Funds

Fund	Due from Other Funds	Due to Other Funds
General	\$ -	\$ 153,601
Nonmajor governmental	675,636	522,035
Total	\$ 675,636	\$ 675,636

City of Marshall
Notes to Financial Statements

NOTE 4 – INTERFUND ACTIVITY (CONTINUED)

B. Interfund Receivables/Payables (Continued)

The following balances represent capital improvements and monthly year-end charges to component units:

Due to Primary Government from Component Unit

Receivable Entity/Fund	Payable Entity/Fund	Amount
Primary Government	Component unit	
General	Marshall Municipal Utilities	\$ 3,684
Nonmajor governmental	Marshall Municipal Utilities	23,561
Nonmajor governmental	Economic Development Authority	167,074
Enterprise		
Wastewater Treatment	Marshall Municipal Utilities	608,046
Surface Water Management	Marshall Municipal Utilities	210,604
Total		\$ 1,012,969

Due to Component Unit from Primary Government

Receivable Fund/Entity	Payable Fund/Entity	Amount
Component Unit	Primary Government	
Marshall Municipal Utilities	General	\$ 63,278
Marshall Municipal Utilities	Nonmajor governmental	16,528
Marshall Municipal Utilities	Wastewater Treatment enterprise	136,182
Marshall Municipal Utilities	Municipal Liquor Store enterprise	2,068
Marshall Municipal Utilities	Surface Water Management enterprise	1,126
Total		\$ 219,182

Due to Component Unit from other Component Unit

Receivable Fund/Entity	Payable Fund/Entity	Amount
Component Unit	Component Unit	
Marshall Municipal Utilities	Economic Development Authority	\$ 17

NOTE 5 – NOTES RECEIVABLE

Loans were made by the EDA Parkway Housing Fund and EDA Revolving Fund, the balances of which are \$210,575 and \$5,000, respectively, as of December 31, 2020. The portion of the Small Cities Development Program which is required to be repaid only if the borrower sells the property within 7 years of the date of the loan is \$29,680 as of December 31, 2020, net of an allowance of \$861,085. Marshall Municipal Utilities has issued a loan for energy efficiency that has a balance of \$14,054 as of December 31, 2020.

City of Marshall
Notes to Financial Statements

NOTE 6 – CAPITAL ASSETS

Primary Government

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 7,320,348	\$ -	\$ -	\$ 7,320,348
Construction in progress	<u>4,146,722</u>	<u>5,989,145</u>	<u>3,893,729</u>	<u>6,242,138</u>
Total capital assets not being depreciated	<u>11,467,070</u>	<u>5,989,145</u>	<u>3,893,729</u>	<u>13,562,486</u>
Capital assets being depreciated				
Buildings	45,315,120	178,180	28,118	45,465,182
Improvements other than Building	29,188,792	379,638	-	29,568,430
Infrastructure	65,257,176	4,495,778	185,168	69,567,786
Equipment and Machinery	11,104,942	1,176,056	135,056	12,145,942
Library Books	<u>923,228</u>	<u>-</u>	<u>-</u>	<u>923,228</u>
Total capital assets being depreciated	<u>151,789,258</u>	<u>6,229,652</u>	<u>348,342</u>	<u>157,670,568</u>
Less accumulated depreciated for				
Buildings	11,681,083	1,313,853	28,118	12,966,818
Improvements other than Building	16,292,857	1,094,580	-	17,387,437
Infrastructure	31,135,625	3,089,701	185,168	34,040,158
Equipment and Machinery	7,145,274	764,315	135,056	7,774,533
Library Books	<u>862,537</u>	<u>32,630</u>	<u>-</u>	<u>895,167</u>
Total accumulated depreciation	<u>67,117,376</u>	<u>6,295,079</u>	<u>348,342</u>	<u>73,064,113</u>
Total capital assets being depreciated, net	<u>84,671,882</u>	<u>(65,427)</u>	<u>-</u>	<u>84,606,455</u>
Governmental activities, capital assets, net	<u>\$ 96,138,952</u>	<u>\$ 5,923,718</u>	<u>\$ 3,893,729</u>	<u>\$ 98,168,941</u>

City of Marshall
Notes to Financial Statements

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

General Government	\$ 285,131
Public Safety	452,675
Public Works	3,367,854
Culture and Recreation	1,288,994
Airport	900,425

Total Depreciation Expense - Governmental Activities \$ 6,295,079

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 512,872	\$ -	\$ -	\$ 512,872
Construction in progress	4,695,278	9,696,500	81,472	14,310,306
Total capital assets not being depreciated	5,208,150	9,696,500	81,472	14,823,178
Capital assets being depreciated				
Buildings	2,528,334	-	-	2,528,334
Improvements other than buildings	28,124,552	-	-	28,124,552
Infrastructure	38,721,033	95,565	24,914	38,791,684
Equipment and machinery	3,738,555	64,359	45,910	3,757,004
Total capital assets being depreciated	73,112,474	159,924	70,824	73,201,574
Less accumulated depreciated for				
Buildings	333,378	68,137	-	401,515
Improvements other than buildings	20,835,596	894,438	-	21,730,034
Infrastructure	17,458,146	1,133,995	24,914	18,567,227
Equipment and machinery	2,527,121	232,919	39,803	2,720,237
Total accumulated depreciation	41,154,241	2,329,489	64,717	43,419,013
Total capital assets being depreciated, net	31,958,233	(2,169,565)	6,107	29,782,561
Business-type activities capital assets, net	\$ 37,166,383	\$ 7,526,935	\$ 87,579	\$ 44,605,739

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Wastewater Treatment	\$ 1,707,187
Municipal Liquor Store	93,481
Surface Water Management	528,821

Total Depreciation Expense - Business-type Activities \$ 2,329,489

City of Marshall
Notes to Financial Statements

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Units

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Marshall Municipal Utilities				
Capital assets not being depreciated				
Construction in progress	<u>\$ 3,008,119</u>	<u>\$ 8,756,681</u>	<u>\$ 269,881</u>	<u>\$ 11,494,919</u>
Capital assets being depreciated				
Electric production plant	3,324,745	-	-	3,324,745
Electric transmission line	16,404,370	35,780	-	16,440,150
Electric distribution system	57,773,623	1,295,920	133,137	58,936,406
Transportation and general	9,524,235	490,860	89,109	9,925,986
Water utility	<u>58,888,917</u>	<u>17,657</u>	<u>100</u>	<u>58,906,474</u>
Total capital assets being depreciated	<u>145,915,890</u>	<u>1,840,217</u>	<u>222,346</u>	<u>147,533,761</u>
Less accumulated depreciated for				
Electric production plant	2,719,932	66,470	-	2,786,402
Electric transmission line	10,534,124	522,856	-	11,056,980
Electric distribution system	27,861,867	2,426,488	133,137	30,155,218
Transportation and general	7,348,354	561,846	89,109	7,821,091
Water utility	<u>31,128,954</u>	<u>1,301,693</u>	<u>100</u>	<u>32,430,547</u>
Total accumulated depreciation	<u>79,593,231</u>	<u>4,879,353</u>	<u>222,346</u>	<u>84,250,238</u>
Total capital assets being depreciated, net	<u>66,322,659</u>	<u>(3,039,136)</u>	<u>-</u>	<u>63,283,523</u>
Capital assets, net	<u>\$ 69,330,778</u>	<u>\$ 5,717,545</u>	<u>\$ 269,881</u>	<u>\$ 74,778,442</u>

Depreciation expense was charged to functions/programs of the Marshall Municipal Utilities activities as follows:

Business-type Activities	
Marshall Municipal Utilities - Water	\$ 1,390,165
Marshall Municipal Utilities - Electric	<u>3,489,188</u>
Total	<u>\$ 4,879,353</u>

City of Marshall
Notes to Financial Statements

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Marshall Housing Commission				
Capital assets not being depreciated				
Land	\$ 514,965	\$ -	\$ -	\$ 514,965
Capital assets being depreciated				
Buildings	8,308,802	298,943	-	8,607,745
Equipment and machinery	192,826	1,600	-	194,426
Total capital assets being depreciated	<u>8,501,628</u>	<u>300,543</u>	<u>-</u>	<u>8,802,171</u>
Less accumulated depreciated	<u>6,138,711</u>	<u>255,931</u>	<u>-</u>	<u>6,394,642</u>
Total capital assets being depreciated, net	<u>2,362,917</u>	<u>44,612</u>	<u>-</u>	<u>2,407,529</u>
Capital assets, net	<u>\$ 2,877,882</u>	<u>\$ 44,612</u>	<u>\$ -</u>	<u>\$ 2,922,494</u>

Depreciation expense was charged to functions/programs of the Marshall Housing Commission activities as follows:

Business-type Activities	
Marshall Housing Commission	<u>\$ 255,931</u>

City of Marshall
Notes to Financial Statements

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Economic Development Authority				
Capital assets not being depreciated				
Land improvements	\$ 12,920	\$ -	\$ -	\$ 12,920
Less accumulated depreciated for				
Land improvements	<u>7,267</u>	<u>647</u>	<u>-</u>	<u>7,914</u>
Total capital assets being depreciated, net	<u>5,653</u>	<u>(647)</u>	<u>-</u>	<u>5,006</u>
Capital assets, net	<u>\$ 5,653</u>	<u>\$ (647)</u>	<u>\$ -</u>	<u>\$ 5,006</u>

Depreciation expense was charged to functions/programs of the Economic Development Authority activities as follows:

Governmental Activities	
Economic Development Authority	<u>\$ 647</u>

NOTE 7 – LONG-TERM DEBT

A. Components of Long-Term Liabilities

Governmental Activity Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund both general obligation and revenue bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

These bonds were issued for capital equipment purchases and other capital improvements. The debt is a general obligation of the City and will be retired through ad valorem tax levies.

City of Marshall
Notes to Financial Statements

NOTE 7 – LONG-TERM DEBT

A. Components of Long-Term Liabilities (Continued)

General obligation bonds currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Capital Improvement of 2010A	\$ 1,150,000	2.00 - 3.30 %	09/15/10	02/01/26	\$ 435,000
G.O. Equipment Certificates of 2013A	860,000	2.00 - 3.00	08/01/13	02/01/23	305,000
G.O. Bonds of 2015A	1,710,000	2.00 - 3.00	01/01/15	02/01/31	1,300,000
G.O. Bonds of 2016B	705,000	2.00	06/23/16	02/01/25	290,000
G.O. Bonds of 2017A	170,000	2.00 - 3.00	07/13/17	02/01/23	105,000
G.O. Bonds of 2020A	6,170,000	2.00 - 5.00	02/27/20	02/01/40	6,170,000
G.O. Equipment Certificates of 2020B	360,000	2.00	07/09/20	02/01/28	360,000
Total General Obligation Bonds					<u>\$ 8,965,000</u>

The annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31,	General Obligation Bonds Governmental Activities		
	Principal	Interest	Total
2021	\$ 505,000	\$ 262,579	\$ 767,579
2022	735,000	244,264	979,264
2023	605,000	221,946	826,946
2024	480,000	202,159	682,159
2025	500,000	183,209	683,209
2026 - 2030	2,325,000	656,364	2,981,364
2031 - 2035	1,875,000	320,466	2,195,466
2036 - 2040	1,940,000	114,811	2,054,811
Total	<u>\$ 8,965,000</u>	<u>\$ 2,205,798</u>	<u>\$ 11,170,798</u>

General Obligation Tax Increment Bonds

These bonds were issued for development and redevelopment projects. The additional tax revenue resulting from increased tax capacity of the redeveloped properties is used to retire the related debt.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Tax Increment Revenues Bonds					
Revenues Bonds of 2011A	\$ 1,265,000	0.70 - 2.70 %	09/15/11	02/01/23	\$ 510,000
G.O. Tax Increment Revenues Bonds of 2017B	2,930,000	0.70 - 2.70	10/26/17	02/01/33	2,125,000
Total G.O. Tax Increment Bonds					<u>\$ 2,635,000</u>

City of Marshall
Notes to Financial Statements

NOTE 7 – LONG-TERM DEBT

A. Components of Long-Term Liabilities (Continued)

The annual debt service requirements to maturity for general obligation tax increment bonds are as follows:

Year Ending December 31,	G.O. Tax Increment Bonds Governmental Activities		
	Principal	Interest	Total
2021	\$ 405,000	\$ 64,497	\$ 469,497
2022	170,000	58,075	228,075
2023	175,000	53,588	228,588
2024	-	51,225	51,225
2025	100,000	50,100	150,100
2026 - 2030	1,035,000	186,513	1,221,513
2031 - 2033	750,000	34,050	784,050
Total	<u>\$ 2,635,000</u>	<u>\$ 498,048</u>	<u>\$ 3,133,048</u>

General Obligation Tax Abatement Bonds

These bonds were issued to finance public infrastructure improvements. They will be retired from tax abatement revenues and tax levies.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Tax Abatement Bonds of 2016C	\$ 2,810,000	2.00 - 3.00 %	06/23/16	02/01/37	\$ 2,460,000

The annual debt service requirements to maturity for general obligation tax abatement bonds are as follows:

Year Ending December 31,	G.O. Tax Abatement Bonds Governmental Activities		
	Principal	Interest	Total
2021	\$ 120,000	\$ 60,800	\$ 180,800
2022	125,000	58,350	183,350
2023	125,000	55,850	180,850
2024	130,000	53,300	183,300
2025	130,000	50,700	180,700
2026 - 2030	695,000	212,025	907,025
2031 - 2035	790,000	112,050	902,050
2036 - 2038	345,000	10,425	355,425
Total	<u>\$ 2,460,000</u>	<u>\$ 613,500</u>	<u>\$ 3,073,500</u>

City of Marshall
Notes to Financial Statements

NOTE 7 – LONG-TERM DEBT

A. Components of Long-Term Liabilities (Continued)

General Obligation Improvement Bonds

These bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements or through sales tax. Some issuances, however, are partly financed by ad valorem tax levies.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds of 2011B	\$ 1,510,000	0.50 - 4.00 %	10/01/11	02/01/27	\$ 605,000
G.O. Improvement Bonds of 2012A	2,550,000	2.00 - 2.55	06/01/12	02/01/28	765,000
G.O. Improvement Bonds of 2013A	2,785,000	2.00 - 3.00	08/01/13	02/01/25	1,305,000
G.O. Improvement Bonds of 2014B	15,735,000	3.13 - 5.00	07/23/14	02/01/28	10,050,000
G.O. Improvement Bonds of 2014C	1,955,000	2.00 - 3.00	07/23/14	02/01/26	920,000
G.O. Improvement Bonds of 2015B	895,000	3.00 - 4.00	07/22/15	02/01/24	445,000
G.O. Improvement Bonds of 2016B	1,500,000	2.00	06/23/16	02/01/25	940,000
G.O. Improvement Bonds of 2017A	1,035,000	2.00 - 3.00	07/13/17	02/01/28	845,000
G.O. Improvement Bonds of 2017B	360,000	1.65 - 3.00	10/26/17	02/01/28	295,000
G.O. Improvement Bonds of 2018A	2,328,608	3.13 - 4.00	07/25/18	02/01/34	2,145,118
G.O. Improvement Bonds of 2020B	424,535	2.00	07/09/20	02/01/28	424,535
Total G.O. Improvement Bonds					<u>\$ 18,739,653</u>

The annual debt service requirements to maturity for general obligation improvement bonds are as follows:

Year Ending December 31,	G.O. Improvement Bonds Governmental Activities		
	Principal	Interest	Total
2021	\$ 2,500,099	\$ 624,871	\$ 3,124,970
2022	2,471,872	533,652	3,005,524
2023	2,509,668	438,196	2,947,864
2024	2,506,016	339,497	2,845,513
2025	2,231,016	243,823	2,474,839
2026 - 2030	6,008,210	373,056	6,381,266
2031 - 2034	512,772	33,341	546,113
Total	<u>\$ 18,739,653</u>	<u>\$ 2,586,436</u>	<u>\$ 21,326,089</u>

City of Marshall
Notes to Financial Statements

NOTE 7 – LONG-TERM DEBT

A. Components of Long-Term Liabilities (Continued)

Business-Type Activity Debt

General Obligation Revenue Bonds

These bonds were issued to finance capital improvements to the storm water system and wastewater treatment facility. These bonds will be retired from net revenue of these enterprise funds.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Utility and Improvement Bonds of 2011A - Storm	\$ 925,000	0.50 - 4.00 %	09/15/11	02/01/27	\$ 480,000
G.O. Utility and Improvement Bonds of 2011A - Wastewater	960,000	0.50 - 4.00	09/15/11	02/01/27	500,000
G.O. Utility and Improvement Bonds of 2011B - Storm	335,000	0.50 - 4.00	10/01/11	02/01/27	180,000
G.O. Utility and Improvement Bonds of 2011B - Wastewater	205,000	0.50 - 4.00	10/01/11	02/01/27	105,000
G.O. Utility and Improvement Bonds of 2012A - Wastewater	1,775,000	2.00 - 2.55	06/01/12	02/01/28	1,010,000
G.O. Utility and Improvement Bonds of 2014C - Wastewater	1,420,000	2.00 - 3.00	07/23/14	02/01/25	750,000
G.O. Utility and Improvement Bonds of 2015B - Wastewater	860,000	3.00 - 4.00	07/22/15	02/01/24	455,000
G.O. Utility and Improvement Bonds of 2016B - Wastewater	305,553	2.00	06/23/16	02/01/25	196,186
G.O. Utility and Improvement Bonds of 2016B - Storm	1,049,447	2.00	06/23/16	02/01/25	673,815
G.O. Utility and Improvement Bonds of 2016D - Wastewater	3,630,000	2.00	06/23/16	02/01/27	2,635,000
G.O. Utility and Improvement Bonds of 2017B - Wastewater	1,140,000	2.00	06/23/16	02/01/25	395,000
G.O. Utility and Improvement Bonds of 2017A - Storm	85,000	2.00 - 3.00	07/13/17	02/01/23	65,000
G.O. Utility and Improvement Bonds of 2018A - Wastewater	619,850	3.13 - 4.00	07/25/18	02/01/34	576,902
G.O. Utility and Improvement Bonds of 2018A - Storm	631,542	3.13 - 4.00	07/25/18	02/01/34	577,980
G.O. Utility and Improvement Bonds of 2020B - Storm	1,685,465	2.00	07/09/20	02/01/31	<u>1,685,465</u>
Total G.O. Revenue Bonds					<u><u>\$ 10,285,348</u></u>

City of Marshall
Notes to Financial Statements

NOTE 7 – LONG-TERM DEBT (CONTINUED)

A. Components of Long-Term Liabilities (Continued)

The annual debt service requirements to maturity for general obligation revenue bonds are as follows:

<u>Year Ending December 31,</u>	G.O. Revenue Bonds Business-type Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,549,902	\$ 244,232	\$ 1,794,134
2022	1,368,129	208,571	1,576,700
2023	1,400,331	172,691	1,573,022
2024	1,443,984	133,919	1,577,903
2025	1,308,984	98,009	1,406,993
2026 - 2030	2,796,790	171,307	2,968,097
2031 - 2034	417,228	21,421	438,649
Total	<u>\$ 10,285,348</u>	<u>\$ 1,050,150</u>	<u>\$ 11,335,498</u>

Revenue Bonds

These bonds were issued to finance capital improvements to the municipal liquor store. These bonds will be retired from net revenue of this enterprise funds.

