**FINANCIAL COMMISSION MEETING**
Council Commission Room Chambers September 15, 2025

**AGENDA**

1. **Call to Order - 6:00 p.m.**

2. **Roll Call**

3. **Approval of Agenda**

4. **New Business**

   a. Audit Request for Proposal Review

   b. Commission Attendance

   c. Commission Code of Respect

   d. Preliminary Levy

   The Preliminary Levy is not available for review at this time. Information regarding the preliminary levy will be presented to City Council on Monday, September 22nd during the regular Council meeting. Council will be asked to vote on and set the preliminary levy at that meeting.

   e. Purchasing Policy

5. **Upcoming Meetings**

   a. Monday October 20th, 2025- Joint Council/Financial Commission Meeting

   b. Monday November 3rd, 2025 Joint Council/Financial Meeting

6. **Adjournment**

# *City of Brooklyn Center*

***Minnesota***

# Request for Proposal
# Professional Auditing Services

For Years Ending December 31,
2025, 2026, 2027

August 27, 2025

**Commented [AH1]:** Date will be changed to coincide when the RFP is issued

## TABLE OF CONTENTS

**ATTACHMENTS**

# I. INTRODUCTION

## A. General Information

The City of Brooklyn Center (the City) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the years ending December 31, 2025, 2026, and 2027.

These audits are to be performed in accordance with the provisions of applicable auditing standards which are outlined within this request for proposals.

## B. Instructions

To be considered, qualified firms must submit three (3) hard copies of their proposal. The proposal must be received by 4:00 p.m. on August 23, 2022, addressed to:

**Commented [AH2]:** This will be updated upon approval of the RFP

Angela J Holm, Finance Director
6301 Shingle Creek Parkway
Brooklyn Center, MN 55430

Firms are also required to submit an electronic (PDF) version of their proposal to be received by 4:00 p.m. on August 23, 2022, and should be sent to:

**Commented [AH3]:** This will be updated upon approval of the RFP

Angela J Holm, Finance Director
aholm@brooklyncentermn.gov

There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in the preparation of proposals in response to this request.

The City reserves the right, where it may serve the City's best interest, to request additional information or clarification from proposers, or to allow corrections of errors or omissions. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process. The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the engagement letter between the City and the firm selected.

The City reserves the right to reject any or all proposals submitted.

Contact with personnel (including elected officials or appointed Commissioners) of the City, other than Angela Holm, Finance Director or Dr Reginald Edwards, City Manager in regards to this request for proposals may be grounds for elimination from the selection process.

**C. Term of Engagement**

An initial three (3) year engagement contract is contemplated for the years ending December 31, 2025, 2026 and 2027. Three (3) additional one-year engagements will be available after the initial contract, which will be subject to annual review, satisfactory negotiation of terms (including a price acceptable to the City and the selected firm), as well as City Council approval.

**D. Subcontracting**

Following the award of the audit contract, no subcontracting will be allowed without the express prior written consent of the City.

## II. NATURE OF SERVICES REQUIRED

**A. Scope of Work to be Performed**

The City will retain the accounting firm to audit its financial processes, records, and statements to express an opinion on the fairness of the presentation of the government-wide, major governmental funds, major business-type funds, and the aggregate remaining fund financial statements in conformity with generally accepted accounting principles.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board (GASB) as mandated by generally accepted auditing standards.

The City also desires the firm to review the presentation of the statistical section of the annual comprehensive financial report, in so far as current generally accepted auditing standards require such review.

The auditor is not required to audit the schedule of expenditures of federal awards if such audit is not triggered by the threshold of funding received by the City.

**B. Auditing Standards to be Followed**

To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA).
- The standards for financial audits as set forth in the U.S. General Accounting Offices' (GAO) *Government Auditing Standards.*

- The provisions of the most recent Single Audit Act.
- The provisions of U.S. Office of Management and Budget (OMB) Circular A-133.
- The provisions of the *Minnesota Legal Compliance Audit Guide for Local Government.*
- Any other Federal, State and local requirements in effect now, or placed into effect during the engagements.

**C. Reports to be Issued**

Following the completion of the audit of the year's financial statements, the auditor shall issue:

1. An Independent Auditor's Report, expressing an opinion on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

2. An Independent Auditor's 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.

3. An Independent Auditor's Report on the Schedule of Expenditures of Federal Awards as required by 2 CFR part 200, subpart F (if applicable).

4. An Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by 2 CFR part 200, subpart F (if applicable).

5. An Independent Auditor's Report on Minnesota Legal Compliance

6. A Management Letter

7. Any other requested reports agreed upon in the annual engagement letter.

In the required report(s) on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined using the standards promulgated by the Statement of Auditing Standards (SAS) in effect for the year being audited.

Non-reportable conditions discovered by the auditors shall be reported in the separate Management Letter, which shall be referred to in the report(s) on internal controls.

The audit firm shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware of during the course of the audit to the City Council and City Manager.

**D. Additional Non-Audit Services**

In addition to the audit services described above, the City is requesting the following additional assistance or services:

1. Preparation of all required basic financial statements
2. Preparation of the notes to the financial statements
3. Preparation of any additional statements or schedules needed to fulfill reporting requirements
4. Assist in preparation of the statistical section of the annual financial report
5. Assistance with filing the annual financial report and any applicable reports with appropriate state or Federal agencies or departments

**E. Reporting to the City Council**

Auditors shall assure themselves that the City Council is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

**F. Special Considerations**

The City will send its Annual Comprehensive Financial Report (ACFR) to the Government Finance Officers Association of the United States and Canada (GFOA) for review in their Certificate of Achievement for Excellence in Financial Reporting program. The City has deferred this option for the last few years. It is anticipated that the auditor will be required to provide some assistance to the City to meet the requirements of this program.

**F. Working Paper Retention and Access to Working Papers**

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years following the issuance of an opinion, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- City of Brooklyn Center
- Office of the State Auditor (OSA)
- U.S. General Accounting Office (GAO)
- Parties designated by the federal or state governments or by the City as part of an audit quality review process
- Auditors of entities of which the City is a sub-recipient of grant funds

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

## III. DESCRIPTION OF THE GOVERNMENT

**A. Contact Person**

The auditor's principal contact with the City will be:

Angela J Holm, Finance Director
(763) 569-3345
aholm@brooklyncentermn.gov

**B. Background Information**

The City is a northern metropolitan area suburban community located in Hennepin County. The City encompasses approximately 8.5 square miles, with the most recent population estimate to be 33,782 by the Metropolitan Council. The City was incorporated in 1911, and currently operates under the "Plan B" form of government under Minnesota Statutes.

The City's governing body consists of a Mayor and four Council Members, all of whom are elected at large. The present Mayor and Council Members, as well as their respective terms are listed below:

| | | |
|---|---|---|
| April Graves | Mayor | December 31, 2026 |
| Dan Jerzak | Council Member | December 31, 2026 |
| Kris Lawrence-Anderson | Council Member | December 31, 2028 |
| Teneshia Kragness | Council Member | December 31, 2026 |
| Laurie Anne Moore | Council Member | December 31, 2028 |

The City Manager is responsible for the daily management of City business and the administration of policy as directed by the Council. Dr. Reginald Edwards is the City Manager and has served in this capacity since July 2021.

The City employs approximately 280 full and part-time employees.

Governmental operations of the City had a 2025 expenditure budget in excess of $38 million, and include: general administration, police & fire protection, building and community standards, housing redevelopment, economic development, maintenance & construction of community infrastructure, and community activities & recreational services.

Business-type operations of the City had a 2025 revenue budget in excess of $38 million, and include: water utility, sanitary sewer utility, storm drainage utility, street light utility, recycling utility, municipal off-sale liquor stores, Heritage Center event center and five internal service funds.

The City currently has a bond rating of AA provided by Standard & Poors.

**C. Federal and State Assistance**

During 2024, the City expended in excess of $750,000 in federally awarded funds, thus requiring the need for a Single Audit.