<u>Description</u>	<u>Authorized and Issued</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance at Year End</u>
Lease Revenue Bond of 2015	\$ 3,240,000	1.05 - 3.10 %	02/10/15	12/01/29	\$ 2,145,000

The annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year Ending December 31,</u>	Revenue Bonds Business-type Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 215,000	\$ 61,823	\$ 276,823
2022	220,000	56,555	276,555
2023	225,000	50,835	275,835
2024	230,000	44,872	274,872
2025	235,000	38,318	273,318
2026 - 2029	1,020,000	80,135	1,100,135
Total	<u>\$ 2,145,000</u>	<u>\$ 332,538</u>	<u>\$ 2,477,538</u>

City of Marshall
Notes to Financial Statements

NOTE 7 – LONG-TERM DEBT (CONTINUED)

A. Components of Long-Term Liabilities (Continued)

Notes from Direct Borrowings

On July 10, 2019, the City issued a \$15,678,015 G.O. Wastewater Revenue Utility and Improvement Note 2019A through the Minnesota Public Facilities Authority. As of December 31, 2020, the City had drawn \$11,737,701 on this note and have made \$546,000 in principal payments. The amortization schedule below represents the entire liability once the project is complete and all draws have been made. The remaining balance is expected to be drawn in 2021.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Wastewater Revenue Utility and Improvement Note 2019A	\$ 15,678,015	1.00 %	07/10/2019	08/20/1939	\$ 11,191,701

The annual debt service requirements to maturity for Notes from Direct Borrowings are as follows:

Year Ending December 31,	Notes from Direct Borrowings Business-type Activities		
	Principal	Interest	Total
2021	\$ 727,000	\$ 169,758	\$ 896,758
2022	734,000	144,050	878,050
2023	742,000	136,710	878,710
2024	749,000	129,290	878,290
2025	757,000	121,800	878,800
2026 - 2030	3,898,000	493,961	4,391,961
2031 - 2034	4,097,000	295,141	4,392,141
2035 - 2039	3,428,015	86,131	3,514,146
Total	<u>\$ 15,132,015</u>	<u>\$ 1,576,841</u>	<u>\$ 16,708,856</u>

Component Unit Debt

Revenue Bonds

These bonds were issued to finance capital improvements to the Marshall Municipal Utilities. These bonds will be retired from net revenue of this enterprise fund.

City of Marshall
Notes to Financial Statements

NOTE 7 – LONG-TERM DEBT (CONTINUED)

A. Components of Long-Term Liabilities (Continued)

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Utility Revenue Bonds					
Series 2009	\$ 5,000,000	4 %	\$ 39,931	\$ 45,474	\$ 1,615,000
Series 2010	6,635,000	3 %	40,500	45,839	2,555,000
Series 2011	4,290,000	3 %	40,857	44,743	1,950,000
Series 2012	5,500,000	2 %	41,061	46,569	2,785,000
Series 2013	6,355,000	3 %	41,626	46,935	3,685,000
Series 2014	4,025,000	3 %	41,753	47,300	2,635,000
Series 2016	7,310,000	2 %	42,481	45,108	3,045,000
Total Revenue Bonds					<u>\$ 18,270,000</u>

The annual debt service requirements to maturity for Marshall Municipal Utilities revenue bonds are as follows:

Year Ending December 31,	Revenue Bonds Marshall Municipal Utilities Component Unit Activities		
	Principal	Interest	Total
	2021	\$ 3,645,000	\$ 646,436
2022	3,245,000	535,919	3,780,919
2023	2,915,000	429,040	3,344,040
2024	2,420,000	323,137	2,743,137
2025	2,060,000	222,063	2,282,063
2026 - 2029	3,985,000	272,310	4,257,310
Total	<u>\$ 18,270,000</u>	<u>\$ 2,428,905</u>	<u>\$ 20,698,905</u>

City of Marshall
Notes to Financial Statements

NOTE 7 – LONG-TERM DEBT (CONTINUED)

B. Changes in Long-Term Liabilities

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 2,875,000	\$ 6,530,000	\$ 440,000	\$ 8,965,000	\$ 505,000
General obligation tax increment bonds	3,210,000	-	575,000	2,635,000	405,000
General obligation tax abatement bonds	2,580,000	-	120,000	2,460,000	120,000
General obligation improvement bonds	20,793,608	424,535	2,478,490	18,739,653	2,500,099
Unamortized bond premium	1,787,034	504,158	200,765	2,090,427	-
Total bonds payable	<u>31,245,642</u>	<u>7,458,693</u>	<u>3,814,255</u>	<u>34,890,080</u>	<u>3,530,099</u>
Compensated absences payable	<u>1,076,389</u>	<u>455,878</u>	<u>387,638</u>	<u>1,144,629</u>	<u>103,477</u>
Governmental activity long-term liabilities	<u>\$ 32,322,031</u>	<u>\$ 7,914,571</u>	<u>\$ 4,201,893</u>	<u>\$ 36,034,709</u>	<u>\$ 3,633,576</u>
Business-type activities					
Bonds payable					
General obligation revenue bonds	\$ 10,126,392	\$ 1,685,465	\$ 1,526,509	\$ 10,285,348	\$ 1,549,902
Revenue bonds	2,355,000	-	210,000	2,145,000	215,000
PFA notes	4,463,363	7,274,338	546,000	11,191,701	727,000
Unamortized bond premium	343,035	104,457	57,740	389,752	-
Total bonds payable	<u>17,287,790</u>	<u>9,064,260</u>	<u>2,340,249</u>	<u>24,011,801</u>	<u>2,491,902</u>
Compensated absences payable	<u>276,862</u>	<u>65,243</u>	<u>85,137</u>	<u>256,968</u>	<u>73,688</u>
Business-type activity long-term liabilities	<u>\$ 17,564,652</u>	<u>\$ 9,129,503</u>	<u>\$ 2,425,386</u>	<u>\$ 24,268,769</u>	<u>\$ 2,565,590</u>

City of Marshall
Notes to Financial Statements

NOTE 7 – LONG-TERM DEBT (CONTINUED)

B. Changes in Long-Term Liabilities (Continued)

Component Unit Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Marshall Municipal Utilities					
Revenue bonds	\$ 21,805,000	\$ -	\$ 3,535,000	\$ 18,270,000	\$ 3,645,000
Accrued transmission reserve	1,180,025	-	-	1,180,025	-
Compensated absences payable	731,245	-	91,933	639,312	-
Unamortized bond discount	(15,519)	-	6,945	(8,574)	-
Component Unit Long-term liabilities	<u>\$ 23,700,751</u>	<u>\$ -</u>	<u>\$ 3,633,878</u>	<u>\$ 20,080,763</u>	<u>\$ 3,645,000</u>
Marshall Housing Commission					
Compensated Absences Payable	\$ 59,232	\$ -	\$ 6,704	\$ 52,528	\$ 8,709

NOTE 8 – CONDUIT DEBT

Conduit debt obligations are certain limited-obligation revenue bonds or similar debt instruments issued for the express purpose of providing capital financing for a specific third party. The City has issued conduit debt to provide funding to private-sector entities for projects deemed to be in the public interest. Although these bonds bear the name of the City, the City has no obligation for such debt beyond the resources provided by related leases or loans. Accordingly, the bonds are not reported as liabilities in the financial statements of the City. As of December 31, 2020, the following issues were outstanding:

Name	Date of Issue	Original Amount of Issue	Balance Outstanding as of 12/31/20
Lake View Memorial Hospital	2005	\$ 5,600,000	\$ 2,796,960

City of Marshall
Notes to Financial Statements

NOTE 9 – RISK MANAGEMENT

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

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

The City's workers' compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience is known. The amount of premium adjustment for 2020 was estimated to be immaterial based on workers' compensation rates and salaries for the year.

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

NOTE 10 – PENSION PLANS

The City participates in various pension plans, total pension expense for the year ended December 31, 2020 was \$496,072. The components of pension expense are noted in the following plan summaries.

The General Fund, Wastewater Treatment Fund, and Municipal Liquor Store Fund typically liquidates the liability related to pensions.

Public Employees' Retirement Association

A. Plan Description

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

General Employees Retirement Plan

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

City of Marshall
Notes to Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

A. Plan Description (Continued)

Public Employees Police and Fire Plan

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

B. Benefits Provided

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

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any 5 successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for a Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

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

City of Marshall
Notes to Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

B. Benefits Provided (Continued)

Police and Fire Plan Benefits

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

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

C. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2020 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2020, were \$479,230. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 11.3% of pay to 11.8% and employer rates increased from 16.95% to 17.7% on January 1, 2020. The City's contributions to the Police and Fire Fund for the year ended December 31, 2020, were \$270,285. The City's contributions were equal to the required contributions as set by state statute.

City of Marshall
Notes to Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2020, the City reported a liability of \$4,616,502 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 \$142,402. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0770% at the end of the measurement period and 0.0755% for the beginning of the period.

City's proportionate share of the net pension liability	\$ 4,616,502
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>142,402</u>
Total	<u>\$ 4,758,904</u>

For the year ended December 31, 2020, the City recognized pension expense of \$339,780 for its proportionate share of General Employees Plan's pension expense. Included in the amount, the City recognized \$12,393 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.

City of Marshall
Notes to Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 41,254	\$ 17,467
Changes in actuarial assumptions	-	168,741
Net collective difference between projected and actual investment earnings	88,201	-
Changes in proportion	84,389	15,960
Contributions paid to PERA subsequent to the measurement date	239,615	-
Total	\$ 453,459	\$ 202,168

The \$239,615 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2021	\$ (238,331)
2022	30,101
2023	108,369
2024	111,537
Total	\$ 11,676

City of Marshall
Notes to Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

Police and Fire Fund Pension Costs

At December 31, 2020, the City reported a liability of \$1,967,588 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the City's proportionate share was 0.1503% at the end of the measurement period and 0.1519% for the beginning of the period.

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

As a result, the State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the City recognized pension expense of \$225,955 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City recognized \$14,364 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$4.5 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in fire state aid. The City also recognized \$46,689 for the year ended December 31, 2020, as revenue and an offsetting reduction of the net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

City of Marshall
Notes to Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

Police and Fire Plan Pension Costs (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 87,788	\$ 93,265
Changes in actuarial assumptions	658,170	1,255,992
Net collective difference between projected and actual investment earnings	59,470	-
Changes in proportion	80,512	56,742
Contributions paid to PERA subsequent to the measurement date	135,143	-
Total	\$ 1,021,083	\$ 1,405,999

The \$135,143 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2021	\$ (147,803)
2022	(539,366)
2023	78,828
2024	89,726
2025	(1,444)
Total	\$ (520,059)

City of Marshall
Notes to Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Public Employees’ Retirement Association (Continued)

E. Actuarial Assumptions

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

	General Employees Fund	Police and Fire Fund
Inflation	2.25 % Per Year	2.50 % Per year
Salary increase	3.00 % Per Year	3.25 % Per year
Investment rate of return	7.50 %	7.50 %

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

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

The following changes in actuarial assumptions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions:

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

City of Marshall
Notes to Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

E. Actuarial Assumptions (Continued)

General Employees Fund (Continued)

Changes in Actuarial Assumptions: (Continued)

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

Changes in Plan Provisions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

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:

City of Marshall
Notes to Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Public Employees’ Retirement Association (Continued)

E. Actuarial Assumptions (Continued)

General Employees Fund (Continued)

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

Discount Rate

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

City of Marshall
Notes to Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

F. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate <u>(6.5%)</u>	Discount Rate <u>(7.5%)</u>	1% Increase in Discount Rate <u>(8.5%)</u>
City's proportionate share of the General Employees Fund net pension liability	\$ 7,398,651	\$ 4,616,502	\$ 2,321,452
	1% Decrease in Discount Rate <u>(6.5%)</u>	Discount Rate <u>(7.5%)</u>	1% Increase in Discount Rate <u>(8.5%)</u>
City's proportionate share of the Police and Fire Fund net pension liability	\$ 2,611,023	\$ 1,967,588	\$ 221,319

H. Pension Plan Fiduciary Net Position

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

City of Marshall
Notes to Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Public Employees Defined Contribution Plan (Defined Contribution Plan)

City Council members 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 contributions by or on behalf of employees are tax deferred until time of withdrawal.

The defined contribution plan consists of individual accounts paying a lump-sum benefit. Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses; therefore, there is no future liability to the City. *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 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% (.0025) of the assets in each member's account annually.

Pension expense for the year is equal to the contributions made. Total contributions made by the City during fiscal year 2020 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 1,967	\$ 1,967	5%	5%	5%

Component Unit Pension Information

Qualified employees of the Marshall Housing Commission (the Commission), a discrete component unit of the City, below to the Housing Renewal and Local Agency Retirement Plan, which is a defined contribution retirement plan. The retirement plan is a national plan with local or regional housing authorities and commission, urban renewal agencies, and other organizations eligible to participate. Required contributions were made by the Commission to the Housing Renewal and Local Agency Retirement Plan. The Commission's pension contributions for the year ending December 31, 2020, were \$9,037.

Detailed information concerning the Commission's pension plan is presented in its publicly available annual report for the year ended September 30, 2020. That report may be obtained by contacting the Commission.

City of Marshall
Notes to Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Volunteer Fire Fighter's Relief Association

A. Plan Description

The Marshall Firefighter's Relief Association is the administrator of a single employer defined benefit pension plan established to provide benefits for members of the Marshall Fire Department per *Minnesota State Statutes*.

The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Marshall Firefighter's Association, 201 East Saratoga Street, Marshall, MN 56258 or by calling 507-532-5141.

B. Benefits Provided

Volunteer firefighters of the City are members of the Marshall Fire Fighter's Relief Association. Full retirement benefits are payable to members who have reached age 50 and have completed 20 years of service. Partial benefits are payable to members who have reached age 50 and have completed 10 years of service. Disability benefits and widow and children's survivor benefits are also payable to members or their beneficiaries based upon requirements set forth in the bylaws. These benefit provisions and all other requirements are consistent with enabling state statutes.

C. Members Covered by Benefit Terms

At December 31, 2018, the following members were covered by the benefit terms:

Inactive members entitled to but not yet receiving benefits	11
Active members	<u>41</u>
Total	<u><u>52</u></u>

D. Contributions.

Minnesota Statutes Chapter 424A.092 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from State aids are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a ten year period. The City's obligation is the financial requirement for the year less state aids. Any additional payments by the City shall be used to amortize the unfunded liability of the relief association. The Association is comprised of volunteers: therefore, there are no payroll expenditures (i.e. there are no covered payroll percentage calculations). During the year, the City recognized as revenue and as an expenditure an on behalf payment of \$106,308 made by the State of Minnesota for the Relief Association.

**City of Marshall
Notes to Financial Statements**

NOTE 10 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Volunteer Fire Fighter's Relief Association (Continued)

E. Net Pension Liability

The City's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019.

Actuarial Assumptions:

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 %
Investment rate of return	6.0 %, net of pensions plan investment expenses: including inflation

The value of death benefits is similar to the value of the retirement pension. Because of low retirement ages, the plan assumes no pre-retirement mortality. Post-retirement mortality does not apply as the benefit structure and form of payment do not reflect lifetime benefits.

The long-term return on assets has been set based on the plan's target investment allocation along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the measurement date are summarized in the table below.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	60.00 %	4.76 %
Fixed income	30.00	2.01
Real estate and alternatives	5.00	4.53
Cash and equivalents	5.00	0.74
 Total	 <u>100.00 %</u>	

Discount Rate:

The discount rate used to measure the total pension liability was 6.0%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset 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. The equivalent single rate is the discount rate.

City of Marshall
Notes to Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Volunteer Fire Fighter's Relief Association (Continued)

F. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at January 1, 2020	\$ 2,607,365	\$ 3,221,609	\$ (614,244)
Changes for the year			
Service cost	116,491	-	116,491
Interest cost	157,417	-	157,417
State contributions	-	106,308	(106,308)
Contributions - donations and other income	-	223	(223)
Net investment income	-	330,106	(330,106)
Benefit payments	(200,478)	(200,478)	-
Administrative expense	-	(9,750)	9,750
Net changes	<u>73,430</u>	<u>226,409</u>	<u>(152,979)</u>
Balances at December 31, 2020	<u>\$ 2,680,795</u>	<u>\$ 3,448,018</u>	<u>\$ (767,223)</u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 6.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.0%) or 1-percentage-point higher (7.0%) than the current rate:

	1% Decrease 5.0%	Current Discount Rate 6.0%	1% Increase 7.00%
City's net pension liability (asset)	<u>\$ (701,304)</u>	<u>\$ (767,223)</u>	<u>\$ (830,268)</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued relief association financial report.

City of Marshall
Notes to Financial Statements

NOTE 10 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Volunteer Fire Fighter's Relief Association (Continued)

G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2020, the City recognized pension expense of (\$71,630). At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 260,313
Changes of assumptions	56,007	5,039
Net difference between projected and actual earnings on pension plan investments	-	212,478
Total	\$ 56,007	\$ 477,830

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown below.

Year Ending	Total
2021	\$ (151,798)
2022	(89,924)
2023	(148,934)
2024	(29,680)
2025	(598)
Thereafter	(889)
Total	\$ (421,823)

H. Payable to the Pension Plan

At December 31, 2020, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

City of Marshall
Notes to Financial Statements

NOTE 11 – POST EMPLOYMENT HEALTH CARE PLAN

A. Plan Description

The City's defined benefit OPEB plan provides a single-employer defined benefit health care plan to eligible retirees. The plan offers medical coverage. It is the City's policy to periodically review its medical coverage and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. No assets are acclimated in a trust.

B. Benefits Provided

Benefit provisions are established through negotiations between the City and the unions representing the City employees and are renegotiated each bargaining period. Retired employees receive no retiree benefits except the allowance to continue health insurance that is mandated by Minnesota Law. The Retiree Health Plan does not issue a publicly available financial report.

C. Contributions

Retirees contribute to the health care plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with union representatives. The required contributions are based on projected pay-as-you-go financing requirements. For the year 2020, the City had implicit contributions of \$20,572 to the plan.

D. Members

As of December 31, 2018, the following were covered by the benefit terms:

Retirees electing coverage	19
Actives waiving coverage	8
Active employees	90
Total	117

E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Investment rate of return	N/A
Salary increases	N/A
Inflation	2.50%
Healthcare cost trend increases	6.40% initially, gradually decreasing to an ultimate rate of 4.00% in 2075
Mortality assumption	RP-2014 mortality tables with projected mortality improvements based on scale MP-2017, and other adjustments.

City of Marshall
Notes to Financial Statements

NOTE 11 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

E. Actuarial Assumptions (Continued)

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of an actuarial experience study for the period January 1, 2019 – December 31, 2019.

The discount rate used to measure the total OPEB liability was 2.75% which is equal to the 20 Year Municipal Bond Yield.

F. Total OPEB Liability

The City's total OPEB liability of \$570,799 was measured as of December 31, 2020, and was determined by an actuarial valuation as of December 31, 2019.

	<u>Total OPEB Liability</u>
Balances at January 1, 2020	\$ 491,555
Changes for the year	
Service cost	59,020
Interest	20,045
Changes of assumptions	20,751
Benefit payments	<u>(20,572)</u>
Net changes	<u>79,244</u>
Balances at December 31, 2020	<u>\$ 570,799</u>

Changes of actuarial assumptions and other inputs since the last valuations are as follows:

- The discount rate was changed from 3.71% to 2.75% based on updated 20-year municipal bond rates.

The General Fund typically liquidates the liability related to OPEB.

City of Marshall
Notes to Financial Statements

NOTE 11 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

G. OPEB Liability Sensitivity

The following presents the City's total OPEB liability calculated using the discount rate of 2.75% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

Total OPEB Liability		
1% decrease (1.75%)	Current (2.75%)	1% increase (3.75%)
\$ 618,701	\$ 570,799	\$ 527,079

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower and 1% higher than the current healthcare cost trend rates.

Total OPEB Liability		
1% decrease (5.4% decreasing to 3.0%)	Current (6.4% decreasing to 4.0%)	1% increase (7.4% decreasing to 5.0%)
\$ 508,658	\$ 570,799	\$ 645,462

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the City recognized OPEB expense of \$78,408. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ -
Differences between expected and actual economic experience	-	58,630
Changes of assumptions	53,397	-
Contributions subsequent to the measurement date	20,572	-
Total	\$ 73,969	\$ 58,630

City of Marshall
Notes to Financial Statements

NOTE 11 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB (Continued)**

The \$20,572 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as follows:

Year Ending December 31,	
2021	\$ (657)
2022	(657)
2023	(657)
2024	(657)
2025	(657)
Thereafter	<u>(1,948)</u>
Total	<u>\$ (5,233)</u>

NOTE 12 – COMMITMENTS

At December 31, 2020, the City had outstanding construction contract commitments totaling \$4,469,704 for the Wastewater Improvement Project and the City Hall Renovation.

NOTE 13 – SUBSEQUENT EVENTS

Pursuant to a resolution adopted by the City Council on April 13, 2021, the City authorized the sale of its General Obligation Bonds, Series 2021A, in the amount of \$1,965,000 to finance street reconstruction and bituminous overlays, certain improvements under an approved capital improvement plan, the purchase of items of capital equipment, and other public improvements. The City also authorized the sale of its General Obligation State Aid Bonds, Series 2021B, in the amount of \$2,310,000 to provide financing for state aid improvements in anticipation of the allocation of municipal state aid funds.

NOTE 14 – NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED

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

REQUIRED SUPPLEMENTARY INFORMATION

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City of Marshall
Schedule of Changes in Total OPEB Liability
and Related Ratios

	December 31, 2020	December 31, 2019	December 31, 2018
Total OPEB Liability			
Service cost	\$ 59,020	\$ 53,044	\$ 46,291
Interest	20,045	17,550	17,579
Differences between expected and actual experience	-	(74,431)	-
Changes of assumptions	20,751	29,640	17,186
Benefit payments	(20,572)	(22,807)	(15,171)
Net change in total OPEB liability	<u>79,244</u>	<u>2,996</u>	<u>65,885</u>
Beginning of year	<u>491,555</u>	<u>488,559</u>	<u>422,674</u>
End of year	<u>\$ 570,799</u>	<u>\$ 491,555</u>	<u>\$ 488,559</u>
Covered-employee payroll	\$ 5,045,093	\$ 6,221,055	\$ 7,183,783
Total OPEB liability as a percentage of covered-employee payroll	11.31%	7.90%	6.80%

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

See notes to required supplementary information.

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

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.0770%	\$ 4,616,502	\$ 142,402	\$ 4,758,904	\$ 5,491,880	84.1%	79.1%
2019	0.0755%	4,174,226	129,661	4,303,887	5,340,853	78.2%	80.2%
2018	0.0747%	4,144,050	135,844	4,279,894	5,015,656	85.3%	79.5%
2017	0.0757%	4,832,638	60,786	4,893,424	4,879,197	100.3%	75.9%
2016	0.0708%	5,748,609	75,053	5,823,662	4,394,194	132.5%	68.9%
2015	0.0730%	3,783,239	-	3,783,239	4,221,213	89.6%	78.2%

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

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

For Fiscal Year Ended June 30,	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.1503%	\$ 1,967,588	\$ 46,689	\$ 2,014,277	\$ 1,814,074	111.0%	87.2%
2019	0.1519%	1,596,623	-	1,596,623	1,639,377	97.4%	89.3%
2018	0.1481%	1,578,593	-	1,578,593	1,561,333	101.1%	88.8%
2017	0.1530%	2,065,682	-	2,065,682	1,566,649	131.9%	85.4%
2016	0.1490%	5,979,629	-	5,979,629	1,433,849	417.0%	63.9%
2015	0.1540%	1,749,800	-	1,749,800	1,367,414	128.0%	86.6%

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

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City of Marshall
Schedule of City Contributions
General Employees Retirement Fund
Last Ten Years

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 479,230	\$ 479,230	\$ -	\$ 6,389,733	7.5%
2019	406,453	406,453	-	5,419,373	7.5%
2018	388,137	388,137	-	5,175,154	7.5%
2017	364,044	364,044	-	4,853,924	7.5%
2016	339,038	339,038	-	4,520,504	7.5%
2015	337,463	337,463	-	4,499,507	7.5%

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

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

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 270,285	\$ 270,285	\$ -	\$ 1,527,034	17.70%
2019	277,118	277,118	-	1,634,914	16.95%
2018	260,368	260,368	-	1,607,210	16.20%
2017	254,704	254,704	-	1,572,247	16.20%
2016	229,508	229,508	-	1,416,716	16.20%
2015	240,460	240,460	-	1,484,321	16.20%

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

City of Marshall
Schedule of Changes in Net Pension Liability
and Related Ratios - Fire Relief Association

	2020	2019	2018	2017
Total Pension Liability (TPL)				
Service cost	\$ 116,491	\$ 134,662	\$ 131,058	\$ 138,841
Interest	157,417	165,189	173,655	234,533
Differences between expected and actual experience	-	(69,133)	-	(504,956)
Changes of assumptions	-	64,058	-	(579)
Changes of benefit terms	-	-	-	-
Benefit payments, including refunds or member contributions	(200,478)	-	(867,453)	(656,455)
Net change in total pension liability	<u>73,430</u>	<u>294,776</u>	<u>(562,740)</u>	<u>(788,616)</u>
Beginning of year	<u>2,607,365</u>	<u>2,312,589</u>	<u>2,875,329</u>	<u>3,663,945</u>
End of year	<u>\$ 2,680,795</u>	<u>\$ 2,607,365</u>	<u>\$ 2,312,589</u>	<u>\$ 2,875,329</u>
Plan Fiduciary Net Position (FNP)				
Contributions - State and local	\$ 106,308	\$ 100,826	\$ 108,906	\$ 156,757
Contributions - donations and other income	223	-	8,454	-
Net investment income	330,106	482,227	(147,725)	514,498
Benefit payments, including refunds of member contributions	(200,478)	-	(867,453)	(656,455)
Administrative expense	(9,750)	(9,925)	(9,975)	(9,152)
Other	-	-	-	-
Net change in plan fiduciary net position	<u>226,409</u>	<u>573,128</u>	<u>(907,793)</u>	<u>5,648</u>
Beginning of year	<u>3,221,609</u>	<u>2,648,481</u>	<u>3,556,274</u>	<u>3,550,626</u>
End of year	<u>\$ 3,448,018</u>	<u>\$ 3,221,609</u>	<u>\$ 2,648,481</u>	<u>\$ 3,556,274</u>
Net Pension Liability (NPL)	<u>\$ (767,223)</u>	<u>\$ (614,244)</u>	<u>\$ (335,892)</u>	<u>\$ (680,945)</u>
Plan fiduciary net position as a percentage of the total pension liability	128.6%	123.6%	114.5%	123.7%
Covered employee payroll	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

The City implemented the Provisions of Governmental Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. The schedules within the Required Supplementary Information section required a ten year presentation, but does not require retroactive reporting. Information prior to 2014 is not available.

See notes to required supplementary information.

<u>2016</u>	<u>2015</u>
\$ 151,873	\$ 128,480
206,225	203,955
-	-
(44,795)	34,723
88,384	59,012
<u>(45,890)</u>	<u>(254,609)</u>
<u>355,797</u>	<u>171,561</u>
<u>3,308,148</u>	<u>3,136,587</u>
<u>\$ 3,663,945</u>	<u>\$ 3,308,148</u>

\$ 124,166	\$ 103,127
-	-
269,176	(45,718)
(45,890)	(254,609)
(8,530)	(11,275)
-	-
<u>338,922</u>	<u>(208,475)</u>
<u>3,211,704</u>	<u>3,420,179</u>
<u>\$ 3,550,626</u>	<u>\$ 3,211,704</u>
<u>\$ 113,319</u>	<u>\$ 96,444</u>

96.9%	97.1%
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N/A	N/A
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N/A	N/A
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City of Marshall
Schedule of Employer Contributions
and Non-Employer Contributing
Entities - Fire Relief Association

	2020	2019	2018	2017
Employer				
Statutorily determined contribution (SDC)	\$ -	\$ -	\$ 1,654	\$ 48,227
Contribution made	-	-	(1,654)	(48,227)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution deficiency (excess)				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Non-employer				
2% aid	\$ 104,308	\$ 100,826	\$ 100,252	\$ 101,530

The City implemented the Provisions of Governmental Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. The schedules within the Required Supplementary Information section required a ten year presentation, but does not require retroactive reporting. Information prior to 2014 is not available.

See notes to required supplementary information.

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 21,501	\$ -	\$ 74,423
<u>(21,501)</u>	<u>-</u>	<u>(74,507)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (84)</u>
\$ 100,664	\$ 101,127	\$ 95,892

City of Marshall
Notes to Required Supplementary Information

GENERAL EMPLOYEES FUND

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2018 Changes

Changes in Actuarial Assumptions

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

City of Marshall
Notes to Required Supplementary Information

GENERAL EMPLOYEES FUND (CONTINUED)

2018 Changes Continued)

Changes in Plan Provisions

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

2017 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2016 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

City of Marshall
Notes to Required Supplementary Information

GENERAL EMPLOYEES FUND (CONTINUED)

2015 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

City of Marshall
Notes to Required Supplementary Information

POLICE AND FIRE FUND

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2017 Changes

Changes in Actuarial Assumptions

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

City of Marshall
Notes to Required Supplementary Information

POLICE AND FIRE FUND (CONTINUED)

2017 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

City of Marshall
Notes to Required Supplementary Information

POST EMPLOYMENT HEALTH CARE PLAN

2020 Changes

Changes in Actuarial Assumptions

- The discount rate was changed from 3.71% to 2.75% based on updated 20-year municipal bond rates.

2019 Changes

Changes in Actuarial Assumptions

- The discount rate was changed from 3.31% to 3.71% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations, including an adjustment to reflect the impact of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, retirement, mortality and salary increase rates were updated from the rates used in the 7/1/2016 PERA General Employees Retirement Plan and PERA Police & Fire Plan to the rates used in the 7/1/2018 valuations.
- The percent of future retirees electing medical coverage at retirement changed from 35% to 40% to reflect recent plan experience.
- The percent of retirees electing spouse coverage changed from 20% to 35% to reflect recent plan experience.
- The percent of future non-Medicare eligible retirees electing each medical plan changed to reflect recent plan experience.

2018 Changes

- The discount rate was changed from 3.81% to 3.31%

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SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 4,783,647	\$ 4,783,647	\$ 4,746,308	\$ (37,339)
Lodging tax	175,000	175,000	137,713	(37,287)
Franchise fees	432,100	432,100	334,694	(97,406)
Total taxes	<u>5,390,747</u>	<u>5,390,747</u>	<u>5,218,715</u>	<u>(172,032)</u>
Special assessments	-	-	1,203	1,203
Licenses and permits				
Business	55,290	55,290	11,725	(43,565)
Nonbusiness	236,700	236,700	239,755	3,055
Total licenses and permits	<u>291,990</u>	<u>291,990</u>	<u>251,480</u>	<u>(40,510)</u>
Intergovernmental				
Federal				
Other Federal aid	2,080	2,080	562,602	560,522
State				
Local government aid	2,590,715	2,590,715	2,596,588	5,873
Property tax credits and aids	-	-	137	137
Airport grants	91,027	91,027	10,883	(80,144)
Other State aids	383,590	383,590	478,018	94,428
Total State	<u>3,065,332</u>	<u>3,065,332</u>	<u>3,085,626</u>	<u>20,294</u>
Local				
Other local grants	70,100	70,100	83,756	13,656
Total intergovernmental	<u>3,137,512</u>	<u>3,137,512</u>	<u>3,731,984</u>	<u>594,472</u>
Charges for services				
General government	39,983	39,983	44,108	4,125
Public safety	178,162	178,162	144,966	(33,196)
Public works	1,408,351	1,408,351	1,135,262	(273,089)
Culture and recreation	483,250	483,250	164,128	(319,122)
Miscellaneous	120,000	120,000	129,115	9,115
Total charges for services	<u>2,229,746</u>	<u>2,229,746</u>	<u>1,617,579</u>	<u>(612,167)</u>
Fines and forfeitures	111,450	111,450	77,870	(33,580)
Investment earnings	125,000	125,000	137,228	12,228
Miscellaneous				
Contributions and donations	972,479	972,479	996,009	23,530
Refunds and reimbursements	155,639	155,639	202,151	46,512
Total miscellaneous	<u>1,128,118</u>	<u>1,128,118</u>	<u>1,198,160</u>	<u>70,042</u>
Total revenues	<u>12,414,563</u>	<u>12,414,563</u>	<u>12,234,219</u>	<u>(180,344)</u>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Expenditures				
Current				
General government				
Adult community center				
Personnel services	\$ 145,606	\$ 145,606	\$ 95,574	\$ (50,032)
Supplies	16,900	16,900	6,742	(10,158)
Other services and charges	17,046	17,046	11,284	(5,762)
Total adult community center	<u>179,552</u>	<u>179,552</u>	<u>113,600</u>	<u>(65,952)</u>
Appraising and assessing				
Personnel services	321,792	321,792	320,259	(1,533)
Supplies	1,750	1,750	436	(1,314)
Other services and charges	29,882	29,882	16,393	(13,489)
Total appraising and assessing	<u>353,424</u>	<u>353,424</u>	<u>337,088</u>	<u>(16,336)</u>
Cable commission				
Personnel services	164,144	164,144	165,550	1,406
Supplies	7,200	7,200	10,418	3,218
Other services and charges	11,761	11,761	9,637	(2,124)
Total cable commission	<u>183,105</u>	<u>183,105</u>	<u>185,605</u>	<u>2,500</u>
City administration				
Personnel services	473,101	473,101	491,206	18,105
Supplies	3,900	3,900	9,807	5,907
Other services and charges	69,524	69,524	51,955	(17,569)
Total City administration	<u>546,525</u>	<u>546,525</u>	<u>552,968</u>	<u>6,443</u>
Finance				
Personnel services	360,962	360,962	357,984	(2,978)
Supplies	36,124	36,124	16,967	(19,157)
Other services and charges	50,393	50,393	50,227	(166)
Total finance	<u>447,479</u>	<u>447,479</u>	<u>425,178</u>	<u>(22,301)</u>
General community development				
Supplies	167,450	167,450	123,987	(43,463)
Other services and charges	60,341	60,341	131,025	70,684
Total general community development	<u>227,791</u>	<u>227,791</u>	<u>255,012</u>	<u>27,221</u>
Information technology				
Supplies	26,589	26,589	22,257	(4,332)
Other services and charges	171,537	171,537	102,511	(69,026)
Total information technology	<u>198,126</u>	<u>198,126</u>	<u>124,768</u>	<u>(73,358)</u>
Legal				
Supplies	500	500	140	(360)
Other services and charges	130,954	130,954	133,698	2,744
Total legal	<u>131,454</u>	<u>131,454</u>	<u>133,838</u>	<u>2,384</u>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Expenditures (continued)				
Current (continued)				
General government (continued)				
Mayor and Council				
Personnel services	\$ 54,322	\$ 54,322	\$ 49,684	\$ (4,638)
Supplies	21,700	21,700	12,516	(9,184)
Other services and charges	132,342	132,342	186,614	54,272
Total Mayor and Council	<u>208,364</u>	<u>208,364</u>	<u>248,814</u>	<u>40,450</u>
Municipal building maintenance				
Personnel services	187,123	187,123	196,410	9,287
Supplies	22,550	22,550	15,825	(6,725)
Other services and charges	60,733	60,733	16,851	(43,882)
Total building maintenance	<u>270,406</u>	<u>270,406</u>	<u>229,086</u>	<u>(41,320)</u>
Total general government	<u>2,746,226</u>	<u>2,746,226</u>	<u>2,605,957</u>	<u>(140,269)</u>
Public safety				
Animal impoundment				
Personnel services	25,704	25,704	28,444	2,740
Supplies	4,997	4,997	772	(4,225)
Other services and charges	7,008	7,008	4,116	(2,892)
Total animal impoundment	<u>37,709</u>	<u>37,709</u>	<u>33,332</u>	<u>(4,377)</u>
Chemical assessment team				
Personnel services	25,837	25,837	19,712	(6,125)
Supplies	20,262	20,262	20,965	703
Other services and charges	13,901	13,901	25,007	11,106
Total chemical assessment team	<u>60,000</u>	<u>60,000</u>	<u>65,684</u>	<u>5,684</u>
Emergency management services				
Supplies	2,500	2,500	21,517	19,017
Other services and charges	7,658	7,658	8,141	483
Total emergency management services	<u>10,158</u>	<u>10,158</u>	<u>29,658</u>	<u>19,500</u>
Fire services				
Personnel services	223,447	223,447	244,812	21,365
Supplies	105,600	105,600	113,733	8,133
Other services and charges	329,294	329,294	336,615	7,321
Total fire services	<u>658,341</u>	<u>658,341</u>	<u>695,160</u>	<u>36,819</u>
Police administration				
Personnel services	2,788,602	2,788,602	2,791,362	2,760
Supplies	146,297	146,297	72,634	(73,663)
Other services and charges	346,925	346,925	283,815	(63,110)
Total police administration	<u>3,281,824</u>	<u>3,281,824</u>	<u>3,147,811</u>	<u>(134,013)</u>
Total public safety	<u>4,048,032</u>	<u>4,048,032</u>	<u>3,971,645</u>	<u>(76,387)</u>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Expenditures (continued)				
Current (continued)				
Public works				
Community planning				
Personnel services	\$ 474,876	\$ 474,876	\$ 444,820	\$ (30,056)
Supplies	26,100	26,100	18,819	(7,281)
Other services and charges	25,749	25,749	32,754	7,005
Total community planning	<u>526,725</u>	<u>526,725</u>	<u>496,393</u>	<u>(30,332)</u>
Engineering				
Personnel services	746,300	746,300	863,689	117,389
Supplies	28,550	28,550	35,003	6,453
Other services and charges	40,265	40,265	29,133	(11,132)
Total engineering	<u>815,115</u>	<u>815,115</u>	<u>927,825</u>	<u>112,710</u>
Street administration				
Personnel services	832,516	832,516	829,129	(3,387)
Supplies	463,800	463,800	470,361	6,561
Other services and charges	103,974	103,974	85,045	(18,929)
Total street administration	<u>1,400,290</u>	<u>1,400,290</u>	<u>1,384,535</u>	<u>(15,755)</u>
Street lighting				
Other services and charges	277,316	277,316	277,316	-
Total street lighting	<u>277,316</u>	<u>277,316</u>	<u>277,316</u>	<u>-</u>
Total public works	<u>3,019,446</u>	<u>3,019,446</u>	<u>3,086,069</u>	<u>66,623</u>
Culture and recreation				
Aquatic center				
Personnel services	118,111	118,111	72,818	(45,293)
Supplies	76,600	76,600	30,350	(46,250)
Other services and charges	63,941	63,941	37,409	(26,532)
Total aquatic center	<u>258,652</u>	<u>258,652</u>	<u>140,577</u>	<u>(118,075)</u>
Community education				
Personnel services	137,201	137,201	93,717	(43,484)
Supplies	27,000	27,000	19,519	(7,481)
Other services and charges	17,450	17,450	6,265	(11,185)
Total community education	<u>181,651</u>	<u>181,651</u>	<u>119,501</u>	<u>(62,150)</u>
Community services administration				
Personnel services	327,882	327,882	312,472	(15,410)
Supplies	15,500	15,500	10,403	(5,097)
Other services and charges	54,319	54,319	27,700	(26,619)
Total community services administration	<u>397,701</u>	<u>397,701</u>	<u>350,575</u>	<u>(47,126)</u>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Expenditures (continued)				
Current (continued)				
Culture and recreation (continued)				
Library				
Other services and charges	\$ 655,134	\$ 655,134	\$ 655,134	\$ -
Community services youth activities				
Personnel services	15,304	15,304	3,456	(11,848)
Supplies	1,600	1,600	497	(1,103)
Other services and charges	8,500	8,500	-	(8,500)
Total community services youth activities	<u>25,404</u>	<u>25,404</u>	<u>3,953</u>	<u>(21,451)</u>
Municipal band				
Personnel services	11,603	11,603	314	(11,289)
Other services and charges	202	202	143	(59)
Total municipal band	<u>11,805</u>	<u>11,805</u>	<u>457</u>	<u>(11,348)</u>
Park maintenance and development				
Personnel services	439,706	439,706	403,003	(36,703)
Supplies	278,880	278,880	297,023	18,143
Other services and charges	95,646	95,646	84,030	(11,616)
Total park maintenance and development	<u>814,232</u>	<u>814,232</u>	<u>784,056</u>	<u>(30,176)</u>
Recreation				
Personnel services	182,688	182,688	113,726	(68,962)
Supplies	44,000	44,000	11,963	(32,037)
Other services and charges	24,900	24,900	17,370	(7,530)
Total recreation	<u>251,588</u>	<u>251,588</u>	<u>143,059</u>	<u>(108,529)</u>
Total culture and recreation	<u>2,596,167</u>	<u>2,596,167</u>	<u>2,197,312</u>	<u>(398,855)</u>
Airport				
Personnel services	254,567	254,567	284,434	29,867
Supplies	77,823	77,823	73,318	(4,505)
Other services and charges	164,176	164,176	142,944	(21,232)
Total airport	<u>496,566</u>	<u>496,566</u>	<u>500,696</u>	<u>4,130</u>
Total current	<u>12,906,437</u>	<u>12,906,437</u>	<u>12,361,679</u>	<u>(544,758)</u>
Total expenditures	<u>12,906,437</u>	<u>12,906,437</u>	<u>12,361,679</u>	<u>(544,758)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(491,874)</u>	<u>(491,874)</u>	<u>(127,460)</u>	<u>364,414</u>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Other Financing Sources				
Transfers in	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Net change in fund balances	<u>\$ (191,874)</u>	<u>\$ (191,874)</u>	172,540	<u>\$ 364,414</u>
Fund Balance				
Beginning of year			<u>7,239,435</u>	
End of year			<u>\$ 7,411,975</u>	