It is expected that the City will require a Single Audit for the term of this engagement, as Federal funds will be expended related to the American Recovery Act as well as planned assistance for improvements to Highway 252.

**D. Component Units**

The City is responsible for two component units; the Housing and Redevelopment

Authority (HRA) and the Economic Development Authority (EDA), both of which are considered blended component units, and are reported as special revenue funds within the City's ACFR.

**E. Pension Plans**

All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). The association administers the Public Employees Retirement Fund and the Public Employees Police & Fire Fund which are cost sharing, multiple employer retirement plans.

The Volunteer Firefighter's Relief Association has its own plan and submits an audited report to the City.

The City also makes payments to the Central Pension Fund for employees that are members of IUOE Local 49. These are made on a defined contribution basis.

**F. Joint Ventures**

The City discloses its participation within the Annual Comprehensive Financial Report for the following joint ventures:

1. LOGIS – A technology consortium.

2. LOGIS – An employee benefits consortium.

**G. Magnitude of Finance Operations**

The finance department is headed by Angela Holm, Finance Director. Angela started with the City in February 2022. Prior to working for the City, Angela worked as the Budget Director for the St Paul Public Housing Agency.

The finance department consists of six employees, which are outlined as follows:

| Function | Number of Employees |
|---|---|
| Finance Director | 1 |
| Senior Accountant | 2 |
| Accounts Payable Supervisor | 1 |
| Accounting Specialist II | 1 |
| Utility Billing Technician | 1 |

**H. Technology**

The City is a member of LOGIS, which is a technology consortium of local government entities, who share hardware, software and support services. Being a member of this consortium gives the City access to JD Edwards ERP system, which the City uses for: budgeting, general ledger, accounts payable, accounts receivable, fixed assets, and payroll. The utility billing software provided through the consortium is CIS Infinity.

## IV. TIME REQUIREMENTS

### A. Proposal Calendar

| | |
|---|---|
| Request for proposal issued | August 2, 2022 |
| Due date for proposals (4:00 p.m. at City Hall) | August 23, 2022 |
| City will review proposals by | September 2, 2022 |
| Interviews conducted by | September 19, 2022 |
| Selected firm notified | September 26, 2022 |

Commented [AH4]: This will be updated once the RFP is approved

### B. Detailed Schedule for 2025 Audit

1. Detailed Audit Plan - This should be provided by the audit firm by January 1, 2026, and will include all schedules, forms and documents needed to complete the audit, and the party responsible for completing each respective task.

2. Preliminary Fieldwork – Completed by the last day of March 2026.

3. Audit Fieldwork – Completed by the second week of May 2026.

4. Formal Exit Interview – This meeting will be held with the City Manager, the Finance Director, and any members of the audit staff, including the in-charge partner. This meeting should be a formal review of the audit, and presentation of draft versions of: 1) Opinion Letters; 2) Special Purpose Reports; and 3) Management Letter.
5. Final Reports – All reports are due one week prior to the City Council and Financial Commission work session. The specific date of this meeting will be identified each year but will occur on or before June 30th.

   The auditor shall make at least one senior staff member available for an evening meeting to review reports and findings at a joint meeting of the City Council and Financial Commission. At Council's discretion, you may also be asked to attend the City Council meeting at which the reports would be accepted.

## V. ASSISTANCE PROVIDED TO THE AUDITOR & REPORT PREPARATION

### A. Finance Department and Assistance

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. In an effort to contain audit costs, the City will prepare as many audit worksheets and schedules as is practical to reduce clerical work to be performed by the independent audit firm.

**B. Work Area**

For any contemplated on-site work, the City will provide the audit staff with a conference room with table and chairs. The auditor will also be provided reasonable access to the internet, telephones and office equipment (copier, scanner, fax, etc).

The City encourages remote work to the extent audit staff desire. City staff will be available remotely in the same manner as if on-site work was being performed.

**C. ACFR Preparation**

Report preparation and editing will be the responsibility of the audit firm.

**D. Other Report Preparation**

Report preparation, editing, printing, binding, etc., will be the responsibility of the auditor. The audit firm shall consult the Finance Director, who will provide a final number of fully processed reports which will be provided to the City. Electronic copies of these reports must also be provided to the City.

## VI. PROPOSAL REQUIREMENTS

**A. Required Components**

Submissions must be received by 4:00 p.m. by August 19, 2022 in order to be considered by the City. Responses to this request for proposals should include the following information in the order prescribed.

**Commented [AH5]:** Date updated upon approval of the RFP. It is anticipated firms will have 2-3 weeks to respond.

1. Title Page - This should include the subject of the proposal, the firm's name, the primary contact person, and contact information.

2. Table of Contents

3. Transmittal Letter – A signed letter of transmittal briefly stating the proposers understanding of the work to be done, the commitment to perform the work within the time outlined time period, a statement why the firm believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for a period of 90 days.

4. Technical Proposal – This should follow the order and contents outlined in section

(VI.B) within this document.

5. Dollar Cost Proposal – This should follow the order and contents outlined in section (VI.C) within this document.

6. Proposer Warranties – An executed copy of the Proposer Warranties, which is attached to this document as: Attachment A.

**B. Technical Proposal**

The purpose of the proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The proposal should address all the points outlined in the request for proposals. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects must be included. They represent the criteria against which the proposal will be evaluated.

1. Independence

   The firm should provide an affirmative statement that it is independent of the City as defined by generally accepted auditing standards of the U.S. General Accounting Office's *Government Auditing Standards.*

   The firms should also list and describe the firm's professional relationship involving the City, its component units, or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

   In addition, the firm shall give the City written notice of any professional relationships entered into during the period of this agreement.

2. License to Practice in Minnesota

   An affirmative statement should be included that the firm and all assigned key professional staff are properly registered and licensed to practice in Minnesota.

3. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be employed on a part-time basis.

The firm is also required to submit a copy of its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

4. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Minnesota. Provide information on the government auditing experience of each person.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, and other assigned staff may be changed if those personnel leave the firm, are promoted, or assigned to another office provided that the replacements have substantially the same or better qualifications or experience. The City retains the right to approve or reject replacements.

5. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last five (5) years that are similar to the engagement described in this request for proposal and who are awarded the GFOA Certificate for Excellence in Financial Reporting. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

6. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, for performance of the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as the City's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- Proposed segmentation of the engagement.
- Level of staff and number of hours to be assigned to each proposed segment.
- Sample size and the extent to which statistical sampling will be used.
- Extent of use of software.
- Type and extent of analytical procedures.
- Approach used to gain an understanding and document the City's internal controls structure.
- Approach to be taken in determining applicable laws and regulations which will be subject to the audit.
- Approach to be taken in drawing audit samples for purposes of tests of compliance.

7. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City.

8. Report Format

The proposal should include sample formats for required reports, including Management Letter.

**C. Dollar Cost Proposal**

1. Total All Inclusive Maximum Price

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The City will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- Name of Firm
- Certification that the person signing the proposal is entitled to represent the firm, empowered to submit a proposal, and authorized to sign a contract with the City.

2. Rates by Partner, Manager, Supervisory and Other Staff Levels, and Hours

The dollar-cost bid should include a schedule of professional fees and expenses, presented in the format provided in Attachment B, that supports the total all-inclusive maximum price.

3. Out of Pocket Expenses

All estimated out-of-pocket expenses to be reimbursed should be presented in the format provided in Attachment B. All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

4. Single Audit

The pricing for the Single Audit should be separated as a separate line item in Attachment B.

5. Rates for Additional Professional Services

If it should become necessary for the City to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City and the firm. Any such additional work agreed to between the City and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost proposal.

6. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost proposal. Interim billing shall cover a period of not less than a calendar month.

## VII. EVALUATION PROCEDURES

### A. Audit Proposal Evaluation & Criteria

Proposals submitted will be evaluated by the Finance Director, City Manager and the Financial Commission.

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

   a. The audit firm is independent and licensed to practice in Minnesota.
   b. The firm has no conflict of interest with regard to any other work performed by the firm for the City.
   c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
   d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

2. Technical Qualifications

   a. Expertise and Experience
      1. The firm's past experience and performance on comparable government engagements.
      2. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
      3. The firm’s expertise with the GFOA Certificate of Achievement in Financial Reporting program.

   b. Audit Approach
      1. Adequacy of a proposed staffing plan for various segments of the engagement.
      2. Adequacy of sampling techniques.
      3. Adequacy of analytical procedures.

3. Price (please complete Attachment B).

**B. Oral Presentations**

During the evaluation process the City may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the City may have on a firm's proposal.

Interviews, if required, are tentatively planned to be held at the meeting of the City's Financial Commission on the evening of September 19, 2022.

**Commented [AH6]:** This will be updated upon approval of the RFP

**C. Final Selection**

The Financial Commission will recommend to the City Council the appointment of an independent CPA firm judged to be the most responsive and responsible proposer for the auditing services requested. The final decision with respect to the appointment will be made by the City Council.

**D. Right to Reject Proposals**

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the engagement letter between the City and the firm selected. The City reserves the right without prejudice to reject any or all proposals.

## ATTACHMENT A

## CITY OF BROOKLYN CENTER
## PROPOSER WARRANTIES

A. Proposer warrants that it is willing and able to comply with State of Minnesota laws with respect to foreign (non-state) corporations.

B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.

C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City.

D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

E. Proposer certifies that it can and will provide and make available at a minimum, all services set forth in Section II, Nature of Services Required.

Signature of Official: ______________________________________________

Name (typed): __________________________________________________

Title: _________________________________________________________

Firm: _________________________________________________________

Date: _________________________________________________________

**ATTACHMENT B**

**CITY OF BROOKLYN CENTER**
**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES**
**FOR THE AUDIT OF THE 2025 FINANCIAL STATEMENTS**

NOTE: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

| | Hours | Standard Hourly Rates | Quoted Hourly Rates | Total |
|---|---|---|---|---|
| **Partners** | | $ | $ | $ |
| **Managers** | | $ | $ | $ |
| **Supervisory Staff** | | $ | $ | $ |
| **Other (Specify)** | | $ | $ | $ |
| **Subtotal** | | $ | $ | $__________ |
| **Out-of-Pocket Expenses** | | | | $ |
| **Meals and Lodging** | | | | $ |
| **Transportation** | | | | $ |
| **Single Audit** | | | | $ |
| **Other (Specify)** | | | | $ |
| | | | | |
| **TOTAL – CITY AUDIT** | | | | $ |

# ATTACHMENT B

## CITY OF BROOKLYN CENTER
## SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
## FOR THE AUDIT OF THE 2026 FINANCIAL STATEMENTS

NOTE: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

| | Hours | Standard Hourly Rates | Quoted Hourly Rates | Total |
|---|---|---|---|---|
| **Partners** | | **$** | **$** | **$** |
| **Managers** | | **$** | **$** | **$** |
| **Supervisory Staff** | | **$** | **$** | **$** |
| **Other (Specify)** | | **$** | **$** | **$** |
| **Subtotal** | | **$** | **$** | **$**__________ |
| **Out-of-Pocket Expenses** | | | | **$** |
| **Meals and Lodging** | | | | **$** |
| **Transportation** | | | | **$** |
| **Single Audit** | | | | **$** |
| **Other (Specify)** | | | | **$** |
| | | | | |
| **TOTAL – CITY AUDIT** | | | | **$** |

**ATTACHMENT B**

**CITY OF BROOKLYN CENTER**
**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES**
**FOR THE AUDIT OF THE 2027 FINANCIAL STATEMENTS**

NOTE: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

| | **Hours** | **Standard Hourly Rates** | **Quoted Hourly Rates** | **Total** |
|---|---|---|---|---|
| **Partners** | | $ | $ | $ |
| **Managers** | | $ | $ | $ |
| **Supervisory Staff** | | $ | $ | $ |
| **Other (Specify)** | | $ | $ | $ |
| **Subtotal** | | $ | $ | $__________ |
| **Out-of-Pocket Expenses** | | | | $ |
| **Meals and Lodging** | | | | $ |
| **Transportation** | | | | $ |
| **Single Audit** | | | | $ |
| **Other (Specify)** | | | | $ |
| | | | | |
| **TOTAL – CITY AUDIT** | | | | $ |

# Council Regular Meeting

**DATE:** 9/15/2025
**TO:** City Council
**FROM:**
**THROUGH:**
**BY:** Kat Ellgren, Deputy City Clerk
**SUBJECT:** Commission Attendance

**Requested Council Action:**

**Background:**
Attendance expectations for the Financial Commission are included in the resolution language establishing the commission. Attached are the attendance records from June 16, 2025, through August 4, 2025, which include the Joint City Council and Financial Commission meetings.

**Budget Issues:**

**Inclusive Community Engagement:**

**Antiracist/Equity Policy Effect:**

**Strategic Priorities and Values:**

**<u>ATTACHMENTS:</u>**
1. Resolution Establishing Financial Commission
2. FC Attendance

RESOLUTION NO. 91-115
RESOLUTION NO. 92-99
RESOLUTION NO. 92-168
RESOLUTION NO. 95-78
RESOLUTION NO. 98-13
RESOLUTION NO. 99-110

RESOLUTION ESTABLISHING A BROOKLYN CENTER FINANCIAL COMMISSION AND DEFINING DUTIES AND RESPONSIBILITIES

WHEREAS, the Brooklyn Center City Council established by Resolution Nos. 91-115 and 92-99 an ad hoc task force for the express purpose of reviewing the fiscal impacts of State of Minnesota budgetary problems on Brooklyn Center and assisting the City Council in formulating priorities and responses to a limited fiscal resource situation; and

WHEREAS, on June 22, 1992, the ad hoc City Financial Task Force presented to the City Council a report entitled "General Fund Budget Prioritization Process" which was accepted by the City Council; and

WHEREAS, there is an ongoing need to formulate priorities and responses to continuing limited fiscal resources.

NOW, THEREFORE, BE IT RESOLVED by the Brooklyn Center City Council that there is hereby established within the City of Brooklyn Center an advisory Financial Commission as follows:

Subdivision 1. TITLE: This organization shall be known as the Brooklyn Center Financial Commission.

Subdivision 2. SCOPE: The scope of activity of this Commission shall consist of advising the City Council regarding matters relevant to the City's financial status.

Subdivision 3. PURPOSE: The Commission shall serve as an advisory body to assist the City Council in evaluating and developing fiscal policies, fiscal procedures, Mayor and Council Member total compensation, budgetary and capital matters, and such other issues as may be assigned to the Commission by the City Council or referred to it by the City Manager. The Commission may also identify and recommend to the City Council issues and matters for Commission and/or staff review.

Subdivision 4. COMPOSITION: The Commission shall be composed of a chairperson and six (6) members, all of whom shall be appointed and serve as set forth in Subdivision 5.

Subdivision 5. MEMBERS METHOD OF SELECTION-TERM OF OFFICE-REMOVAL:

Chairperson: The Chairperson shall be elected by majority vote of the Financial Commission membership. The election shall be conducted at the Financial Commission's first regular meeting of the calendar year, or in the case of a vacancy, within two regularly scheduled Financial Commission meetings from the time a vacancy of the chair occurs. The Chairperson may be removed by majority vote of the Financial Commission membership. The Chairperson shall assure fulfillment of the following responsibilities in addition to those otherwise described herein:

1. Preside over meetings of the Commission;

2. Appear or appoint a representative to appear, as necessary, before the City Council to present the viewpoint of the Commission in matters relevant to the City's financial status as it relates to business under consideration by the City Council;

3. Review all official minutes of the City Council and other advisory commissions for the purpose of informing the Financial Commission of matters relevant to city finances.