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

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total
Assets			
Cash and temporary investments	\$ 7,260,059	\$ 3,855,377	\$ 11,115,436
Receivables			
Interest	8,585	4,249	12,834
Delinquent taxes	-	15,986	15,986
Accounts	20,787	84,421	105,208
Notes	32,180	-	32,180
Special assessments	-	431,698	431,698
Intergovernmental	380,202	214,462	594,664
Due from other funds	673,946	1,690	675,636
Due from component units	167,613	-	167,613
Prepaid items	35,749	-	35,749
Total assets	<u>\$ 8,579,121</u>	<u>\$ 4,607,883</u>	<u>\$ 13,187,004</u>
Liabilities			
Accounts payable	\$ 38,513	\$ 14,760	\$ 53,273
Due to other funds	-	522,035	522,035
Due to component unit	8,771	7,757	16,528
Due to other governments	9,503	-	9,503
Accrued salaries payable	35,300	-	35,300
Total liabilities	<u>92,087</u>	<u>544,552</u>	<u>636,639</u>
Deferred Inflows of Resources			
Unavailable revenue - taxes	-	15,986	15,986
Unavailable revenue - special assessments	-	431,698	431,698
Total Deferred Inflows of Resources	<u>-</u>	<u>447,684</u>	<u>447,684</u>
Fund Balances			
Nonspendable			
Prepaid items	35,749	-	35,749
Restricted for			
Debt service	317,153	-	317,153
City celebrations	18,425	-	18,425
Economic development	2,151,375	-	2,151,375
Tax increment financing	4,361,185	-	4,361,185
Capital projects	-	241,872	241,872
Operations - Arena and MERIT	970,686	-	970,686
Library	84,823	-	84,823
Assigned for			
Staff separation	109,273	-	109,273
Library operations	92,137	-	92,137
Economic development	83,236	-	83,236
Capital projects	-	3,340,924	3,340,924
Driver education	61,934	-	61,934
ASC Arena	31,051	-	31,051
Park improvements	-	35,854	35,854
Emergency response and industrial training center	170,007	-	170,007
Unassigned	-	(3,003)	(3,003)
Total fund balances	<u>8,487,034</u>	<u>3,615,647</u>	<u>12,102,681</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,579,121</u>	<u>\$ 4,607,883</u>	<u>\$ 13,187,004</u>

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

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total
Revenues			
Taxes	\$ 2,369,987	\$ 683,121	\$ 3,053,108
Intergovernmental	1,136,833	828,574	1,965,407
Charges for services	292,666	8,855	301,521
Fines and forfeitures	4,254	-	4,254
Special assessments	-	113,791	113,791
Investment earnings	78,578	34,948	113,526
Other revenues	39,198	79,736	118,934
Total revenues	<u>3,921,516</u>	<u>1,749,025</u>	<u>5,670,541</u>
Expenditures			
Current			
General government	721	34,174	34,895
Public safety	146,873	10,863	157,736
Public works	-	34,889	34,889
Culture and recreation	1,788,690	18,643	1,807,333
Economic development	1,141,331	-	1,141,331
Airport	-	46,256	46,256
Capital outlay			
General government	-	13,840	13,840
Public safety	-	540,321	540,321
Public works	-	1,072,701	1,072,701
Culture and recreation	163,117	272,446	435,563
Airport	-	266,478	266,478
Debt service			
Interest and other	-	9,943	9,943
Total expenditures	<u>3,240,732</u>	<u>2,320,554</u>	<u>5,561,286</u>
Excess (Deficiency) of revenues over (under) expenditures	680,784	(571,529)	109,255
Other Financing Sources (Uses)			
Sale of capital assets	-	103,137	103,137
Transfers in	864,192	390,579	1,254,771
Bonds issued	-	360,000	360,000
Premium on bonds issued	-	22,255	22,255
Transfers out	(2,697,208)	(2,322,178)	(5,019,386)
Total other financing sources (uses)	<u>(1,833,016)</u>	<u>(1,446,207)</u>	<u>(3,279,223)</u>
Net change in fund balances	(1,152,232)	(2,017,736)	(3,169,968)
Fund Balances January 1, restated	<u>9,639,266</u>	<u>5,633,383</u>	<u>15,272,649</u>
Fund Balances, December 31	<u>\$ 8,487,034</u>	<u>\$ 3,615,647</u>	<u>\$ 12,102,681</u>

City of Marshall
Combining Balance Sheet -
Nonmajor Special Revenue Funds
December 31, 2020

	Marshall - Lyon County Library (211)	Marshall Celebrations (215)	Small Cities Development Program (220)	2018 Small Cities Development Program (221)
Assets				
Cash and temporary investments	\$ 327,954	\$ 18,402	\$ 78,156	\$ 35,718
Receivables				
Interest	380	23	95	183
Accounts	-	-	377	9,425
Notes	2,500	-	4,612	25,068
Intergovernmental	-	-	-	-
Due from other funds	-	-	-	-
Due from component units	-	-	-	-
Prepaid items	5,064	-	-	-
Total assets	<u>\$ 335,898</u>	<u>\$ 18,425</u>	<u>\$ 83,240</u>	<u>\$ 70,394</u>
Liabilities				
Accounts payable	20,759	-	4	60
Due to component unit	2,847	-	-	-
Due to other governments	23	-	-	-
Accrued salaries payable	20,972	-	-	-
Total liabilities	<u>44,601</u>	<u>-</u>	<u>4</u>	<u>60</u>
Fund Balances				
Nonspendable				
Prepaid items	5,064	-	-	-
Restricted				
Debt service	-	-	-	-
City celebrations	-	18,425	-	-
Economic development	-	-	-	70,334
Tax increment financing	-	-	-	-
Operations - Arena and MERIT	-	-	-	-
Library	84,823	-	-	-
Assigned				
Staff separation	109,273	-	-	-
Library operations	92,137	-	-	-
Economic development	-	-	83,236	-
Driver education	-	-	-	-
ASC Arena	-	-	-	-
Emergency response and industrial training center	-	-	-	-
Total fund balances	<u>291,297</u>	<u>18,425</u>	<u>83,236</u>	<u>70,334</u>
Total liabilities and fund balances	<u>\$ 335,898</u>	<u>\$ 18,425</u>	<u>\$ 83,240</u>	<u>\$ 70,394</u>

Tax Increment Financing (230)	Community Education Drivers Training (240)	Sales / Lodging Tax (256)	ASC Arena (258)	Emergency Response and Industrial Training Center (270)	Endowment - Avera / WMMC (280)	Total
\$ 3,526,074	\$ 71,299	\$ 909,713	\$ 42,716	\$ 168,986	\$ 2,081,041	\$ 7,260,059
5,234	100	2,339	39	192	-	8,585
-	-	4,985	6,000	-	-	20,787
-	-	-	-	-	-	32,180
-	-	370,802	3,150	6,250	-	380,202
673,946	-	-	-	-	-	673,946
167,074	-	-	-	539	-	167,613
-	-	-	21,401	9,284	-	35,749
<u>\$ 4,372,328</u>	<u>\$ 71,399</u>	<u>\$ 1,287,839</u>	<u>\$ 73,306</u>	<u>\$ 185,251</u>	<u>\$ 2,081,041</u>	<u>\$ 8,579,121</u>
11,058	-	-	4,466	2,166	-	38,513
85	-	-	5,157	682	-	8,771
-	9,465	-	-	15	-	9,503
-	-	-	11,231	3,097	-	35,300
<u>11,143</u>	<u>9,465</u>	<u>-</u>	<u>20,854</u>	<u>5,960</u>	<u>-</u>	<u>92,087</u>
-	-	-	21,401	9,284	-	35,749
-	-	317,153	-	-	-	317,153
-	-	-	-	-	-	18,425
-	-	-	-	-	2,081,041	2,151,375
4,361,185	-	-	-	-	-	4,361,185
-	-	970,686	-	-	-	970,686
-	-	-	-	-	-	84,823
-	-	-	-	-	-	109,273
-	-	-	-	-	-	92,137
-	-	-	-	-	-	83,236
-	61,934	-	-	-	-	61,934
-	-	-	31,051	-	-	31,051
-	-	-	-	170,007	-	170,007
<u>4,361,185</u>	<u>61,934</u>	<u>1,287,839</u>	<u>52,452</u>	<u>179,291</u>	<u>2,081,041</u>	<u>8,487,034</u>
<u>\$ 4,372,328</u>	<u>\$ 71,399</u>	<u>\$ 1,287,839</u>	<u>\$ 73,306</u>	<u>\$ 185,251</u>	<u>\$ 2,081,041</u>	<u>\$ 8,579,121</u>

City of Marshall
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Special Revenue Funds
December 31, 2020

	Marshall - Lyon County Library (211)	Marshall Celebrations (215)	Small Cities Development Program (220)	2018 Small Cities Development Program (221)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	991,488	-	-	125,209
Charges for services	2,691	-	-	-
Fines and forfeitures	4,254	-	-	-
Investment earnings	2,715	166	887	1,824
Other revenues	32,052	-	-	-
Total Revenues	<u>1,033,200</u>	<u>166</u>	<u>887</u>	<u>127,033</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	1,016,868	-	-	-
Economic development	-	-	69	426,009
Capital outlay				
Culture and recreation	6,412	-	-	-
Total Expenditures	<u>1,023,280</u>	<u>-</u>	<u>69</u>	<u>426,009</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>9,920</u>	<u>166</u>	<u>818</u>	<u>(298,976)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	61,000
Transfers out	-	-	(61,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(61,000)</u>	<u>61,000</u>
Net change in fund balances	9,920	166	(60,182)	(237,976)
Fund Balances, January 1	<u>281,377</u>	<u>18,259</u>	<u>143,418</u>	<u>308,310</u>
Fund Balances, December 31	<u>\$ 291,297</u>	<u>\$ 18,425</u>	<u>\$ 83,236</u>	<u>\$ 70,334</u>

Tax Increment Financing (230)	Community Education Drivers Training (240)	Sales / Lodging Tax (256)	ASC Arena (258)	Emergency Response and Industrial Training Center (270)	Endowment - Avera / WMMC (280)	Totals
\$ 361,523	\$ -	\$ 2,008,464	\$ -	\$ -	\$ -	\$ 2,369,987
-	-	-	4,004	16,132	-	1,136,833
-	58,240	-	181,540	50,195	-	292,666
-	-	-	-	-	-	4,254
(16,375)	737	15,917	543	1,266	70,898	78,578
-	-	-	5,384	1,762	-	39,198
<u>345,148</u>	<u>58,977</u>	<u>2,024,381</u>	<u>191,471</u>	<u>69,355</u>	<u>70,898</u>	<u>3,921,516</u>
-	-	721	-	-	-	721
-	-	-	-	146,873	-	146,873
-	59,359	-	712,463	-	-	1,788,690
715,253	-	-	-	-	-	1,141,331
-	-	-	156,705	-	-	163,117
<u>715,253</u>	<u>59,359</u>	<u>721</u>	<u>869,168</u>	<u>146,873</u>	<u>-</u>	<u>3,240,732</u>
<u>(370,105)</u>	<u>(382)</u>	<u>2,023,660</u>	<u>(677,697)</u>	<u>(77,518)</u>	<u>70,898</u>	<u>680,784</u>
-	-	-	610,692	162,500	30,000	864,192
(361,670)	-	(2,233,192)	-	-	(41,346)	(2,697,208)
(361,670)	-	(2,233,192)	610,692	162,500	(11,346)	(1,833,016)
(731,775)	(382)	(209,532)	(67,005)	84,982	59,552	(1,152,232)
<u>5,092,960</u>	<u>62,316</u>	<u>1,497,371</u>	<u>119,457</u>	<u>94,309</u>	<u>2,021,489</u>	<u>9,639,266</u>
<u>\$ 4,361,185</u>	<u>\$ 61,934</u>	<u>\$ 1,287,839</u>	<u>\$ 52,452</u>	<u>\$ 179,291</u>	<u>\$ 2,081,041</u>	<u>\$ 8,487,034</u>

City of Marshall
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Marshall - Lyon County Library
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Intergovernmental	\$ 982,656	\$ 982,656	\$ 991,488	\$ 8,832
Charges for services	1,500	1,500	2,691	1,191
Fines and forfeitures	7,500	7,500	4,254	(3,246)
Investment earnings	750	750	2,715	1,965
Miscellaneous	20,800	20,800	32,052	11,252
Total revenues	1,013,206	1,013,206	1,033,200	19,994
Expenditures				
Current				
Culture and recreation	1,023,366	1,023,366	1,016,868	(6,498)
Capital outlay				
Culture and recreation	-	-	6,412	6,412
Total expenditures	1,023,366	1,023,366	1,023,280	(86)
Excess of revenues over (under) expenditures	\$ (10,160)	\$ (10,160)	9,920	\$ 20,080
Fund Balance				
Beginning of year			281,377	
End of year			\$ 291,297	

City of Marshall
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Tax Increment Financing
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 305,000	\$ 305,000	\$ 361,523	\$ 56,523
Investment earnings	15,000	15,000	(16,375)	(31,375)
Total revenues	<u>320,000</u>	<u>320,000</u>	<u>345,148</u>	<u>25,148</u>
Expenditures				
Current				
Economic development	<u>79,307</u>	<u>79,307</u>	<u>715,253</u>	<u>635,946</u>
Excess of revenues over expenditures	<u>240,693</u>	<u>240,693</u>	<u>(370,105)</u>	<u>(610,798)</u>
Other Financing Uses				
Transfers out	<u>(566,500)</u>	<u>(566,500)</u>	<u>(361,670)</u>	<u>204,830</u>
Net change in fund balances	<u>\$ (325,807)</u>	<u>\$ (325,807)</u>	<u>(731,775)</u>	<u>\$ (405,968)</u>
Fund Balance				
Beginning of year			<u>5,092,960</u>	
End of year			<u>\$ 4,361,185</u>	

See notes to financial statements.