Vice Chairperson: A Vice Chairperson shall be appointed annually by the Chairperson from the members of the Commission. The Vice Chairperson shall perform such duties as may be assigned by the Chairperson and shall assume the responsibilities of the chair in the absence of the Chairperson.

Members' Term of Office: Members of the Commission shall be appointed by the Mayor with majority consent of the Council. The terms of office shall be staggered three-year terms, except that any person appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed only for the remainder of such term. Upon expiration of his or her term of office, a member shall continue to serve until his or her successor is appointed and shall have qualified. Terms of office for members of the Commission shall expire on December 31 of respective calendar years.

In the event an appointed Commissioner suffers from an extended illness, disability, or other activity preventing proper fulfillment of duties, responsibilities, rules and regulations of the Commission, the Commissioner may be temporarily replaced by an interim Commissioner appointed by the Mayor with majority consent of the City Council.

Qualifications for Membership: Members of the Commission shall be residents of the City of Brooklyn Center while serving on the Commission and have an interest in the financial operations of the City.

Representation Requirements: Members shall be appointed upon the basis of qualification and interest and to reflect a general representation of the diversity of the community.

Conflict of Interest: Commissioners shall comply with provisions of the City of Brooklyn Center's business ethics policy.

Resignations-Removal from Office-Vacancies: Commissioners may resign voluntarily or may be removed from office by the Mayor with consent by majority vote of the City Council. Three consecutive unexcused absences from the duly called Commission meetings or unexcused absences from a majority of duly called Commission meetings within one calendar year shall constitute automatic resignation from office. The City Council liaison shall inform the Mayor and City Council of such automatic resignations. Vacancies in the Commission shall be filled by Mayoral appointment with majority consent of the City Council. The procedure for filling Commission vacancies is as follows:

1. Notices of vacancies shall be posted for 30 days before any official City Council action is taken;

2. Vacancies shall be announced in the City's official newspaper;

3. Notices of vacancies shall be sent to all members of standing advisory commissions;

4. Applications for Commission membership must be obtained in the City Clerk's office and must be submitted in writing to the City Clerk;

5. The City Clerk shall forward copies of the applications to the Mayor and City Council;

6. The Mayor shall identify and include the nominee's application form in the City Council agenda materials for the City Council meeting at which the nominee is presented;

7. The City Council, by majority vote, may approve an appointment at the City Council meeting at which the nominee is presented.

Compensation: Commissioners shall serve without compensation.

Subdivision 6. RULES AND PROCEDURES: The Commission shall adopt such rules and procedures not inconsistent with these provisions as may be necessary for the proper execution and conduct of business.

Subdivision 7. MEETINGS: The initial meeting of the Commission shall be convened at the call of the Chairperson within thirty (30) days after appointment by the Council. Thereafter, regular meetings shall be held with date and time to be determined by the Commission. Special meetings may be called by the Chairperson.

Subdivision 8. STAFF: The City Manager shall assign one member of the administrative staff to serve as staff to the Commission. The staff member assigned shall perform such clerical and research duties on behalf of the Commission as may be assigned the City Manager.

Subdivision 9. EX OFFICIO MEMBERS: The Mayor, or his or her City Council designee, shall serve as an ex officio member of the Commission, privileged to speak on any matter but without a vote, and shall provide a liaison between the Commission and the City Council.

| | 16-Jun | 21-Jul | 30-Jun | 18-Aug | 14-Aug | 4-Aug |
|---|---|---|---|---|---|---|
| Janice Brandt | P | P | P | A | P | P |
| Leonard Brown | A | A | A | A | A | A |
| Venus Coleman | A | A | A | A | A | A |
| Michael Donnelly | A | A | A | A | A | A |
| Gretchen Enger | P | P | P | P | E | P |
| Joy Garcia | P | A | A | P | P | P |
| Jeff Lewis | P | P | P | P | P | P |

| |
|---|
| A=Absent |
| E=Excused |
| P=Present |

# Table of Contents

# Brooklyn Center City Commission Code of Respect and Ethics

## A. Commissioner Conduct with One Another

City Commissions are composed of individuals with a wide variety of backgrounds, personalities, values, opinions, and goals. Despite this diversity, all have chosen to serve the community. In all cases, this common goal should be acknowledged even as Commissioners may "agree to disagree" on contentious issues.

1. <u>In Public Meetings</u>

(a) **Commissioner Interaction**. Commissioners agree to practice civility, professionalism and decorum in discussions and debate. Difficult questions, tough challenges to a particular point of view, and criticism of ideas and information are legitimate elements of a free democracy in action. Commissioners can promote camaraderie and collaboration by refraining from making belligerent, personal, impertinent, slanderous, threatening, abusive, or disparaging comments. Shouting or physical actions that could be construed as threatening will not be tolerated. Commissioners should make every effort to conduct themselves in a professional manner at all times, including listening actively during Commission meetings.

(b) **Deference to Order**. Commissioners agree to honor the roles of Commission leadership including the Chair and Co-Chair in maintaining order by deferring to their direction and guidance. It is the responsibility of the Chair and/or Co-Chair to keep the Commission meetings on track during meetings. Commissioners agree to honor efforts by the Chair or Co-Chair to focus discussion on current agenda items. If there is disagreement about the agenda or Chair or Co-Chair's actions, those objections should be voiced politely and with reason, following procedures outlined in parliamentary procedure.

(c) **Setting a Positive Example**. One prominent goal of every commission meeting should be to demonstrate a positive example of decorum and respect for constituents. To accomplish that goal, Commissioners agree to avoid comments that personally attack other Commissioners. If a Commissioner is personally attacked by the comments of another Commissioner, the offended Commissioner will make notes of the actual words used and may call for a "point of order" to challenge the other Commissioner to justify or apologize for the language used. The Chair or Co-Chair will maintain control of this discussion.

(d) **Collaborative Problem Solving**. Another goal of the commission meeting is to demonstrate effective problem-solving approaches. Commissioners have a responsibility to show how individuals with disparate points of view can find common ground and seek a compromise that benefits the community as a whole.

(e) **Timeliness.** To ensure smooth and timely execution of each commission meeting, Commissioners agree to make best efforts to be punctual and keep comments relative to topics discussed. Every Commissioner has made a commitment to attend meetings and participate in discussions. Therefore, it is important that Commissioners be punctual and that meetings start on time. It is equally important that discussions on issues be relative to the topic at hand to allow adequate time to fully discuss scheduled issues.

(f) **Endorsement of Candidates**. It is inappropriate to mention endorsements during commission meetings or other official City meetings or functions.

(g) **Professional Courtesy**. Commissioners endeavor to avoid putting colleagues in awkward or disadvantageous positions in an effort to capitalize on another colleagues' vulnerability or to embarrass them publicly. Commissioners agree to make every attempt to submit questions or concerns to the Staff Liaison prior to formal meetings to avoid surprising Commissioners, Council Liaisons, or Staff at said meetings.

(h) **Personal Attacks**. Commissioners shall not personally attack, under any circumstance, another member of a Commission. Commissioners acknowledge that cultural differences, body language, tone of voice, as well as the words they use, could be experienced as intimidating, off-putting, or aggressive to the message recipient.

2. <u>In Private Encounters</u>

(a) **Respectful Workplace Values**. Commissioners agree to continue to model respectful behavior in private. The same level of respect and consideration of differing points of view that is deemed appropriate for public discussions should be maintained in private conversations.

(b) **Data Practices**. Commissioners recognize that written notes, voicemail messages, social media and email may be public information. Technology allows words written or said without much forethought to be distributed wide and far. Commissioners agree to consider the following: (1) how they, their family and/or friends would feel if this voicemail message was played on a speaker phone in a full office? Or broadcast on the nightly news; (2) What could the consequences be if this email message was forwarded to others? Commissioners agree that written notes, social media postings, voicemail messages and email should be treated as potentially "public" communication.

(c) **Public-Private Considerations.** Even private conversations can have a public presence. City officials are always on display – their actions, mannerisms, and language are monitored by people around them that they may not know. Lunch table conversations could be overheard, parking lot debates may be watched, and casual comments between individuals before and after public meetings noted.

(d) **Personal Comments**. Commissioners agree to refrain from making personal comments about other Commissioners. It is acceptable to publicly disagree about an issue, but it is unacceptable to make derogatory comments about other Commissioners, their opinions and actions.

## B. Commissioner Conduct with City Staff

Governance of the City is a cooperative effort, including elected officials, appointed officials, and staff. Therefore, every effort should be made to be cooperative and show mutual respect for the contributions made by each individual for the good of the community.

1. Respectful Workplace Values. Commissioners agree to treat all staff as professionals. Commissioners agree to engage in clear, honest communication that respects the abilities, experience, expertise, and dignity of each individual. Berating, personal, impertinent, slanderous, threatening, abusive, or disparaging comments toward staff are not acceptable and are automatic grounds for a Code of Resect violation.

2. Limited City Staff Contact. Questions for City staff and/or requests for additional background information should be directed to the City Manager or City Attorney. Commissioners agree to copy the City Manager on or keep the City Manager informed of any request. Except in extraordinary circumstances, Commissioners agree to avoid disrupting City staff while they are in meetings, on the phone, or engrossed in performing their job functions.

3. Staff Criticism. Commissioners should not publicly criticize an individual employee. Commissioners agree to express concerns about the performance of a City employee directly to the City Manager through private correspondence or conversation. Commissioners will refrain from expressing concerns in public, to the employee directly, or to the employee's manager.

4. Political Solicitation. Commissioners will not solicit any type of political support (financial contributions, display of posters or lawn signs, name on support list, etc.) from City staff.

5. Personal Comments about other Commissioners. Commissioners agree to refrain from speaking ill of other Commissioners to staff. This puts staff in an uncomfortable and compromising position because staff have the responsibility to treat all Commissioners equally and with respect.

6. Personal Attacks. Commissioners shall not personally attack, under any circumstance, a member if city staff. Commissioners acknowledge that cultural differences, body language, tone of voice, as well as the words they use, could be experienced as intimidating, off-putting, or aggressive to the message recipient.

## C. Commissioner Conduct with the Public

1. In Public Meetings (For Commissions with Public Hearings)

(a) **Create a Welcoming Environment**. Making the public feel welcome is an important part of the democratic process. No signs of partiality, prejudice or disrespect should be evident on the part of individual Commissioners toward an individual participating in a public forum. Every effort should be made to be fair and impartial in listening to public testimony.

(b) **Speaking Time**. The Commission as a body agrees to be fair and equitable in allocating public hearing time to individual speakers. The Commission Chair or Co-Chair will determine and announce limits on speakers at the start of the public hearing process and ensuring those with Brooklyn Center addresses have an opportunity to speak. Generally, each speaker will be allocated two minutes to speak. Applicants or their designated representatives may be allowed more time. If many speakers are anticipated, the Chair or Co-Chair may shorten the time limit and/or ask speakers to limit themselves to new information and points of view not already covered by previous speakers.

(c) **Public Hearing Speakers**. No speaker will be turned away unless the speaker exhibits inappropriate behavior. Each speaker may only speak once during the public hearing unless the Commission requests additional clarification later in the process. After the close of the public hearing, no more public testimony will be accepted unless agreed upon by the Commission.

(d) **Avoid Public Debate**. Commissioners agree to avoid debate and argument with the public. Only the Chair or Co-Chair – not individual Commissioners – can interrupt a speaker during a presentation. However, a Commissioner can ask the Chair or Co-Chair for a point of order if the speaker is off the topic or exhibiting behavior or language the Commissioner finds disturbing. Commissioners may request that the Chair or Co-Chair seek clarification from the speaker.

(e) **Commission Chair to Focus Discussion**. If speakers become flustered or defensive by Commissioner questions, it is the responsibility of the Chair or Co-Chair to calm and focus the speaker and to maintain the order and decorum of the meeting. Questions by Commissioners to members of the public testifying should seek to clarify or expand information. It is never appropriate to belligerently challenge or belittle the speaker. Commissioners agree to refrain from providing personal opinions or revealing inclinations about upcoming votes until after the public hearing is closed.

(f) **Personal Attacks**. Commissioners shall not personally attack, under any circumstance, a member/members of the public. Commissioners acknowledge that cultural differences, body language, tone of voice, as well as the words they use, could be experienced as intimidating, off-putting, or aggressive to the message recipient.

## 2. <u>In Unofficial Settings</u>

(a) **No Promises**. Commissioners may not make promises on behalf of the Commission. Commissioners may be asked to explain a Commission policy or recommendation or to give their opinion about an issue as they meet and talk with constituents in the community. It is appropriate to give a brief overview of City policy and to refer to City staff for further information. It is inappropriate to overtly or implicitly promise Commission or Council action, or to promise City staff will do something specific (fix a pothole, plow a specific street, plant new flowers in the median, etc.).

(b) **Personal Comments**. Commissioners agree to refrain from making personal comments about other Commissioners to constituents. It is acceptable to publicly disagree about an issue, but it is unacceptable to make derogatory comments about other Commissioners, their opinions and actions.

(c) **Public-Private Considerations**. Commissioners may observed by the community as the serve the city in their capacity as commissioners. Commissioner behaviors and comments serve as models for proper conduct in the City of Brooklyn Center. Commissioners agree to reflect honesty and respect for the dignity of each individual in every word, communication, (whether in social media or otherwise), and action taken by Commissioners, 24 hours a day, seven days a week. It is a serious and continuous responsibility.

## D. Commissioner Conduct with Other Public Agencies

Commissioners will be as clear as possible when representing City or personal interests. If a Commissioner appears before another governmental agency or organization to give a statement on an issue, the Commissioner must clearly state:

1. If his or her statement reflects personal opinion or is the official stance of the City;

2. Whether this is the majority or minority opinion of the Commission. Even if the Commissioner represents his/her/their own personal opinions, the Commissioner must remember that the comments may reflect upon the City as an organization.

If the Commissioner is representing the City, the Commissioner must support and advocate the official City position on an issue, not a personal viewpoint.

## E. Poor Conduct and Accountability Measures

1. <u>Conduct</u>

(a) **Violations.** Commissioners who violate the Code of Respect will be subject to accountability measures. Any violations that potentially constitute criminal conduct shall be handled by the criminal justice system.

(b) **Factors.** Factors that will be considered in determining the appropriate restorative measure or sanction include but are not limited to the following: seriousness of the violation and number of preceding violations.

2. <u>Types of Accountability Measures</u>

**(a) Restorative Measures**

Commissioners agree to engage in restorative measures prior to initiating sanctions for violations of the Code of Respect. Restorative measures include, but are not limited to:

(i) Private meeting Commissioner and City Manager
(ii) Informal Mediation between involved parties and Mediator

(iii) Mediator issues recommendations (i.e. training, public apology, meeting suspension, etc.)
(iv) Commissioner / Involved Parties to follow recommendations
(v) If Commissioner refuses to follow recommendations, then the process moves to sanctions:

**(b) Sanction**

Commissioners may face commission removal for failing to engage in restorative measures or for continued violations of the Code of Respect.

3. Process

**(a) Complaint / Reporting a Code of Respect Violation**

(i) A Commissioner may report a potential Code of Respect violation by another Commissioner by bringing the matter to the attention of the official of their choice, Mayor, or the City Manager.

(ii) A Brooklyn Center staff member may report a potential Code of Respect violation by a City Commissioner by bringing the matter to the attention of the City Manager or Human Resources Manager.

(iii) If the potential violation involves the Mayor, it should be brought to the attention of the Mayor Pro Tem, City Manager, or City Attorney.

(iv) A community member may report potential Code of Respect violations by a member of a City Commission to the Mayor, City Manager or any member of the City Council.