City of Marshall
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Community Education Drivers Training
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Charges for services	\$ 53,000	\$ 53,000	\$ 58,240	\$ 5,240
Investment earnings	-	-	737	737
Total revenues	<u>53,000</u>	<u>53,000</u>	<u>58,977</u>	<u>5,977</u>
Expenditures				
Current				
Culture and recreation	<u>56,800</u>	<u>56,800</u>	<u>59,359</u>	<u>2,559</u>
Excess of revenues under expenditures	<u>\$ (3,800)</u>	<u>\$ (3,800)</u>	(382)	<u>\$ 3,418</u>
Fund Balance				
Beginning of year			<u>62,316</u>	
End of year			<u>\$ 61,934</u>	

City of Marshall
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Sales / Lodging Tax
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 2,067,594	\$ 2,067,594	\$ 2,008,464	\$ (59,130)
Investment earnings	1,000	1,000	15,917	14,917
Total revenues	<u>2,068,594</u>	<u>2,068,594</u>	<u>2,024,381</u>	<u>(44,213)</u>
Expenditures				
Current				
General government	-	-	721	721
Excess of revenues over expenditures	2,068,594	2,068,594	2,023,660	(44,934)
Other Financing Sources				
Transfers out	<u>(2,133,192)</u>	<u>(2,133,192)</u>	<u>(2,233,192)</u>	<u>(100,000)</u>
Net change in fund balances	<u>\$ (64,598)</u>	<u>\$ (64,598)</u>	(209,532)	<u>\$ (144,934)</u>
Fund Balance				
Beginning of year			<u>1,497,371</u>	
End of year			<u>\$ 1,287,839</u>	

City of Marshall
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - ASC Arena
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Charges for services	\$ 204,000	\$ 204,000	\$ 185,544	\$ (18,456)
Investment earnings	500	500	543	43
Miscellaneous	-	-	5,384	5,384
Total revenues	<u>204,500</u>	<u>204,500</u>	<u>191,471</u>	<u>(13,029)</u>
Expenditures				
Current				
Culture and recreation	711,502	711,502	712,463	961
Capital outlay				
Culture and recreation	<u>130,000</u>	<u>130,000</u>	<u>156,705</u>	<u>26,705</u>
Total expenditures	<u>841,502</u>	<u>841,502</u>	<u>869,168</u>	<u>27,666</u>
Excess of revenues (under) expenditures	(637,002)	(637,002)	(677,697)	(40,695)
Other Financing Sources				
Transfers in	<u>510,692</u>	<u>510,692</u>	<u>610,692</u>	<u>100,000</u>
Net change in fund balances	<u>\$ (126,310)</u>	<u>\$ (126,310)</u>	(67,005)	<u>\$ 59,305</u>
Fund Balance				
Beginning of year			<u>119,457</u>	
End of year			<u>\$ 52,452</u>	

City of Marshall
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Emergency Response and Industrial Training Center
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 16,132	\$ 16,132
Charges for services	25,000	25,000	50,195	25,195
Investment earnings	500	500	1,266	766
Miscellaneous	-	-	1,762	1,762
Total revenues	<u>25,500</u>	<u>25,500</u>	<u>69,355</u>	<u>43,855</u>
Expenditures				
Current				
Public safety	<u>187,815</u>	<u>187,815</u>	<u>146,873</u>	<u>(40,942)</u>
Excess of revenues over (under) expenditures	(162,315)	(162,315)	(77,518)	84,797
Other Financing Sources				
Transfers in	<u>162,500</u>	<u>162,500</u>	<u>162,500</u>	<u>-</u>
Net change in fund balances	<u>\$ 185</u>	<u>\$ 185</u>	84,982	<u>\$ 84,797</u>
Fund Balance				
Beginning of year			<u>94,309</u>	
End of year			<u>\$ 179,291</u>	

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City of Marshall
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Endowment Avera / WMMC
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Investment earnings	\$ 15,000	\$ 15,000	\$ 70,898	\$ 55,898
Other Financing Sources (Uses)				
Transfers in	-	-	30,000	30,000
Transfers out	(78,500)	(78,500)	(41,346)	37,154
Total other financing sources (uses)	(78,500)	(78,500)	(11,346)	67,154
Net change in fund balances	<u>\$ (63,500)</u>	<u>\$ (63,500)</u>	59,552	<u>\$ 123,052</u>
Fund Balance				
Beginning of year			<u>2,021,489</u>	
End of year			<u>\$ 2,081,041</u>	

City of Marshall
Combining Balance Sheet -
Nonmajor Capital Project Funds
December 31, 2020

	Municipal State Aid (103)	Marshall Industrial Park (260)	Capital Equipment (401)	SMASC Ball Parks (413)
Assets				
Cash and temporary investments	\$ 524,828	\$ 1,135,828	\$ 796,091	\$ -
Receivables				
Interest	652	1,417	894	-
Delinquent taxes	-	-	12,522	-
Accounts	-	-	84,421	-
Special assessments				
Delinquent	-	-	-	-
Noncurrent	-	47,586	-	-
Intergovernmental	-	-	213,555	-
Due from other funds	-	-	-	-
	<u>525,480</u>	<u>1,184,831</u>	<u>1,107,483</u>	<u>-</u>
Total assets	<u>\$ 525,480</u>	<u>\$ 1,184,831</u>	<u>\$ 1,107,483</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ 50	\$ 1,478	\$ 11,919	\$ -
Due to other funds	-	-	135,000	-
Due to component unit	-	7,694	-	-
Total liabilities	<u>50</u>	<u>9,172</u>	<u>146,919</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	12,522	-
Unavailable revenue - special assessments	-	47,586	-	-
Total deferred inflows of resources	-	47,586	12,522	-
Fund Balances				
Restricted				
Capital projects	126,253	-	115,619	-
Assigned				
Capital projects	399,177	1,128,073	832,423	-
Park improvements	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>525,430</u>	<u>1,128,073</u>	<u>948,042</u>	<u>-</u>
	<u>\$ 525,480</u>	<u>\$ 1,184,831</u>	<u>\$ 1,107,483</u>	<u>\$ -</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 525,480</u>	<u>\$ 1,184,831</u>	<u>\$ 1,107,483</u>	<u>\$ -</u>

Park Improvements (423)	2013 Amateur Sports Center (456)	2017 Public Improvements (462)	2021 Public Improvements (479)	MERIT Track Expansion (493)	Public Improvement Revolving (495)	Totals
\$ 35,731	\$ -	\$ -	\$ -	\$ -	\$ 1,362,899	\$ 3,855,377
123	-	-	-	-	1,163	4,249
-	-	-	-	-	3,464	15,986
-	-	-	-	-	-	84,421
-	-	-	-	-	480	480
-	-	-	-	-	383,632	431,218
-	-	-	-	-	907	214,462
-	-	-	-	-	1,690	1,690
<u>\$ 35,854</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,754,235</u>	<u>\$ 4,607,883</u>
\$ -	\$ -	\$ -	\$ 1,313	\$ -	\$ -	\$ 14,760
-	-	-	1,690	-	385,345	522,035
-	-	-	-	-	63	7,757
-	-	-	3,003	-	385,408	544,552
-	-	-	-	-	3,464	15,986
-	-	-	-	-	384,112	431,698
-	-	-	-	-	387,576	447,684
-	-	-	-	-	-	241,872
-	-	-	-	-	981,251	3,340,924
35,854	-	-	-	-	-	35,854
-	-	-	(3,003)	-	-	(3,003)
<u>35,854</u>	<u>-</u>	<u>-</u>	<u>(3,003)</u>	<u>-</u>	<u>981,251</u>	<u>3,615,647</u>
<u>\$ 35,854</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,754,235</u>	<u>\$ 4,607,883</u>

City of Marshall
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Capital Project Funds
December 31, 2020

	Municipal State Aid (103)	Marshall Industrial Park (260)	Capital Equipment (401)	SMASC Ball Parks (413)
Revenues				
Taxes	\$ -	\$ -	\$ 435,618	\$ -
Special assessments	-	8,158	-	-
Intergovernmental	-	-	371,205	-
Charges for services	-	8,855	-	-
Investment earnings	4,718	8,362	6,758	-
Other revenues	-	-	4,105	-
Total Revenues	<u>4,718</u>	<u>25,375</u>	<u>817,686</u>	<u>-</u>
Expenditures				
Current				
General government	-	23,061	11,113	-
Public safety	-	-	10,863	-
Public works	50	-	22,578	-
Culture and recreation	-	-	3,870	-
Airport	-	-	46,256	-
Capital outlay				
General government	-	-	13,840	-
Public safety	-	-	423,842	-
Public works	-	-	467,647	-
Culture and recreation	-	-	79,699	-
Airport	-	-	266,478	-
Debt service				
Interest and other	-	-	9,943	-
Total Expenditures	<u>50</u>	<u>23,061</u>	<u>1,356,129</u>	<u>-</u>
Excess (Deficiency) of revenues over (under) expenditures	4,668	2,314	(538,443)	-
Other Financing Sources (Uses)				
Sale of capital assets	-	18,870	84,267	-
Transfers in	-	-	-	390,579
Bonds issued	-	-	360,000	-
Premium on bonds issued	-	-	22,255	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>18,870</u>	<u>466,522</u>	<u>390,579</u>
Net change in fund balances	4,668	21,184	(71,921)	390,579
Fund Balances, January 1	<u>520,762</u>	<u>1,106,889</u>	<u>1,019,963</u>	<u>(390,579)</u>
Fund Balances, December 31	<u>\$ 525,430</u>	<u>\$ 1,128,073</u>	<u>\$ 948,042</u>	<u>\$ -</u>

Park Improvements (423)	2013 Amateur Sports Center (456)	2017 Public Improvements (462)	2021 Public Improvements (479)	MERIT Track Expansion (493)	Public Improvement Revolving (495)	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 247,503	\$ 683,121
-	-	-	-	-	105,633	113,791
-	-	270,359	-	172,010	15,000	828,574
-	-	-	-	-	-	8,855
1,034	3,481	299	-	-	10,296	34,948
75,168	-	-	-	-	463	79,736
<u>76,202</u>	<u>3,481</u>	<u>270,658</u>	<u>-</u>	<u>172,010</u>	<u>378,895</u>	<u>1,749,025</u>
-	-	-	-	-	-	34,174
-	-	-	-	-	-	10,863
-	-	-	-	-	12,261	34,889
248	14,525	-	-	-	-	18,643
-	-	-	-	-	-	46,256
-	-	-	-	-	-	13,840
-	-	-	-	116,479	-	540,321
-	-	-	3,003	-	602,051	1,072,701
192,747	-	-	-	-	-	272,446
-	-	-	-	-	-	266,478
-	-	-	-	-	-	9,943
<u>192,995</u>	<u>14,525</u>	<u>-</u>	<u>3,003</u>	<u>116,479</u>	<u>614,312</u>	<u>2,320,554</u>
(116,793)	(11,044)	270,658	(3,003)	55,531	(235,417)	(571,529)
-	-	-	-	-	-	103,137
-	-	-	-	-	-	390,579
-	-	-	-	-	-	360,000
-	-	-	-	-	-	22,255
<u>(30,000)</u>	<u>(1,619,625)</u>	<u>(672,553)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,322,178)</u>
<u>(30,000)</u>	<u>(1,619,625)</u>	<u>(672,553)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,446,207)</u>
(146,793)	(1,630,669)	(401,895)	(3,003)	55,531	(235,417)	(2,017,736)
<u>182,647</u>	<u>1,630,669</u>	<u>401,895</u>	<u>-</u>	<u>(55,531)</u>	<u>1,216,668</u>	<u>5,633,383</u>
<u>\$ 35,854</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,003)</u>	<u>\$ -</u>	<u>\$ 981,251</u>	<u>\$ 3,615,647</u>

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City of Marshall
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Capital Equipment
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 450,000	\$ 450,000	\$ 435,618	\$ (14,382)
Intergovernmental	157,500	157,500	371,205	213,705
Investment earnings	-	-	6,758	6,758
Miscellaneous	-	-	4,105	4,105
Total revenues	<u>607,500</u>	<u>607,500</u>	817,686	210,186
Expenditures				
Current				
General government	-	-	11,113	11,113
Public safety	-	-	10,863	10,863
Public works	-	-	22,578	22,578
Culture and recreation	-	-	3,870	3,870
Airport	-	-	46,256	46,256
Capital outlay				
General government	8,250	8,250	13,840	5,590
Public safety	235,200	235,200	423,842	188,642
Public works	80,500	80,500	467,647	387,147
Culture and recreation	43,300	43,300	79,699	36,399
Airport	234,000	234,000	266,478	32,478
Debt service				
Interest and other charges	-	-	9,943	9,943
Total expenditures	<u>601,250</u>	<u>601,250</u>	<u>1,356,129</u>	<u>754,879</u>
Excess of revenues over (under) expenditures	<u>\$ 6,250</u>	<u>\$ 6,250</u>	(538,443)	<u>\$ (544,693)</u>
Other Financing Sources				
Sale of capital assets	-	-	84,267	84,267
Bonds issued	-	-	360,000	360,000
Premium on bonds issued	-	-	22,255	22,255
Total other financing sources	<u>-</u>	<u>-</u>	<u>466,522</u>	<u>466,522</u>
Net change in fund balances	<u>\$ 6,250</u>	<u>\$ 6,250</u>	(71,921)	<u>\$ (78,171)</u>
Fund Balance				
Beginning of year			<u>1,019,963</u>	
End of year			<u>\$ 948,042</u>	

**City of Marshall
Combining Balance Sheet -
Debt Service Funds
December 31, 2020**

	Marshall - Lyon County Library Debt (321)	2014B MERIT / SMASC (322)	2015A Bond (325)	2015 Public Improvement Bonds (359)
Assets				
Cash and temporary investments	\$ 129,441	\$ 1,252,762	\$ 56,247	\$ 60,279
Receivables				
Interest	116	-	43	139
Delinquent taxes	1,411	-	1,693	1,699
Special assessments				
Current	-	-	-	1,220
Delinquent	-	-	-	2,467
Deferred	-	-	-	276,467
Intergovernmental	176	-	220	206
	<u>\$ 131,144</u>	<u>\$ 1,252,762</u>	<u>\$ 58,203</u>	<u>\$ 342,477</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	\$ 1,411	\$ -	\$ 1,693	\$ 1,699
Unavailable revenue - special assessments	-	-	-	278,934
Total deferred inflows of resources	<u>1,411</u>	<u>-</u>	<u>1,693</u>	<u>280,633</u>
Fund Balances				
Restricted for				
Debt service	129,733	1,252,762	56,510	61,844
Total fund balances	<u>129,733</u>	<u>1,252,762</u>	<u>56,510</u>	<u>61,844</u>
	<u>\$ 131,144</u>	<u>\$ 1,252,762</u>	<u>\$ 58,203</u>	<u>\$ 342,477</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 131,144</u>	<u>\$ 1,252,762</u>	<u>\$ 58,203</u>	<u>\$ 342,477</u>

2016B G.O. Various Purpose Bonds (360)	2017A Public Improvement Bonds (362)	2010 Public Improvement Bonds (368)	2011 Public Improvement Bonds (369)	2011A G.O. Tax Increment Bonds (370)
\$ 501,069	\$ 166,997	\$ -	\$ 95,800	\$ 669,769
508	125	-	64	691
8,395	4,179	-	2,844	6
602	-	-	-	938
2,266	-	-	1,025	-
297,788	-	-	21,059	13,458
1,061	652	-	352	-
<u>\$ 811,689</u>	<u>\$ 171,953</u>	<u>\$ -</u>	<u>\$ 121,144</u>	<u>\$ 684,862</u>
\$ 8,395	\$ 4,179	\$ -	\$ 2,844	\$ 6
300,054	-	-	22,084	13,458
<u>308,449</u>	<u>4,179</u>	<u>-</u>	<u>24,928</u>	<u>13,464</u>
503,240	167,774	-	96,216	671,398
<u>503,240</u>	<u>167,774</u>	<u>-</u>	<u>96,216</u>	<u>671,398</u>
<u>\$ 811,689</u>	<u>\$ 171,953</u>	<u>\$ -</u>	<u>\$ 121,144</u>	<u>\$ 684,862</u>

**City of Marshall
Combining Balance Sheet -
Debt Service Funds
December 31, 2020**

	2012A G.O. Tax Increment Bonds (371)	2013 Public Improvement Bonds (372)	2014 Public Improvement Bonds (373)	23 Pedestrian Bridge (374)
Assets				
Cash and temporary investments	\$ 561,770	\$ 635,617	\$ 712,159	\$ 701,701
Receivables				
Interest	704	767	770	826
Taxes	1,718	3,073	3,138	3,064
Special assessments				
Current	1,010	1,081	595	-
Delinquent	5,140	1,530	2,597	-
Noncurrent	374,993	265,431	719,748	-
Intergovernmental	41	84	324	377
	<u>\$ 945,376</u>	<u>\$ 907,583</u>	<u>\$ 1,439,331</u>	<u>\$ 705,968</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	\$ 1,718	\$ 3,073	\$ 3,138	\$ 3,064
Unavailable revenue - special assessments	380,133	266,961	722,345	-
Total deferred inflows of resources	<u>381,851</u>	<u>270,034</u>	<u>725,483</u>	<u>3,064</u>
Fund Balances				
Restricted for				
Debt service	563,525	637,549	713,848	702,904
Total fund balances	<u>563,525</u>	<u>637,549</u>	<u>713,848</u>	<u>702,904</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 945,376</u>	<u>\$ 907,583</u>	<u>\$ 1,439,331</u>	<u>\$ 705,968</u>

2018A Improvement Bonds (375)	2016C Tax Abatement Bonds (376)	2017B Improvement Bonds (377)	2000B Improvement Bonds (378)	2020A City Hall CIP Bond (394)	Debt Revolving Fund (399)	Totals
\$ 798,258	\$ 136,846	\$ 805,056	\$ 49,263	\$ 163,450	\$ 137,987	\$ 7,634,471
897	74	981	36	78	172	6,991
2,514	6,083	1,081	705	-	3,866	45,469
-	-	-	-	-	-	5,446
215	-	-	-	-	-	15,240
287,720	-	-	-	-	-	2,256,664
486	763	174	181	927	-	6,024
<u>\$ 1,090,090</u>	<u>\$ 143,766</u>	<u>\$ 807,292</u>	<u>\$ 50,185</u>	<u>\$ 164,455</u>	<u>\$ 142,025</u>	<u>\$ 9,970,305</u>
\$ 2,514	\$ 6,083	\$ 1,081	\$ 705	\$ -	\$ 3,866	\$ 45,469
287,935	-	-	-	-	-	2,271,904
<u>290,449</u>	<u>6,083</u>	<u>1,081</u>	<u>705</u>	<u>-</u>	<u>3,866</u>	<u>2,317,373</u>
799,641	137,683	806,211	49,480	164,455	138,159	7,652,932
<u>799,641</u>	<u>137,683</u>	<u>806,211</u>	<u>49,480</u>	<u>164,455</u>	<u>138,159</u>	<u>7,652,932</u>
<u>\$ 1,090,090</u>	<u>\$ 143,766</u>	<u>\$ 807,292</u>	<u>\$ 50,185</u>	<u>\$ 164,455</u>	<u>\$ 142,025</u>	<u>\$ 9,970,305</u>

City of Marshall
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Debt Service Funds
December 31, 2020

	Marshall - Lyon County Library Debt (321)	2014B MERIT / SMASC (322)	2015A Bond (325)	2015 Public Improvement Bonds (359)
Revenues				
Taxes	\$ 43,053	\$ -	\$ 54,081	\$ 50,956
Special assessments	-	-	-	66,545
Investment earnings	593	(338)	222	764
Total revenues	<u>43,646</u>	<u>(338)</u>	<u>54,303</u>	<u>118,265</u>
Expenditures				
Debt service				
Principal	65,000	1,010,000	45,000	110,000
Interest and other	17,495	446,344	10,375	19,662
Total expenditures	<u>82,495</u>	<u>1,456,344</u>	<u>55,375</u>	<u>129,662</u>
Excess (Deficiency) of revenues over (under) expenditures	(38,849)	(1,456,682)	(1,072)	(11,397)
Other Financing Sources (Uses)				
Transfers in	41,346	2,689,046	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>41,346</u>	<u>2,689,046</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>2,497</u>	<u>1,232,364</u>	<u>(1,072)</u>	<u>(11,397)</u>
Fund Balances, January 1	<u>127,236</u>	<u>20,398</u>	<u>57,582</u>	<u>73,241</u>
Fund Balances, December 31	<u>\$ 129,733</u>	<u>\$ 1,252,762</u>	<u>\$ 56,510</u>	<u>\$ 61,844</u>