**(b) Investigation**

(i) Triage. The Mayor and City Manager will gather initial information, consult with the City Attorney if necessary and decide how to move forward.

(ii) Fact Finding. If necessary, the matter will be referred to the criminal justice system. The Mayor and City Manager will determine whether to pursue independent fact-finding or internal fact-finding.

(iii) Possible Outcomes. After an investigation, the City Manager, in consultation with proper staff, will determine if the complaint is substantiated or unsubstantiated. A restorative solution will be sought prior to moving to a sanction.

(1) If Substantiated: The Commissioner will have a consultation with the City Manager, if that is unsuccessful, then the parties move to a graduated resolution process:

- Informal mediation with harmed individuals and City designee (Mediator);
- Mediator issues recommendations
- Commissioner / Involved Parties to follow recommendations
- If Commissioner refuses to follow recommendations, then the process moves to sanction.

(2) Sanction: (Last Resort)
- City Manager compiles redacted report for Council review (names, commission, other identifying information will be removed from the report)
- After review of the circumstances and recommendation, Council will use a standard form provided by the Administration to communicate their vote
- Administration will provide Council forms to Mayor
- Mayor will state Council vote on the record
- If Commissioner is removed from service, Commissioner will receive a letter of removal from the Council
- Commission Removal results in automatic bar from Commission Appointment for 2 years

(3) If Unsubstantiated: City Manager to work with City Attorney to determine resolution compliant with the Minnesota Government Data Practices Act

4. Conduct During Meetings

(a) **Inappropriate Statements.** For inappropriate statements or conduct by Commissioners occurring during a Commission meeting, a verbal correction by the Commission Chair will normally be the first step to address the matter, either during or after the meeting.

(b) **Further Incidents.** Further incidents at the same meeting may be addressed by subsequent verbal corrections accompanied Repeated incidents can give rise to Chair not recognizing the offending Commissioner to speak. A Commissioner can request that the Chair take any of these actions against an offending Commissioner if the Chair has not done so on her/his/their own.

## F. Ethics

1. Open Meeting Law

(a) With certain exceptions, meetings of Council Commissions must be open the public. A meeting is a gathering of a majority of Commissioners at which City business is discussed. It is not necessary that action be taken for a gathering to constitute a "meeting."
(b) A meeting does not include chance social gatherings as long as public business is not discussed.
(c) A majority of Commissioners should not communicate with each other by phone, email, in-person, or otherwise, to discuss City business.
(d) Use of social media does not violate the open meeting law as long as social media use is accessible to all Members of the public.

**See Minnesota Statutes, Chapter 13D, for further information regarding the Open Meeting Law.**

2. Gift Law

A City Commissioner cannot accept a gift from someone who has an interest in any matter involving the City. A "gift" includes money, property, a service, a loan, forgiveness of a loan, or a promise of future employment. A "gift" does not include:

- Campaign contributions;
- Items costing less than $5;
- Items given to members of a group; the majority of whose members are not local officials;
- Gifts given by family members; or
- Food or beverages given at a reception, meal or meeting at which a Council Member is making a speech or answering questions as part of a program

**See Minnesota Statutes, Section 471.895 City Charter, Section 14.04(A), and Section II, 2.95 of the Brooklyn Center Code of Policies for further information regarding the Gift Law and procedure.**

3. Conflict of interest

(a) Commissioners cannot have a personal financial interest in a sale, lease, or contract with the City.
(b) Commissioners cannot participate in matters in which the Commissioner's own personal interest, financial or otherwise, is so distinct from the public interest that the Commissioners cannot be expected to fairly represent the public's interest when voting on the matter.

**See Minnesota Statutes Section 471.87, and Section II, 2.95 of the Brooklyn Center Code of Policies of further information about Conflicts of Interest involving Public Officers.**

# *City of Brooklyn Center*

***Minnesota***

## Purchasing Policy

Adopted: 5/1996

Updated: 7/2000, 8/2008,

4/25/2016, 12/2017, 8/2018, 4/2019, 10/2019

*City of Brooklyn Center*
Purchasing Policy

## TABLE OF CONTENTS

1. PURPOSE
   Assure that all purchases are made in accordance with the laws of the State of Minnesota, the City Charter, City ordinance, and other policies of the City of Brooklyn Center. The policy will provide uniform purchasing procedures within the City's departments. Also to allow the City Manager adequate controls over purchasing functions which are well established and adhered to, and which also may be modified by the City Manager as needed for efficient operations within the organization.

2. POLICY
   Disbursements must be properly authorized, appropriately classified within the City's chart of accounts, and accurately recorded in the financial system.

3. PROCEDURES
   a. Authorization
   Authorized employees for approving purchases are identified in Appendix A of this policy.

| **Quick Reference – Authorization Thresholds** | |
|---|---|
| < $1,000 | May be approved by authorized purchaser |
| $1,000 - $9,999 | Department Head approval of invoice |
| $10,000 - $24,999 | Purchase order required with Department Head preapproval of purchases, 2 quotes required or purchased through a cooperative purchasing program, Department Head approval of invoice |
| $25,000 - $174,999 | Purchase order required with Department Head preapproval of purchase, 2 quotes required or purchased through a cooperative purchasing program, Department Head & City Manager approval of invoice |
| > $175,000 | Formal bidding process |

**Purchases less than $1,000**
*Authorization*: Invoices of $1,000 or less may be approved by any of the authorized employees as identified in Appendix A of this policy.

**Purchases between $1,000 and $9,999**
*Authorization:* Invoices must be approved by the Department Head.

If the amount of the purchase is estimated to be $10,000 or less, quotations are not required. However, if the purchase is made upon quotation, it will be based on at least two quotations which will be kept on file for a period of at least one year after their receipt. Purchases from a cooperative purchasing program do not require quotations.

**Purchases between $10,000 and $24,999**
*Authorization:* Purchase orders are required for all purchases in excess of $10,000 prior to the placement of any order for goods, services, training, repairs, service calls, etc. It is acceptable to use an estimate of the cost of goods and services when filling out a purchase order. All purchases greater than $10,000 must be preapproved by the Department Head. Invoices in excess of $10,000 must be approved by the Department Head.

Purchases between $10,000 and $24,999 may be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase when possible, unless it can be shown that the product or service is only available from one source, or purchased through a cooperative purchasing program. All quotations should be submitted to Finance with the purchase order, or when applicable retained by the department, and will be kept on file for a period of at least one year after receipt thereof.

**Purchases between $25,000 and $174,999**
*Authorization:* Purchase orders are required for all purchases in excess of $25,000 prior to the placement of any order for goods, services, training, repairs, service call, etc. It is acceptable to use an estimate of the cost of goods and services when filling out a purchase order. All purchases greater than $25,000 must be preapproved by the Department Head and City Manager. Invoices in excess of $25,000 must be approved by the Department Head and City Manager.

Purchases between $25,000 and $174,999 may be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, unless it can be shown that the product or service is only available from one source, or purchased through a cooperative purchasing program. All quotations should be submitted to Finance with the purchase order, or when applicable retained by the department, and will be kept on file for a period of at least one year after receipt thereof.

**Contracts or purchases over $175,000**
*Authorization:* Formal bidding process is required. Invoices over $175,000 must be approved by the Department Head and City Manager prior to payment.

All purchases covered by the Uniform Municipal Contracting Law, over $175,000 require preparation of formal bids and specifications. Bids must be advertised in the City's legal newspaper at least 10 days in advance of the last day for the submission for the bids. Advertising for bids must be coordinated with the City Clerk.

The contract is awarded by Council resolution upon recommendation by City Manager. With limited exceptions, all contracts for the purchase of supplies, materials or equipment must be rewarded to the lowest responsible bidder.

b. Federal Grants
Under the Uniform Grant Guidance competitive quotations will be required for all federally funded purchases over $10,000. If competitive quotations do not occur, the purchaser must documents one of the following exceptions; the item is available only from a single source, an emergency will not allow a delay from competitive solicitation, or the federal awarding agency authorizes noncompetitive proposals in writing.

The City will follow the requirements for allowable costs/cost principles that are contained in the A-102, OMB A-133 (2 CFR section 200.302(b)(7).

The City will follow the requirements for cash management that are contained in the A-102, OMB Circular A-133 (2 CFR section 200.302(b)(6).

c. Invoices
Finance will forward original or electronic copy of original invoices received to the Department Head or authorized staff member for approval of final payment. Original invoice or electronic copy of original invoice with approval must be returned to the Finance Department. Departments will be responsible for the proper account coding and a short description of the invoice.

d. Accepting Delivery
Before accepting delivery, the department receiving the goods or services must determine that the purchase received reflects the order, that they are in a good, usable condition and that the correct quantity is present. If a receiving slip is included, it must be reviewed for these factors before it is signed.

e. Payment of Bills
Payment of all bills will be on a schedule and procedure established by the Finance Director. Currently invoices are required to be delivered to the Finance Department on Friday afternoon for processing with the payments made the following Thursday. Invoices must be processed and submitted to Finance in order to be paid within 35 days of the invoice date, in compliance with State Statutes, unless the invoice is in dispute. Departments should notify the Finance Department of any invoices in dispute and the dispute should be documented on the invoice or accompanying the invoice (this can be done through a notes field attached to an electronic copy of the invoice). Payments, prior to department approval, may be authorized by the Finance Director on a case by case basis, if it is determined to be advantageous to receive early payment discounts or to avoid late penalties.

f. Municipal Contracting Law
The City should follow Minnesota State Statute 471.345 Uniform Municipal Contracting Law when entering into any agreement for the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property. For construction projects that are competitively bid, responsible contractor laws must be followed which require contractors to meet certain minimum criteria to be eligible to be awarded a construction contract.

g. Routine Transactions
Routine transactions, as defined by the Finance Director, such as utility bills and insurance payments will be processed and approved by the finance department.

h. Splitting of Contracts
Authorization and bidding requirements cannot, and shall not, be avoided by splitting a contract into several contracts, each of which is below the minimum amount requiring bids. For example, the City cannot purchase $250,000 of lumber in several transactions, each involving an expenditure of less than $175,000. If there are questions about whether a contract may be split into several contracts, the City Manager must be consulted.

i. Cooperative Purchasing Programs
A municipality may contract for the purchase of supplies, materials, or equipment without regard to the competitive bidding requirements of this section if the purchase is through a municipal

association's purchasing alliance or cooperative created by a joint powers agreement that purchases items from more than one source on the basis of competitive bids or competitive quotations.

The City of Brooklyn Center encourages participation with the State of Minnesota, Hennepin County or other governmental agencies in cooperative purchasing where the result of the purchase is in the best interest of the City.

j. Bonds

The City will follow state law for contractors bonds which are required for projects as stated in MN Statutes 574.26. The City Manager may require performance bonds for purchase of equipment, where there is an extended length of time between the order and completion and delivery of the equipment.

k. Capital Purchases

Capital equipment and improvements should be included in the annual budget. Purchases of capital equipment and improvements that were not included in the budget or additional funds are needed that exceed $1,000 require approval by the City Manager prior to the purchase. It is recommended that this is completed through a signed purchase order.

l. Emergency Purchases

In the event of an emergency, where there are extenuating conditions that need to be addressed immediately, the City Manager must be informed, and will make the determination on how to proceed.

m. Liquor Store

The City will routinely purchase merchandise for resale in our off-sale liquor operations. Inventory purchases must be approved by the Liquor Operations Manager. Inventory levels will be reviewed on a monthly basis, with inventory minimum and maximum goals defined by the Liquor Operations Manager in accordance with market best practices. A listing of approved vendors will be maintained by BC Liquor, the vendor list shall be approved by the Liquor Operations Manager and Finance Director.

n. Expense Reimbursement

Employee expense reimbursements, including mileage and meals, are to be reimbursed by submitting forms specific to those expenses to the Finance Department.

o. Budgetary Compliance

All departments, divisions and operations of the City of Brooklyn Center must follow purchasing procedures. Purchases must be made in accordance with the adopted budget. Charges or expenditures which may be in excess of your division's appropriated budget must have prior approval by the City Manager. It is recommended that this is completed through a signed purchase order.

p. General Office Supplies

General office supplies will be coordinated by the Finance Department. Supplies should be ordered through the designated supply vendor, unless a lower priced vendor is available, limitations will be made for each department.

q. Technology Expenses
Expenditures for Technology (computers, etc.), must be made in accordance with the City's Information Technology Policy. Expenditures for technology not made by the Information Technology Department must be pre-approved by Information Technology Department. It is recommended that this is completed through a signed purchase order. Purchases and rentals of technology equipment for clients of the Earle Brown Heritage Center do not require prior approval from the Information Technology Department.

r. Central Garage
Expenditures for capital equipment (purchases, repairs & maintenance, etc.), that are not made by the Central Garage Department must be pre-approved by Central Garage Department. It is recommended that this is completed through a signed purchase order.

s. Billing Address
When the vendor ships the product, the vendor must invoice the City. You can inform the vendor that the shipping address is separate from the billing address so products are shipped to the proper location. The billing address for invoices is the City of Brooklyn Center attention Finance Department. Invoices may also be directly emailed to the Finance Department using the email address ap@ci.brooklyn-center.mn.us. Unless invoices are attached to products for delivery, all invoices must be directed to the Finance Department, not an individual office or person.

t. Conflicts of Interest
Employees are required to provide notice to the Finance Director of any conflicts of interest prior to entering into transactions on behalf of the City. No employee, officer, or agent must participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediately family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the City must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

u. Sales Tax Exemptions
Most City purchases are exempt from State sales tax. Vendors should be notified of this exemption when making a purchase and each vendor should be provided a Certificate of Exemption (ST3 Form).

v. Use of City Funds to Purchase Food, Beverages and Related Supplies
Circumstances exist when the use of City funds for these items in connection with the conducting of official business of the City is justified. It is recognized that clear guidelines need to be established defining the types of purchases that are allowed. Food and beverages purchased from City Funds (that do not fall under the policy for personnel expense reimbursement related to travel) must be authorized by a Department Head, purchases over $500 must be authorized by the City Manager or Deputy City Manager in the City Manager's absence. All purchases should be supported with an itemized receipt and sufficient description of the event.

The following situations will be considered for approval:

a. Coffee, refreshments, and modest snacks for meetings that are open to the public, for example, Neighborhood Meetings, Association of Responsible Management (ARM), etc.
b. When staff are required to arrive before or stay beyond their regular working time to respond to unusual or emergency events.
c. When training sessions continue through meal times and cannot be scheduled at an alternative time
d. City sponsored recognition or events
e. Support and promote grant programs, and which are paid for from grant funds
f. Any other expenditure for coffee, refreshments, or related supplies that the City Manager has issued prior approval

The following will not be considered for approval and would be considered unauthorized purchases:

a. Any alcoholic beverage of any kind
b. Coffee, food, or refreshments purchased in the course of normal daily employee business
c. Coffee, food, or refreshments purchased for any departmental or division meetings

**Public Purpose Expenditures**

For an expenditure of public funds to qualify as a lawful expenditure a public purpose must exist. Specific or implied authority for the expenditures must arise out of a statute or from the city's charter. This chart sets forth criteria to help determine the validity of a public expenditure, an expenditure that does not affirmatively meet all the following questions may not represent a proper public expenditure:

| Test | Answer | Public expenditure NOT authorized | Public expenditure authorized |
|---|---|---|---|
| 1. Does a statute or charter provision specifically or implicitly authorize the specific expenditure? | Yes | | ✓ |
| | No | ✓ | |
| 2. Does the expenditure benefit the community as a whole? | Yes | | ✓ |
| | No | ✓ | |
| 3. Is the expenditure directly related to the functions of government? | Yes | | ✓ |
| | No | ✓ | |
| 4. Does the expenditure have as its primary objective the benefit of a private interest? | Yes | ✓ | |
| | No | | ✓ |

4. Purchases of food, beverages, and related supplies that are not authorized by this policy must be reimbursed to the City by the employee who made the purchase.PURCHASE ORDERS

Purchase orders may be used for any purchase, but are required for all purchases in excess of $10,000. It is recommended that purchase orders are used for any purchase which requires documented pre-approval. When used the following procedures are recommended:

a. Information which must be completed on the purchase order is the date; company where goods will be purchased; program (five digit activity) number; account number (four digit); quantity; general description of purchase; and cost or estimated cost of purchase. All purchase orders must be completed and signed by authorized personnel in each department (please see Section 5 of this policy).

b. The white copy of the purchase order goes to the vendor when necessary. Purchase orders are forwarded to the Finance Department.

c. The Public Works Garage and EBHC divisions have the option of holding their purchase orders until invoices are received at their divisions. The Public Works Garage and EBHC will then attach purchase orders to the proper invoice, code and forward to Finance for bill payment.