2016B G.O. Various Purpose Bonds (360)	2017A Public Improvement Bonds (362)	2010 Public Improvement Bonds (368)	2011 Public Improvement Bonds (369)
\$ 263,218	\$ 163,576	\$ -	\$ 86,177
64,950	-	-	23,247
2,504	697	-	278
<u>330,672</u>	<u>164,273</u>	<u>-</u>	<u>109,702</u>
325,000	130,000	-	115,000
28,066	28,868	-	21,296
<u>353,066</u>	<u>158,868</u>	<u>-</u>	<u>136,296</u>
(22,394)	5,405	-	(26,594)
-	-	-	-
<u>-</u>	<u>-</u>	<u>(153)</u>	<u>-</u>
-	-	(153)	-
<u>(22,394)</u>	<u>5,405</u>	<u>(153)</u>	<u>(26,594)</u>
<u>525,634</u>	<u>162,369</u>	<u>153</u>	<u>122,810</u>
<u>\$ 503,240</u>	<u>\$ 167,774</u>	<u>\$ -</u>	<u>\$ 96,216</u>

City of Marshall
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Debt Service Funds
December 31, 2020

	2011A G.O. Tax Increment Bonds (370)	2012A G.O. Tax Increment Bonds (371)	2013 Public Improvement Bonds (372)	2014 Public Improvement Bonds (373)
Revenues				
Taxes	\$ 1	\$ 340	\$ 694	\$ 74,764
Special assessments	8,022	168,253	82,908	224,504
Investment earnings	2,324	3,476	2,057	3,997
Total revenues	<u>10,347</u>	<u>172,069</u>	<u>85,659</u>	<u>303,265</u>
Expenditures				
Debt service				
Principal	160,000	235,000	370,000	235,000
Interest and other	14,690	19,215	50,138	29,025
Total expenditures	<u>174,690</u>	<u>254,215</u>	<u>420,138</u>	<u>264,025</u>
Excess (Deficiency) of revenues over (under) expenditures	(164,343)	(82,146)	(334,479)	39,240
Other Financing Sources (Uses)				
Transfers in	157,996	-	203,674	153
Transferred out	-	-	-	-
Total other financing sources (uses)	<u>157,996</u>	<u>-</u>	<u>203,674</u>	<u>153</u>
Net change in fund balances	<u>(6,347)</u>	<u>(82,146)</u>	<u>(130,805)</u>	<u>39,393</u>
Fund Balances, January 1	<u>677,745</u>	<u>645,671</u>	<u>768,354</u>	<u>674,455</u>
Fund Balances, December 31	<u>\$ 671,398</u>	<u>\$ 563,525</u>	<u>\$ 637,549</u>	<u>\$ 713,848</u>

23 Pedestrian Bridge (374)	2018A Improvement Bonds (375)	2016C Tax Abatement Bonds (376)	2017B Improvement Bonds (377)	2000B Improvement Bonds (378)	2020A City Hall CIP Bond (394)	Debt Revolving Fund (399)	Totals
\$ 92,180	\$ 124,250	\$ 189,871	\$ 43,037	\$ 49,567	\$ 247,811	\$ -	\$ 1,483,576
-	65,470	-	-	-	-	-	703,899
5,885	4,736	379	4,773	185	464	1,241	34,237
<u>98,065</u>	<u>194,456</u>	<u>190,250</u>	<u>47,810</u>	<u>49,752</u>	<u>248,275</u>	<u>1,241</u>	<u>2,221,712</u>
60,000	183,490	120,000	450,000	-	-	-	3,613,490
28,975	81,287	63,650	67,105	272	83,820	-	1,010,283
<u>88,975</u>	<u>264,777</u>	<u>183,650</u>	<u>517,105</u>	<u>272</u>	<u>83,820</u>	<u>-</u>	<u>4,623,773</u>
9,090	(70,321)	6,600	(469,295)	49,480	164,455	1,241	(2,402,061)
-	-	-	672,553	-	-	-	3,764,768
-	-	-	-	-	-	-	(153)
-	-	-	672,553	-	-	-	3,764,615
9,090	(70,321)	6,600	203,258	49,480	164,455	1,241	1,362,554
693,814	869,962	131,083	602,953	-	-	136,918	6,290,378
<u>\$ 702,904</u>	<u>\$ 799,641</u>	<u>\$ 137,683</u>	<u>\$ 806,211</u>	<u>\$ 49,480</u>	<u>\$ 164,455</u>	<u>\$ 138,159</u>	<u>\$ 7,652,932</u>

City of Marshall
Combining Balance Sheet
Economic Development Authority Funds
December 31, 2020

	Economic Development Authority (204/208)	EDA Parkway Housing Fund (205/206/207)	Federal EDA CRIF (213)	EDA Revolving (214)	Totals
Assets					
Cash and temporary investments	\$ 661,871	\$ 314,020	\$ 48,590	\$ 334,419	\$ 1,358,900
Receivables					
Interest	709	393	60	318	1,480
Delinquent taxes	4,042	-	-	-	4,042
Notes	-	210,575	-	5,000	215,575
Intergovernmental	542	-	-	-	542
Prepaid items	181	-	-	-	181
Land held for resale	-	1,025,341	-	-	1,025,341
Total assets	<u>\$ 667,345</u>	<u>\$ 1,550,329</u>	<u>\$ 48,650</u>	<u>\$ 339,737</u>	<u>\$ 2,606,061</u>
Liabilities					
Accounts payable	1,469	-	-	-	1,469
Other payable	-	19,769	-	-	19,769
Accrued salaries payable	2,646	-	-	-	2,646
Due to primary government	-	167,074	-	-	167,074
Due to other component units	-	17	-	-	17
Total liabilities	<u>4,115</u>	<u>186,860</u>	<u>-</u>	<u>-</u>	<u>190,975</u>
Deferred Inflows of Resources					
Unavailable revenue - taxes	<u>4,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,042</u>
Fund Balances					
Nonspendable					
Prepaid items	181	-	-	-	181
Land held for resale	-	1,025,341	-	-	1,025,341
Restricted					
Economic development	-	-	48,650	-	48,650
Assigned					
Economic development	659,007	338,128	-	339,737	1,336,872
Total Fund Balances	<u>659,188</u>	<u>1,363,469</u>	<u>48,650</u>	<u>339,737</u>	<u>2,411,044</u>
Total liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 667,345</u>	<u>\$ 1,550,329</u>	<u>\$ 48,650</u>	<u>\$ 339,737</u>	<u>\$ 2,606,061</u>

Reconciliation of balance sheet to the Statement of Net Position

Total fund balances	\$ 2,411,044
Capital assets used in EDA activities are not financial resources and therefore are not reported as assets in the fund	5,006
Long-term assets are not available to pay current period expenditures and, therefore are unavailable in the funds.	
Delinquent property taxes receivable	<u>4,042</u>
Total net position	<u>\$ 2,420,092</u>

City of Marshall
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Economic Development Authority Funds
December 31, 2020

	Economic Development Authority (204/208)	EDA Parkway Housing Fund (205/206 /207)	Federal EDA CRIF (213)	EDA Revolving (214)	Totals
Revenues					
Taxes	\$ 134,063	\$ -	\$ -	\$ -	\$ 134,063
Intergovernmental	543,631	-	-	100,000	643,631
Investment earnings	5,228	1,359	376	2,297	9,260
Miscellaneous	3,616	-	-	-	3,616
Total Revenues	<u>686,538</u>	<u>1,359</u>	<u>376</u>	<u>102,297</u>	<u>790,570</u>
Expenditures					
Current					
Economic development	<u>645,745</u>	<u>16,876</u>	<u>-</u>	<u>18,192</u>	<u>680,813</u>
Excess (Deficiency) of revenues over (under) expenditures	40,793	(15,517)	376	84,105	109,757
Other Financing Sources (Uses)					
Sale of capital assets	<u>-</u>	<u>35,319</u>	<u>-</u>	<u>-</u>	<u>35,319</u>
Net change in fund balances	40,793	19,802	376	84,105	145,076
Fund Balances, January 1	<u>618,395</u>	<u>1,343,667</u>	<u>48,274</u>	<u>255,632</u>	<u>2,265,968</u>
Fund Balances, December 31	<u>\$ 659,188</u>	<u>\$ 1,363,469</u>	<u>\$ 48,650</u>	<u>\$ 339,737</u>	<u>\$ 2,411,044</u>

Reconciliation of the statement of revenues, expenditures and changes in the fund balance to the statement of activities

Net Change in Fund Balances \$ 145,076

EDA funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.

Depreciation expense (647)

Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.

Property taxes 1,045

Change in Net Position \$ 145,474

City of Marshall
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Economic Development Authority
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 135,000	\$ 135,000	\$ 134,063	\$ (937)
Intergovernmental	-	-	543,631	543,631
Investment earnings	10,000	10,000	5,228	(4,772)
Miscellaneous	3,500	3,500	3,616	116
Total revenues	<u>148,500</u>	<u>148,500</u>	<u>686,538</u>	<u>538,038</u>
Expenditures				
Current				
Economic development	<u>144,384</u>	<u>144,384</u>	<u>645,745</u>	<u>501,361</u>
Excess of revenues over expenditures	<u>\$ 4,116</u>	<u>\$ 4,116</u>	40,793	<u>\$ 36,677</u>
Fund Balance				
Beginning of year			<u>618,395</u>	
End of year			<u>\$ 659,188</u>	

City of Marshall
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

Federal Agency/Pass Through Agency/Program Title	Federal CFDA Number	Expenditures
U.S. Department of Housing and Urban Development		
Passed through the State of Minnesota		
Community Development Block Grants	14.228	\$ 125,209
U.S. Department of Justice		
Passed through the State of Minnesota		
Missing Children's Assistance	16.543	1,233
U.S. Department of Transportation		
Passed through the State of Minnesota		
Airport Improvement Program	20.106	69,000
State and Community Highway Safety	20.600	2,499
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	3,083
National Priority Safety Programs	20.616	6,367
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	1,310
Total U.S. Department of Transportation		<u>82,259</u>
U.S. Department of Treasury		
Passed through the State of Minnesota		
Coronavirus Relief Fund	21.019	1,041,565
U.S. Department of Environmental Protection Agency (EPA)		
Passed through State of Minnesota		
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	2,080
Capitalization Grants for Clean Water State Revolving Funds	66.458	7,274,338
Total U.S. Department of Environment Protection Agency		<u>7,276,418</u>
U.S. Department of Homeland Security		
Passed through State of Minnesota		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	31,795
		<u>\$ 8,558,479</u>

City of Marshall
Notes to Schedule of Expenditures of Federal Awards

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Marshall, Minnesota and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the regulatory basis financial statements.

NOTE 2 – PASS-THROUGH GRANT NUMBERS

All pass-through entities listed above use the same CFDA numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

NOTE 3 – INDIRECT COST RATE

The City did not elect to use the 10 percent de minimis indirect cost rate.

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

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Marshall
Marshall, 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, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Marshall, Minnesota, as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 20, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



St. Cloud, Minnesota
May 20, 2021

**Report on Compliance for each Major Federal Program
and Report on Internal Control over Compliance In Accordance
With the Uniform Guidance**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the City's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

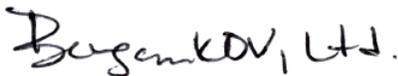
Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



St. Cloud, Minnesota
May 20, 2021

City of Marshall
Schedule of Findings and Questioned Costs

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Type of auditor’s report issued:

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Type of auditor’s report issued on compliance for major programs: Unmodified

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of Major Programs

CFDA No.: 66.458
 Name of Federal Program or Cluster: Capitalization Grants for Clean Water State Revolving Funds

CFDA No.: 21.019
 Name of Federal Program or Cluster: Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low risk auditee? No

City of Marshall
Schedule of Findings and Questioned Costs

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no financial statement findings.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal award findings and questioned costs.

SECTION IV – PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior year findings and questioned costs.

Minnesota Legal Compliance

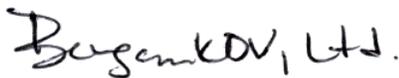
Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Marshall, Minnesota, as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 20, 2021.

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 and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, 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.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.



St. Cloud, Minnesota
May 20, 2021



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, June 8, 2021
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider approval of the 2021 Service Agreement between the City of Marshall and Marshall Visitors and Convention Bureau.
Background Information:	For Council consideration is the 2021 City of Marshall Schwan Regional Amateur Sports Center Service Agreement with Marshall Visitors and Convention Bureau. This agreement begins July 1, 2021 through the end of the year.
Fiscal Impact:	\$7,000 a month
Alternative/ Variations:	None Recommended
Recommendations:	To approve the 2021 Service Agreement between the City of Marshall and Marshall Visitors and Convention Bureau.

CITY OF MARSHALL

**SCHWAN REGIONAL AMATEUR SPORTS CENTER SERVICE AGREEMENT
WITH MARSHALL VISITORS AND CONVENTION BUREAU**

THIS AGREEMENT, made and entered into this 1st day of July 2021, by and between the Marshall Visitors and Convention Bureau, whose address is 118 West College Drive, Marshall, MN 56258 (hereinafter referenced as CVB), and the City of Marshall, Marshall, MN 56258, (hereinafter referenced as CITY) as follows:

WHEREAS, the parties desire to enter into a service agreement for the purpose of marketing, promoting, sponsor relations and scheduling the City of Marshall owned facilities of the Schwan Regional Amateur Sports Center accordance with the City Code of Ordinances Chapter 70 Taxation Article IV Food and Beverage Tax; and

WHEREAS, the private-public partnership outlined in this agreement will create operational efficiencies, maximize limited financial resources, and create a more coordinated community effort to increase users of the Schwan Regional Amateur Sports Center; and

WHEREAS, we must foster relationships which allow contribution of our individual skills toward the common goal, and promote the individual strengths and unique characteristics of each entity to best provide a full service experience for our visitors and users; and

WHEREAS, CVB will serve as a facilitator, and will provide the services pursuant to terms and conditions as set forth herein; and

NOW, THEREFORE, in consideration of the mutual agreements as set forth herein, the parties hereto agree as follows:

- 1) CVB Scope of Services Subject to the terms and conditions of this agreement, CVB agrees to provide administrative services to market, promote and schedule the City of Marshall Schwan Regional Amateur Sports Center including, but not limited to:
 - a. CVB will assist in the development of an annual budget, updated as needed with input and approval from the Southwest Minnesota Regional Amateur Sports Commission and City Council.
 - b. CVB will assist in the development of a marketing plan, updated as needed with input and approval from the Southwest Minnesota Regional Amateur Sports Commission. The plan will identify the marketing and promotions of these facilities. The plan shall include clearly articulated vision, goals, objectives, and tasks as well as ongoing performance measures.
 - c. CVB will assist in the development of all related user fees and sponsorships with the Southwest Minnesota Regional Amateur Sports Commission.
 - d. The CVB shall directly involve the Southwest Minnesota Regional Amateur Sports Commission in planning and pursuit of strategic alliances, partnerships, and agreements as it may relate to this Agreement and future amendments.

- e. CVB will maintain copies of closed or pending project files or some mechanism that enables the Southwest Minnesota Regional Amateur Sports Commission, as requested, the ongoing services provided.
- f. CVB will provide staff to compose letters, memorandum, and other business correspondence, assist with the management of Southwest Minnesota Regional Amateur Sports Commission related files and projects, coordinate meeting agendas, and participate in presentation of information at meetings.
- g. CVB will provide staff to maintain the Southwest Minnesota Regional Amateur Sports Center's website and social media.
- h. CVB will assist in maintaining facility schedules and related contracts for users at the Southwest Minnesota Regional Amateur Sports Center.
- i. CVB will provide an annual presentation (written and/or oral) of outcomes/status updates to the City Council.

2) Event Roles:

ROLES	RESPONSIBLE PARTY	DESCRIPTION
Recruiting/Event sourcing	CVB	Develop and maintain solid relationships with organizations/exhibitors
Online Scheduling/school calendar	CVB	Confirm/deny date and time. Add to calendar.
Concession/Studio 1 Communications	CVB	Identify which dates need coverage for events.
Event Contracts/Documents	CVB	CVB originates the schedule, sends out the contract and secures the signed contracts
Advertising and Marketing	CVB	Create plan to market and communicate the event. Update website and social media outlets. Implement traditional and digital marketing campaigns.
Event Planning Meeting	CVB Rep/Event Manager --Develop Agenda City Rep Maintenance Sound Technician	Detailed description of event needs. Coordinate logistics (food, location, participants, supplies needed, etc.)
Set-up	City Maintenance Crew	Coordinate event needs (set-up chairs/tables/etc.)
Event Manager	CVB	Attends event.
Tear Down	City Maintenance Crew	Clean up.
Post-event Meeting	CVB Rep/Event Manager --Develop Agenda City Rep Maintenance Sound Technician	Review the successes and challenges of the event and determine areas needing improvement.

Billing/Collection		City		Send invoices for event and collect payment.
Manage Sponsorship agreements/add additional revenue dashers/bb/sb complex/outfield signage		CVB		Create and market sponsorship program

*Below are additional services the CVB could offer with an additional monthly fee. This would be determined between CVB and Marshall Community Services (MCS).

3) Governance

- a. The CVB Director or their designee shall coordinate with designated City officials in preparation of agendas and be responsible for presentations at the Southwest Minnesota Regional Amateur Sports Commission meetings.

4) Staff

- a. The staffing and management of the CVB is the responsibility of the CVB Board of Directors, who will assume full responsibility for employment, discharge and day-to-day management of the CVB.
- b. The CVB represents that it is skilled in the matters addressed in the Scope of Services and is performing independent functions and responsibilities within its field of expertise. The CVB and its personnel are independent contractors and not employees of the City. As an independent contractor, the CVB is responsible for its own management. The City's administration and enforcement of this Agreement shall not be deemed an exercise of managerial control over the CVB or its personnel.

5) Reports and Information: In addition to Marshall Ordinance Article II Section 70-22, when requested by the City, the CVB shall furnish periodic reports and documents on matters covered by this Agreement. The reports and documents shall be furnished in the time and form requested. Such reports and documents shall include: list of special events sponsored by the CVB with the amount of revenue expended on each festival, special event or tourism-related facility; the estimated number of tourists and/or persons traveling over fifty miles to the destination, and the estimated number of lodging stays generated per festival or tourism-related event.

- a. Collaboration with the Director of Marshall Community Services, Executive Committee of the Southwest Minnesota Amateur Sports Commission and CVB Director is essential.
- b. CVB will provide other staff or consultants as determined necessary to provide services as outlined herein within given budget.
- c. CVB will facilitate regular meetings with City staff to discuss business projects, share information on pending projects, develop appropriate responses and provide updates.

d. CVB staff is expected to participate in regional and State organizations and efforts related to activities of the Southwest Minnesota Regional Amateur Sports Commission.

- 6) Payment and Terms Monthly payments for services in the amount of \$7,000 shall be paid by the 1st of the month for that service month, on a monthly basis by the City of Marshall. These payments will cover all costs associated with providing all related costs.

All payments shall be made to Marshall Convention & Visitors Bureau, 118 West College Drive, Marshall, MN 56258.

- 7) Indemnity and Duty to Defend.

Each party shall be responsible for its own acts and omissions and the results thereof to the extent authorized by law. CVB agrees to defend, indemnify and hold the City, its officers, employees, and agents harmless from any and all liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, resulting directly or indirectly from the negligent acts or omissions of CVB or of its agents or contractors related to the performance of this Agreement. The City agrees to defend, indemnify and hold CVB, its officers, employees, and agents harmless from any and all liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, resulting directly or indirectly from the negligent acts or omissions of the City or of its agents or contractors related to the performance of this Agreement. The party seeking to be indemnified and defended shall provide timely notice to the other party when the claim is brought. The indemnifying party shall retain all rights and defenses available to the indemnified party. Nothing in this Agreement constitutes a waiver of any limits on liability, immunities, or exemptions from liability available to either party under Minnesota Statutes, chapter 466 or other law.

- 8) General Provisions This Agreement shall be governed by the substantive laws of the State of Minnesota without regard to conflict of law principles. The Agreement constitutes the entire understanding and agreement between the parties hereto and their affiliates with respect to its subject matter and supersedes all prior or contemporaneous agreements, representations, warranties and understandings of such parties (whether oral or written). No promise, inducement, representation or agreement, other than as expressly set forth herein, has been made to or by the parties hereto. This letter may be amended only by written agreement, signed by the parties to be bound by the amendment. Evidence shall be inadmissible to show agreement by and between such parties to any term or condition contrary to or in addition to the terms and conditions contained in this letter. This letter shall be construed according to its fair meaning and not strictly for or against either party.

- 9) Termination Provision The Agreement shall become effective July 1, 2021 and continue until December 31st, 2021. Both parties hereto reserve the right to terminate or amend

the terms of this Agreement by providing thirty (30) days written notice to the other party. Written notice of termination shall be provided to the parties at the following addresses:

Marshall Convention and Visitors Bureau
118 West College Drive
Marshall, MN 56258

Office of the City Administrator
344 West Main Street
Marshall, MN 56258

Upon termination of this Agreement, all electronic and hard files and their content shall be provided to the City of Marshall at no cost.

IN WITNESS WHEREOF, the parties have hereinto executed this Agreement the date and year first above written.

City of Marshall, Minnesota

By: Robert J. Byrnes
Its: Mayor

City of Marshall, Minnesota

By: Karla Drown
Its: Finance Director

Marshall Convention and Visitors Bureau

By: Kelly Loft
Its: Board Chair

By: Cassi Weiss
Its: Executive Director

**CITY OF MARSHALL
AGENDA ITEM REPORT**

Meeting Date:	Tuesday, June 8, 2021																																																						
Category:	NEW BUSINESS																																																						
Type:	ACTION																																																						
Subject:	Law Enforcement Center Repairs																																																						
Background Information:	<p>In 2019, the Joint Law Enforcement Center Committee members agreed to a five-year plan that would address needed repairs to the mechanical systems and updates to the LEC building. The plan was for the county and city to each contribute \$25,000 annually for the costs of improvements over a five-year period.</p> <p>In 2020, The LEC Committee decided, based on the cost of the projects, to complete the updates in two phases scheduled for 2020 and 2021. In 2020, the City Council approved expenses related to the public lobby area and records area totaling approximately \$18,100.00 (carpeting, lighting, ceiling tile & paint). The council was asked to consider carrying over unused funds from 2020 for the remaining portion of the building to be completed in 2021.</p> <p>On May 7th, 2021, LEC Committee members met to discuss the upcoming projects and review quotes that had been received. City Council members that are part of the LEC Committee requested the county to solicit quotes from additional contractors interested in the project. The following graph shows the quotes received for each portion of the project:</p> <table border="1" data-bbox="397 1081 1453 1533"> <thead> <tr> <th></th> <th>COMMON AREA</th> <th>PD OFFICE</th> <th>TOTAL</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>CARPET</td> <td></td> <td></td> <td></td> <td></td> <td>ELECTRICAL</td> </tr> <tr> <td>Ace Hardware</td> <td>21,693.21</td> <td>11,182.15</td> <td>32,875.36</td> <td></td> <td>Amiret 6,100.00</td> </tr> <tr> <td>Floor to Ceiling</td> <td>29,905.00</td> <td>17,360.00</td> <td>47,265.00</td> <td></td> <td>Meier 6,340.00</td> </tr> <tr> <td>Paul's Flooring</td> <td>31,800.00</td> <td>18,500.00</td> <td>50,300.00</td> <td></td> <td>Coleman 6,974.00</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>CEILING</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Floor to Ceiling</td> <td>3,350.00</td> <td>1,800.00</td> <td>5,150.00</td> <td></td> <td></td> </tr> <tr> <td>Ace</td> <td>3,604.60</td> <td>1,936.80</td> <td>5,541.40</td> <td></td> <td></td> </tr> </tbody> </table> <p>It is the request of the Joint LEC Committee to accept the lowest quotes from ACE Hardware (carpet), Amiret Electric (lighting) and Floor to Ceiling (ceiling tile). The approximate cost to the City of Marshall to complete the updates to the shared common office area and the police department offices is \$28,553.75. This project is dependent on the approval from the Lyon County Commissioners.</p>		COMMON AREA	PD OFFICE	TOTAL			CARPET					ELECTRICAL	Ace Hardware	21,693.21	11,182.15	32,875.36		Amiret 6,100.00	Floor to Ceiling	29,905.00	17,360.00	47,265.00		Meier 6,340.00	Paul's Flooring	31,800.00	18,500.00	50,300.00		Coleman 6,974.00							CEILING						Floor to Ceiling	3,350.00	1,800.00	5,150.00			Ace	3,604.60	1,936.80	5,541.40		
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Fiscal Impact:	This Project was included in the 2021 Capital Improvement Plan. Fiscal Impact is anticipated to be \$28,553.75.																																																						
Recommendations:	Consider approving the recommendation made by the Joint Law Enforcement Center Committee to accept the lowest quotes for the replacement of the carpeting, lighting, and ceiling tile in the Law Enforcement Center.																																																						

**CITY OF MARSHALL
AGENDA ITEM REPORT**

Meeting Date:	Tuesday, June 8, 2021
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Tiger Lake Lift Station Control System Upgrade.
Background Information:	<p>The Tiger Lake stormwater pond is a critical piece of flood control infrastructure for the City of Marshall. Tiger Lake serves as a flood control and water quality basin for approximately 500 acres of predominately residential city development. The elevations in this area require a lift station comprised of four pumps to transmit the water through a 42" concrete pipe from the pond to the Redwood River at Memorial Park.</p> <p>As this is a critical piece of our stormwater management system, City staff would like to include this lift station in our supervisory control and data acquisition (SCADA) system. We already have fiber availability at this location and by upgrading the control panel for this lift station we can include this lift in our SCADA system. This will allow City staff to monitor and control pumps at this lift station remotely instead of having to physically visit the site.</p>
Fiscal Impact:	The control panel upgrade is quoted at \$30,668. The Stormwater Management Utility (SWMU) recently received a refund from the US Army Corps of Engineers (USACE) in the amount of \$129,661.99 for electing to not participate in the Levee Improvements/Betterments project. City staff would propose to use some of these funds to cover this cost.
Alternative/ Variations:	No alternative actions recommended.
Recommendation:	that the Council authorize the upgrade of the Tiger Lake Lift Station control system in the amount of \$30,668.00 with Automatic Systems Co. of St. Paul, Minnesota, per the attached proposal dated April 16, 2021.



Friday, April 16, 2021

Mr. Scott Przybilla
City of Marshall
344 West Main Street
Marshall, MN. 56258

Reference: Tiger Lake Lift Station
Control System Upgrade

Dear Scott:

In accordance with your request and Mark Juker’s site visit, we are pleased to offer our proposal to upgrade the existing control panel as follows:

- A One (1) **Proposed upgrade of the existing Tiger Lake Lift Station Control Panel** includes removal of the back chassis and all back chassis mounted components.

In place of, we propose to install, wire, and program a new back chassis UL Labeled, complete with circuit breaker, surge/lightning protection, fuses, True-On-line 700Va Uninterruptable Power Supply (UPS), UPS receptacle, Rockwell Micrologix 1400 Programmable Logic Controller (PLC) with Ethernet ports, PLC power supplies, PLC rack with Input/Output Modules as required, NTRON 708 Ethernet Fiber/Media Converter, relays, intrinsically safe barriers and customer terminal blocks as required.

Panelview Plus 7 1000 Color Operator Interface Module (OIM) will be flush mounted on the enclosure door.

Proposed upgrade shall completely control, monitor & alarm all lift station status and five (5) lift station pumps. OIM shall graphically display all status/alarms and Operator Adjustable setpoints through the Operator Interface Module. OIM shall provide software HOAs for the five (5) lift Pumps. OIM shall monitor, display and shut down pumps during “Utility Peak shaving”.

- B One (1) **VEGA Radar Level Transmitter** with 60’ of connecting cable installed over the wetwell and wired back to the new PLC within existing conduit.

- C One (1) **Modification labor required to add Tiger Lake Lift Station to the SCADA Computer Network** to graphically display all status, alarms, peak shaving, software HOA positions and historically record run times.

MANUFACTURERS REPRESENTATIVES

SYSTEMS INTEGRATION

INSTRUMENTATION

Item 10.

OFFICE
PH OFFICE

P.O. BOX 120359
P.O. BOX 787

ST. PAUL, MINNESOTA 55112
AMES, IOWA 50010
CHICAGO, ILLINOIS

PHONE 651-631-9005
PHONE 515-232-4770
PHONE 815-927-3386

FAX (651) 631-9005
FAX (515) 232-4770
FAX (651) 631-0027

BRANCH OFFICE

D One (1) **Lot of startup, checkout and owner training services as required.**

E One (1) **Electronic set of Updated ASC drawings** for insertion in your existing O&Ms.

Your net price for Items A through E, FOB factory with freight allowed to jobsite including one (1) year warranty from date of startup.....\$26,556.00.

Deduct the Panelview Plus 7 1000 from the above and in lieu of install a used PV provided by the City.

Your net deduct is\$3,412.00.

Deduct the 700 VA True Online UPS from the above.

Your net deduct is\$700.00.

Please note, prices do not include any:

- Sales or use tax (not applicable with ST3 Form on file).
- Fiber Optic Cable, terminations or associated PIC boxes.
- Disposal of existing removed equipment.

Thank you very much for the opportunity of providing you with the above proposal, should you wish to proceed with an order please sign on the space provided below and return a copy to this office. Upon receipt, we will immediately proceed with equipment release and scheduling.

Should you have any questions please don't hesitate to give me a call.

Sincerely,



Bruce Wirth, President
Automatic Systems Company

Item A through E

Accepted by: _____ Date: _____

cc: Mark Juker, ASC



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, June 8, 2021
Category:	NEW BUSINESS
Type:	INFO/ACTION
Subject:	Community Feedback on Funding of Future Needed Projects
Background Information:	As a follow-up to the work session discussion on aquatic center financing and the potential to consider all financing options-including extension of the sales tax, community feedback on future projects and support for the type of financing is a good first step to assess success with one financing option over another.
Fiscal Impact:	\$21,500
Alternative/ Variations:	None
Recommendations:	Approve Agreement with Baker Tilley to Conduct Community Survey

LETTER OF ENGAGEMENT

TO: Sharon Hanson, City Administrator

FROM: Don Lifto, Director

DATE: May 20, 2021

SUBJECT: Engagement to Conduct Community Survey

This letter of engagement is to confirm our understanding of the basis upon which “Baker Tilly US, LLP” (Baker Tilly) and its affiliates are being engaged by Client (the “Client”) to assist the Client with advisory services.

Summary of Need

The City of Marshall desires to collect community feedback in general and specifically related to planning related to potential future projects funded with a voter approved sales tax.

Proposed Services

Baker Tilly will plan, design, administer, interpret and summarize a scientific, random-sample survey to measure constituent perceptions about the City, subject to the terms and conditions of this proposal letter (hereinafter referred to as “Statement of Work”) and the enclosed terms and conditions, which are incorporated into the Statement of Work as if fully set forth herein. The parameters of the survey will be 300 random-sample phone interviews of registered voters, controlled for key demography, and a 35 – item questionnaire, producing a margin error of approximately +/- 5.50%.at the 95th confidence level. Two of the 35 questions can be open-ended. Multi-modal data collection strategies (i.e., text and/or email invitations) may be used as appropriate to reach particular demographic groups. Interviews will be conducted in English. Baker Tilly will acquire registered voter and demographic databases needed for the project.

Deliverables on the survey project include a detailed summary of survey results by demography, a PowerPoint summary of key findings, and a summary of open-ended responses (if open-ended questions are used in questionnaire). All summaries will be provided to the client in PDF format for duplication by the City as needed.

Delivery of Services

The delivery of services will be coordinated by Don Lifto with support from Matt Stark, Terri Heaton and other professional staff at Baker Tilly as needed depending on the expertise and resources required by the client. Most survey projects take 6 – 7 weeks to complete once the final questionnaire is developed and assuming no unforeseen scheduling issues with the professional call center. Final reports will be presented to the administration and/or city council. The report of open-ended responses generally takes 7 – 10 additional days to complete after the initial summary report is done.

Project Cost

The professional fee for the project will be \$21,500, which is inclusive of time and mileage costs for one meeting in Marshall to present survey results if not done remotely. Additional meetings requested by the client will be billed at Baker Tilly’s normal hourly rates plus travel. Forty percent of the total fee for the survey will be billed when the contract is signed and the balance after all work is completed.

Other Services

Additional services, if requested by the City will be provided on a quotation and approval basis under the terms of this agreement.

Approval

The signatures below constitute approval of the engagement as summarized above, acceptance of the standard business terms below, and acknowledgement of receipt of disclosures in Appendix A.

Name: _____ Date: _____
(On Behalf of Client)

Name: _____ Date: _____
(On Behalf of “Baker Tilly US, LLP”)

Ownership of IP

Unless otherwise stated in a specific Scope Appendix, subject to Baker Tilly’s rights in Baker Tilly’s Knowledge (as defined below), Client shall own all, intellectual property rights in the deliverables developed under the applicable SOW (“Deliverables”). Notwithstanding the foregoing, Baker Tilly will maintain all ownership right, title and interest to all of Baker Tilly s Knowledge. For purposes of this Agreement “Baker Tilly s Knowledge” means Baker Tilly s proprietary programs, modules, products, inventions, designs, data, or other information, including all copyright, patent, trademark and other intellectual property rights related thereto, that are (1) owned or developed by Contractor prior to the Effective Date of this Agreement (“Baker Tilly’s Preexisting Knowledge”) (2) developed or obtained by Baker Tilly after the Effective Date, that are reusable from client to client and project to project, where Client has not paid for such development; and (3) extensions, enhancements, or modifications of Baker Tilly’s Preexisting Knowledge which do not include or incorporate Client’s confidential information. To the extent that any Baker Tilly Knowledge is incorporated into the Deliverables, Baker Tilly grants to Client a non-exclusive, paid up, perpetual royalty-free worldwide license to use such Baker Tilly Knowledge in connection with the Deliverables, and for no other purpose without the prior written consent of Baker Tilly.

Timing and Fees

Specific services will commence upon execution and return of a Scope Appendix to this Engagement Letter and our professional fees will be based on the rates outlined in such Scope Appendix.

Unless otherwise stated, in addition to the fees described in a Scope Appendix the Client will pay all of Baker Tilly’s reasonable out-of-pocket expenses incurred in connection with the engagement. All out of pocket costs will be passed through at cost and will be in addition to the professional fee.

Dispute Resolution

Except for disputes related to confidentiality or intellectual property rights, all disputes and controversies between the parties hereto of every kind and nature arising out of or in connection with this Engagement Letter as to the existence, construction, validity, interpretation or meaning, performance, nonperformance, enforcement, operation, breach, continuation, or termination of this Agreement shall be resolved as set forth in this Section 8 using the following procedure: In the unlikely event that differences concerning the Services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by engaging in mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation and the fees and expenses of the mediator shall be shared equally by the parties. If the dispute is not resolved by mediation, then the parties agree to expressly waive trial by jury in any judicial proceeding involving directly or indirectly, and matter whether sounding in tort, contract, or otherwise) in any way arising out of, related to, or connected with this Agreement or the relationship of the parties established hereunder.

Because a breach of any the provisions of this Engagement Letter concerning confidentiality or intellectual property rights will irreparably harm the non-breaching party, Client and Baker Tilly agree that if a party breaches any of its obligations thereunder, the non-breaching party shall, without limiting its other rights or remedies, be entitled to seek equitable relief (including, but not limited to, injunctive relief) to enforce its rights thereunder, including without limitation protection of its proprietary rights. The parties agree that the parties need not invoke the mediation procedures set forth in this Section 7 in order to seek injunctive or declaratory relief.

Limitation on Damages

To the extent allowed under applicable law, the aggregate liability (including attorney's fees and all other costs) of either party and its present or former partners, principals, agents or employees to the other party related to the services performed under a SOW shall not exceed the fees paid to Baker Tilly under the SOW to which the claim relates, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent behavior of the at-fault party.. Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages, delays or interruptions arising out of or related to this Engagement Letter even if the other party has been advised of the possibility of such damages.

Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Engagement Letter are material bargained for bases of this Engagement Letter and that they have been taken into account and reflected in determining the consideration to be given by each party under this Engagement Letter and in the decision by each party to enter into this Engagement Letter.

The terms of this section shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of you, Baker Tilly or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These terms shall also continue to apply after any termination of this Engagement Letter.

You accept and acknowledge that any legal proceedings arising from or in conjunction with the services provided under this Engagement Letter must be commenced within twelve (12) months after the performance of the services for which the action is brought, without consideration as to the time of discovery of any claim.

Other Matters

In the event Baker Tilly is requested by the Client; or required by government regulation, subpoena, or other legal process to produce our engagement working papers or its personnel as witnesses with respect to its Services rendered for the Client, so long as Baker Tilly is not a party to the proceeding in which the information is sought, Client will reimburse Baker Tilly for its professional time and expenses, as well as the fees and legal expenses incurred in responding to such a request.

Neither this Engagement Letter, any claim, nor any rights or licenses granted hereunder may be assigned, delegated, or subcontracted by either party without the 'written consent of the other part. Either party may assign and transfer this Engagement Letter to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization, or the sale of interest or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Engagement Letter.

In the event that any provision of this Engagement Letter or statement of work contained in a Scope Appendix hereto is held by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any law of any relevant jurisdiction, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Engagement Letter or statement of work did not contain the particular provisions held to be unenforceable. The unenforceable provisions shall be replaced by mutually acceptable provisions which, being valid, legal and enforceable, come

closest to the intention of the parties underlying the invalid or unenforceable provision. If the Services should become subject to the independence rules of the U.S. Securities and Exchange Commission with respect to Client, such that any provision of this Engagement Letter would impair Baker Tilly's independence under its rules, such provision(s) shall be of noeffect.

Termination

Both the Client and the Baker Tilly have the right to terminate this Engagement Letter or any work being done under an individual Scope Appendix at any time after reasonable advance written notice. On termination, all fees and charges incurred prior to termination shall be paid promptly. Unless otherwise agreed to by the Client and Baker Tilly, the scope of services provided in a Scope Appendix will terminate 60 days after completion of the services in such Appendix.

Important Disclosure

Incorporated as Attachment A and part of this Engagement Letter are important disclosures. These include disclosures that apply generally and those that are applicable in the event Baker Tilly is engaged to provide municipal advisory services.

This Engagement Letter, including the attached Disclosures as updated from time to time, comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals, oral or written, and all other communications between the parties. If any provision of this Engagement Letter is determined to be unenforceable, all other provisions shall remain in force. Both parties acknowledge that work performed pursuant to the Engagement Letter will be done through Scope Appendices executed and made a part of this document.

Any rights and duties of the parties that by their nature extend beyond the expiration or termination of this Engagement Letter shall survive the expiration or termination of this Engagement Letter or any statement of work contained in a Scope Appendix hereto

HRA CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, June 8, 2021
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider Termination of the Local State of Emergency.
Background Information:	<p>On Tuesday, March 17, 2020, Mayor Robert Byrnes declared a local state of emergency for the City of Marshall in response to COVID-19. On Friday March 20, 2020 the Marshall City Council continued the declaration of a local emergency as authorized by Minnesota Statute 12.29.</p> <p>The Local Emergency continues to be in effect. Pursuant to Minnesota Statute 12.29, any termination of a local emergency must be given prompt and general publicity.</p>
Fiscal Impact:	
Alternative/ Variations:	No alternative action recommended.
Recommendations:	To Terminate the Local State of Emergency for the City of Marshall

Meeting Date:	Click or tap to enter a date.
Category:	COUNCIL REPORTS
Type:	INFO
Subject:	Commission/Board Liaison Reports
Background Information:	<p>Byrnes - Fire Relief Association and Regional Development Commission</p> <p>Schafer – Airport Commission, Joint LEC Management Committee, MERIT Center Commission, SW Amateur Sports Commission</p> <p>Meister – Cable Commission, Community Services Advisory Board, Economic Development Authority</p> <p>Edblom – Planning Commission, Public Housing Commission</p> <p>DeCramer – Economic Development Authority, Marshall Municipal Utilities Commission, Diversity, Equity, and Inclusion Commission</p> <p>Labat – Adult Community Center Commission, Convention & Visitors Bureau, Library Board, Marshall Area Transit Committee</p> <p>Lozinski – Joint LEC Management Committee, Police Advisory Board</p>
Fiscal Impact:	
Alternative/ Variations:	
Recommendations:	



TO: Honorable Mayor and Members of the City Council; City Staff

FROM: Sharon Hanson, City Administrator

DATE: June 8, 2021

SUBJECT: Administrative Brief

CITY ATTORNEY

- Criminal prosecution numbers for May are as follows:

May:

	ASSAULT	OPF VIOL.	DWI	OTHER ALCOHOL	TRAFFIC	THEFT	OTHER	TOTAL 2021	2020 Comparison
Prosecution	2	1	2		4	7	5	21	9
Dismissed									
Non-Prosecution	2				1		1	4	4
Refer to County									

ADMINISTRATION

- This past month has been mostly City Hall discussions—furniture installation, final punch list items, a few tours for selected individuals, architectural discussions. We also had conducted an input session for the City Hall plaza with Downtown Business Association and the public this last week. The City Hall Committee can provide an update at the City Council meeting for further updates on the schedule of move-in.
- Met with Supt Williams on a variety of topics, completed an employee evaluation, met weekly on comparable worth study (weekly mtgs), EDA Board mtg and related EDA discussions., City Hall Committee meetings, CGMC Board mtg, radio interview, multiple walk-throughs of City Hall.
- The City has met a couple of times for the 150th Celebration in 2022. At the last meeting, several committees were established to help make progress on goals for activities to commemorate the event.
- Aquatic center contracted engineer will meet with staff June 15th to kick-off the project-once we meet, we can share more details on next steps.

Economic Development Authority

- New wayfinding signs have been installed at Liberty Park and on Country Club Drive.
- Staff is working with BSE on land purchase and soil correction.
- Land sale in Parkway II closed on May 25th.
- Board approved recommendation to HRA for land sale on London Road.
- Staff is working on TIF for a new housing development.
- Staff is in discussion with new mall owner and current tenants.
- Staff is in discussion with new Super 8 owner.
- Staff is in discussion with five new developers/businesses.
- Staff is working with two local businesses on an expansion project.
- Staff is working with Studio 1 and CVB on video marketing series.
- Staff has begun working on a Hotel Needs Assessment.
- Staff is assisting Maxfield with updated Housing Study.
- Staff has completed 2020 annual report.

Human Resources

Staffing update: HR has been very busy processing newly hired and re-hired temporary employees for our parks, public ways, aquatic center, and variety of community services recreation and community education positions. Applications continue to be accepted on a year-round basis for many of these positions, which coach, officiate, teach, coordinate, etc. the community services programs. The City is also accepting applications for a full-time, temporary Building Custodian for City Hall and various other municipal buildings—the employee that customarily performs this work is unable to perform these duties, at this time, due to work restrictions.

Employee promotion: The City is pleased to announce that Joseph Karanja accepted a promotion from part-time Checkout Clerk to full-time Sales Associate at the Liquor Store.

Classification/Compensation Study update: Gallagher has performed a review of all job descriptions for the City, Library and Public Housing, a review of each respective organizational structure, and has reviewed our existing compensation system. Gallagher is now performing analyses for the development of a classification structure and initial conversations about labor market. Gallagher will be performing job evaluations over the next several weeks.

Safety program: training in the annually required OSHA topics will occur with our temporary/seasonal/pool staff in June. In July, our MMUA Safety Consultant will perform our annual facility inspections----a “mock” OSHA walk-through to ensure our facilities are safe for employees and visitors. This is a friendly inspection that helps our staff to resolve any existing issues without fear of monetary fines and permits employees/supervisors to consult with our safety consultant on items of question.

Clerk

- Finalizing Audio Visual at City Hall with Tierney Brothers. Final installment, programming and initial training should be completed the week of June 7.

- Letters/ Invoices have been sent out to On Sale Intoxicating Liquor license holders. Fees are due by Wednesday, June 30.
- Amanda Beckler and I will present at the 2021 League of Minnesota Cities Conference regarding the City's DEI Commission on Thursday, June 24.
- Assisting with Marshall's 150th Celebration planning, specifically in special events and arts and entertainment. The subcommittee held its first planning meeting on Wednesday June 2.
- City archives (journals, minutes, resolutions, etc.) dating back to the late 1800's to 1916 have been sent to a company to be digitized. The original documents will be provided back to the City with digital files to be stored in our electronic archive solution.

Finance

- Policy Work – Staff are meeting to discuss updates to the current Purchasing Policy. Division directors met on 6/2 to discuss initial changes and needed improvements. The Ways and Means committee will be the next review for the policy before bringing to the full Council.
- 2020 Audit – The draft audit for 2020 will be presented to Council on 6/8 with a work session prior to council approval. This past audit process was very smooth, and staff are pleased with the results that will be presented to the full Council by BerganKDV.
- 2021 Bonding – Bond proceeds will be received on 6/10, which will conclude the bonding process.
- 2022 Budget – A timeline will be drafted for the 2022 budget process in the next coming weeks.

Assessing

- Quintile inspections are underway for the 2022 assessment.
- Staff continues to assist Lyon County with any further Board appeals.
- Tax Court appeals are being reviewed.
- Staff will begin to analyze Net Tax Capacity numbers for pay 2022 to assist Council and Administration with Budget items.

Liquor Store

- May Financials: Sales \$610,186 (14%), Customer Count 18,218 (9.48%), Ticket Average \$33.49 (5.18%). The store is up against the major spike in sales from 2020 lockdowns/bar closures. Comparing the financials against 2019, Sales up \$110,000 along with healthy increases in customer counts and ticket average.
- Joseph Karanja has begun his new role of Full Time Associate this week.
- Staff is gearing up for a busy Summer!

COMMUNITY PLANNING

Building Services / Planning & Zoning

- Almost 300 open job files. UCAP Headstart new building, 2nd Unique Apartment building, and SRO apartment building at Stephen Avenue are under construction but issued temporary Certificates of Occupancy.
- City buildings ADA-compliance review is complete.
- New permit software development is going well.

- Sign Ordinance is under review.

PUBLIC WORKS DIVISION

Engineering

- Project Z50-2021: 2021 Chip Seals – Asphalt Preservation Company is scheduled to perform seal coating on June 9th. No parking signs will be placed on routes on Monday, June 7th.
- Project Z51-2021: 2021 City Overlay – Duininck has completed all pedestrian ramp replacements on the local routes. Paving is resuming on Tuesday, June 1st and should be completed by the end of the week, weather permitting.
- Project Z77: Legion Field Stormwater Improvements—Phase I – Engineering staff is reviewing potential additional work to correct drainage and establishment issues in the west pond.
- Project Z78: Stormwater Outfall Improvements – R&G has completed the work on this project.
- Project Z80: Independence Park/Nwakama Street Sanitary and Storm Improvements – D&G is expected to perform this work after completion of the work on N. 1st Street (Z82).
- Project Z82: N. 1st/Redwood/Marshall – D&G has completed watermain replacement on the project with the exception of final move-over of services. Sanitary sewer will continue on the final two blocks of 1st Street between Main and Redwood. Storm sewer is expected to be installed after completion of the watermain and sanitary sewer work. They are scheduled to complete the work for this project in September.
- Project Z83: James/Camden – Kuechle is beginning work in the golf course on Tuesday, June 1st. Work in the golf course is expected to be completed by the end of the week, weather permitting. Afterwards, the contractor will proceed to utility work on James/Camden.
- Project Z84: Legion Field Park Stabilization Project – Staff is finishing plans and specs for advertising the repairs and corrections to the slope failure adjacent to the park shelter in the west portion of the park. The stabilization along the bike trail in the east portion of the park has been removed from this project for coordination with the final pool design.
- Project Z87: Diversion Channel Slope Repairs and Sheet Pile Removal – Staff is completing plan design and review for potential advertisement in June.
- Project Z88: 2021 State Aid Overlay – Duininck intends to begin work on this project immediately following completion of the City-funded Overlay project.

Wastewater

- Cleaning sewers.
- Plant repairs.
- Lift Station Repairs
- Magney Construction is working final punch list items on projects that have been completed so far. Aeration Basin replacement has started. Started using long term storage tanks. Replacement of the Trickling Filter pump station has begun.
- First Blue Storage Tank resealing has been completed. Starting 2nd tank resealing this week.
- Doing a lot of preventative maintenance on equipment.

- Revising and correcting sanitary sewer mapping system.
- Working on regulatory issues for Phosphorus, Salty Discharge, Pretreatment, Redwood River Watershed Review, MN. River Nutrient TMDL, PFAS, Lake Pepin TMDL.

PUBLIC SAFETY DIVISION

FIRE DEPARTMENT

- The Fire Department responded to eighteen (18) calls for service. Total calls for service included:
 - Fire/CO2 Alarm (6)
 - Fire; Structure (11)
 - Medical Assist (0)
 - Vehicle Accident (1)
 - Other (0)

POLICE DEPARTMENT

- The Marshall Police Department responded to a total of 758 calls for the month of May. One hundred four (104) criminal offenses were reported with a total number of thirty-four (34) adults arrested.

OFFICER'S REPORT

- Alarms (12)
- Accidents (19)
- Alcohol involved incidents (2)
- Assaults (6)
- Domestic Assaults (15)
- Burglaries (1)
- Criminal Sexual Conduct (3)
- Damage to Property (16)
- Keys Locked in Vehicles (30)
- Loud Party (8)/ Public Disturbances (20)
- Thefts (22)
- Traffic Related Complaints (129)
- Vandalism (2)
- Warrant Pickups (14)
- Welfare Checks (28)

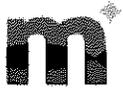
DETECTIVE REPORT

- A Marshall man and a Canby man were arrested for aggravated robbery after the completion of an armed robbery investigation where a firearm was used in the commission of a theft of a wallet containing money. The firearm used during the robbery was recovered during the execution of a search warrant. Additional investigation regarding the firearm, including DNA analysis, is being done and additional charges are possible. A separate case involving theft and financial transaction card fraud with the same two men is under investigation.

- A Marshall man was arrested and charged with 1st Degree Criminal Damage to Property after the completion of a damage to property investigation. The man punctured tires on 48 vehicles and damaged some side mirrors on vehicles over a two-day span. In total 188 tires were punctured. The damage is estimated at around \$25,000.
- A Balaton woman was cited for theft at the completion of a theft investigation. The woman had been stealing coins from coin operated laundry machines in apartment buildings in Marshall.
- A Marshall man was arrested and cited in two different incidents of theft from Tall Grass Liquor Store.
- Damage caused by graffiti at Independence Park remains under investigation.
- Damage to Memorial Park as well as two downtown churches is under investigation. It is believed that the three cases are related.
- Eleven cases of theft and two burglaries were investigated during the month of May.
- Four cases of criminal sexual conduct were investigated. Three of those cases have been cleared and one remains under investigation.
- Two cases of identity theft and two cases of theft by swindle (Scams) were investigated.
- Fifteen child protection reports and three reports from the Minnesota Adult Abuse Reporting Center were investigated jointly with Southwest Health and Human Services.
- Sgt. Jason Buysse attended the Minnesota Bureau of Criminal Apprehension's Sex Trafficking Conference on May 13th.

MERIT CENTER

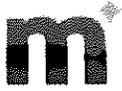
- The MERIT Center continues to host the Marshall City Council meetings, employee safety training, planning, and airport commission meetings.
- The Department of Public safety continues to utilize the driving track and skills pad for CDL exam testing. There were 10 exams completed on the track in May.
- In May, MN West conducted 3 sessions of EVOG, Hot Water & Boiler training, 2 sessions of Motorcycle Safety, Commercial Vehicle Inspection, and a MOPED Safety course.
- Avera Marshall held their leadership meeting at the MERIT Center on May 18th for 54 employees.
- The entire Redwood Falls Police Department utilized classroom D and the use of force simulator on May 14th for certification.
- The MERIT Center was utilized 25 out of 31 days in May with 417 participants attending these events/trainings.



MARSHALL

BUILDING PERMIT LIST
June 08, 2021

APPLICANT	LOCATION ADDRESS	DESCRIPTION OF WORK	VALUATION
KEVIN LANOUE CONSTRUCTION LLC	107 JAMES AVE W	RE-ROOFING	11,200.00
FRANK'S ELECTRIC, PLUMBING & HEATIN	515 COLLEGE DR E	HVAC	3,300.00
INDEPENDENT SCHOOL DIST #413	1300 LYON ST E	INTERIOR REMODEL	35,200.00
GEIHL CONSTRUCTION, INC.	305 5TH ST N	INTERIOR & EXTERIOR REMC	53,000.00
ARENDS RENTALS LLC	308 LAWERENCE ST	Windows	1,200.00
TRIO PLUMBING & HEATING	1108 WILLOW LN	HVAC	6,500.00
RICHARD LOUWAGIE CONSTRUCTION	206 SARATOGA ST W	RE-ROOFING	8,000.00
J MARONDE CONSTRUCTION LLC	1003 WILLOW AVE	Windows	1,400.00
HY-VEE CONSTRUCTION	900 MAIN ST E	INTERIOR REMODEL	10,000.00
BOCK FAMILY TRUST, WALLACE & BECKY BOCK	421 4TH ST S	INTERIOR REMODEL	600.00
DUININCK INC	705 7TH ST N	DEMOLITION	2,000.00
GESKE HOME IMPROVEMENT CO.	307 3RD ST N	Windows	600.00
GESKE HOME IMPROVEMENT CO.	228 WHITNEY ST N	Windows	2,400.00
GESKE HOME IMPROVEMENT CO.	703 VIKING DR	Windows	600.00
GESKE HOME IMPROVEMENT CO.	602 SOUCY DR	Windows	6,000.00
DENNIS LOZINSKI CONSTRUCTION	419 5TH ST N	RE-ROOFING	8,400.00
LAYLE FRENCH CONSTRUCTION INC.	622 4TH ST S	DECK	1,000.00
GESKE HOME IMPROVEMENT CO.	113 KATHRYN AVE	Windows	5,400.00
GESKE HOME IMPROVEMENT CO.	1104 JEFFERSON AVE	Windows	600.00
AMERICAN WATERWORKS	604 PROSPECT CIR	INTERIOR REMODEL	9,100.00
Regnier Electric	305 4TH ST S	HVAC	5,500.00
LAYLE FRENCH CONSTRUCTION INC.	111 GRAY PLACE W	DOORS	1,000.00
HOME DEPOT	1007 WILLOW AVE	Windows	5,100.00
GLADIS, ANNE-TERESE	302 GEORGE ST	Windows	3,900.00
TRENT BAKER CONSTRUCTION	1107 BRUCE CIR	DECK	10,500.00
QUASIUS, ROBERT T	1107 DEVITO ST	DOORS	1,200.00
STEEN, MATTHEW N & LAUREL I	1108 BRUCE CIR	INTERIOR & EXTERIOR REMC	43,000.00



MARSHALL

SIGN PERMIT LIST
June 08, 2021

APPLICANT	LOCATION ADDRESS	DESCRIPTION OF WORK	VALUATION
Precision Signs Service, LLC	1211 SUSAN DR	N/A	10,000.00
JENNA ERICKSON	348 MAIN ST W	N/A	1,000.00
AP Design	702 FAIRVIEW ST W	N/A	5,000.00

2021 Regular Council Meeting Dates

2nd and 4th Tuesday of each month

5:30 P.M.

Minnesota Emergency Response and Industrial Training (MERIT) Center, 1001 Erie Road

NOTICE: Pursuant to Minnesota State Statute 13D.021

Some or all members of the City Council may participate by telephone or other electronic means. Regular attendance and meeting location are not feasible due to the Coronavirus Disease (COVID-19) pandemic.

January

1. January 12, 2021
2. January 26, 2021

February

1. February 09, 2021
2. February 23, 2021

March

1. March 09, 2021
2. March 23, 2021

April

1. April 13, 2021
2. April 27, 2021

May

1. May 11, 2021
2. May 25, 2021

June

1. June 08, 2021
2. June 22, 2021

July

1. July 13, 2021
2. July 27, 2021

August

1. August 10, 2021
2. August 24, 2021

September

1. September 14, 2021
2. September 28, 2021

October

1. October 12, 2021
2. October 26, 2021

November

1. November 09, 2021
2. November 23, 2021

December

1. December 14, 2021
2. December 28, 2021

2021 Uniform Election Dates

- February 09, 2021
- April 13, 2021
- May 11, 2021
- August 10, 2021
- November 2, 2021

204C.03 PUBLIC MEETINGS PROHIBITED ON ELECTION DAY.

Subdivision 1. School districts; counties; municipalities; special taxing districts. No special taxing district governing body, school board, county board of commissioners, city council, or town board of supervisors shall conduct a meeting between 6:00 p.m. and 8:00 p.m. on the day that an election is held within the boundaries of the special taxing district, school district, county, city, or town. As used in this subdivision, "special taxing district" has the meaning given in section 275.066.



Upcoming Meetings

June

- 06/08 Work Session, Audit Presentation, 4:30 PM, MERIT Center
- 06/08 HRA, Public Hearing, 5:15 PM, MERIT Center
- 06/08 Regular Meeting, 5:30 PM, MERIT Center
- 06/22 Regular Meeting, 5:30 PM, City Hall

July

- 07/13 Regular Meeting, 5:30 PM, City Hall
- 07/27 Regular Meeting, 5:30 PM, City Hall