## APPENDIX A: AUTHORIZED EMPLOYEES

The following is a list of positions that are authorized by the City Manager to purchase goods or services for the City within the requirements of the Purchasing Policy.

<u>Administration</u>
*City Manager
*Assistant City Manager
Information Technology Manager
Human Resources Director
City Clerk
Human Resources Specialist
Communications Coordinator

<u>Community Development</u>
*Community Development Director
Deputy Director of Building & Community Standards
Housing Community Standards Supervisor
Administrative Assistant
Planning & Zoning Specialist
Business & Workforce Development Specialist

<u>Community Activities, Recreation & Services (CARS)</u>
*Community Activities, Recreation & Services Director
Program Supervisor(s)
Administrative Assistant
Golf Course Superintendent
Maintenance Supervisor
Earle Brown Heritage Center Director
Earle Brown Heritage Center Secretary/Billing Clerk
Earle Brown Heritage Center Operations Director
Earle Brown Heritage Center Sales Director
Earle Brown Heritage Center Maintenance

<u>Fiscal & Support Services</u>
*Fiscal and Support Services Director
Assistant Finance Director
Accountant
Account Technician II
Utility Billing Technician
Liquor Operation Manager
Liquor Store Manager(s)
Assistant Store Manager
Liquor Store Office Assistant

Fire
*Fire Chief
Deputy Fire Chief
Administrative Coordinator

Police
*Chief of Police
Commander(s)
Administrative Assistant
Support Services Manager

Public Works
*Director of Public Works
City Engineer
Assistant City Engineer
Project Engineer
Engineering Technician
Public Works Administrative Assistant
Deputy Director of Public Works
Supervisor of Streets and Parks
Supervisor of Public Utilities
Administrative Technician(s)

**Denotes Department Head*

## APPENDIX B: PETTY CASH PROCEDURES

The City has petty cash available for minor purchases made out of pocket by the employee. All departments, divisions, and operations of the City must follow the petty cash procedures. The maximum amount of petty cash one can be reimbursed is $30. The following are authorized to maintain a system of petty cash: City Clerk, EBHC Manager, Recreation Director, and Police Chief or Police Chief's designee. Original receipts are required to obtain petty cash reimbursement.

1. Petty Cash Procedures - Employee Reimbursement

For purchases over $30, employees must submit a voucher to the Finance Department for reimbursement. For purchases under $30, employees may be reimbursed using the petty cash procedures outlined below from the City Clerk or their department's custodian of petty cash:

a. An employee requesting petty cash reimbursement must submit the original receipt to the custodian of petty cash. **Petty cash will be reimbursed to a maximum of $30.00.**

b. The petty cash receipt (provided by the custodian) must be completed including the description of the item, amount, date, account number, received by signature and approved by signature. **The employee must provide the account number.**

c. The receipt of petty cash is stapled to the original receipt.

d. The employee is reimbursed the requested amount.

2. Petty Cash Procedures – Petty Cash Account

a. The custodian of the petty cash shall at all times have a record of the total cash entrusted to him/her.

b. The cash on hand and the receipts accepted from employees shall at all times equal the total.

c. Cash shall never be removed from the petty cash account for any reason other than to reimburse employees who have submitted complete and proper receipts.

d. The custodian will periodically balance the cash account and submit the receipts to the Finance Department for reimbursement. All receipts for expenses and petty cash must be reconciled for December 31st.

**AUTHORIZED PETTY CASH ACCOUNTS AS OF**
**January 1, 2018**

| | |
|---|---|
| City Clerk | $200.00 |
| Police Administration | $130.00 |
| Community Center | $100.00 |
| Earle Brown Heritage Center | $200.00 |

APPENDIX C: CREDIT CARD USE POLICY

Adopted 09/19/2007

Revised 3/24/2014, 4/25/2016, 1,/1/2018, 10/2019

Authorized Account Holders

The City will issue credit cards to the following positions:

City Manager
City Clerk
City Manager's Designee
Chief of Police
Public Works Director
Community Activities, Recreation & Services Director
Earle Brown Heritage Center Director
Recreation Program Supervisor
Finance Director
Assistant City Manager
Community Development Director
Fire Chief

Staff authorized by the City's Purchasing Policy to purchase on behalf of the City may make charges to a City issued credit card by contacting one of the authorized account holders for account information. Staff that are not authorized account holders as identified in this policy, shall not retain credit card information or make purchases using a City issued credit card without prior approval from an authorized account holder.

The Finance department will be responsible for establishing, updating, and closing all City issued credit card accounts. The credit limit on these accounts will be established individually, based on an appropriate level of need, not to exceed $5,000. The credit limit on these accounts will be in accordance with the City's Purchasing policy.

Upon termination of employment with the City, the City issued credit card will be returned to the Finance Department on or before the employee's last day of employment.

Use of City Issued Credit Cards

Purchases using a City issued credit card authorized by this policy include those purchases that cannot readily be made through the City's normal vendor payment process, as outlined in the City's Purchasing Policy. These items include, but are not limited to: airline and hotel accommodations for authorized conferences and training, training and conference registrations, purchases made over the internet for items that cannot be purchased by other means or for cost savings, and purchases or rentals of equipment that require immediate payment (i.e., delivering and retrieving election equipment from voting places).

City issued credit cards are to be used for authorized City purchases only. No personal use of the City issued credit card is allowed. No single purchase shall be made on a City issued credit card that exceeds the credit limit available on that card.

Documentation for Purchases

The billing statement from the credit card issuer does not contain sufficient information to document a purchase made. Appropriate documentation is required for all purchases to verify compliance with this policy and the City's Purchasing Policy.

A copy of the invoice or receipt for payment must be included to verify the amount charged on the card. Receipts from vendors that only list the total charged are not considered sufficient documentation. The receipt must identify all products or services purchased, shipping charges, and sales tax. A printed confirmation of an internet purchase may be sufficient to comply with this requirement. If an invoice is not immediately available, the invoice must be forwarded to the Finance department when it becomes available and another form of documentation must accompany the original charge.

> **Note: Use tax will be added to any item that would be subject to sales tax if purchased in Minnesota. Card users should ensure that the proper tax rate is used when a vendor collects sales tax for Minnesota, 6.875%. For purchases that are exempt from sales tax, the City is required to provide the vendor with a completed Minnesota Certificate of Exemption (ST3 Form). The City is not required to pay local sales tax, such as the Hennepin County Stadium sales tax of 0.15% or the Minneapolis Stadium sales tax of 0.5%. (The zip code 55430 includes property in both Brooklyn Center and Minneapolis, so some vendors may incorrectly charge the Minneapolis sales tax.) However, the City is required to pay any special sales tax, such as a hospitality tax charged on hotel or dining within another City or County.*

The budget account to which the purchase should be charged must accompany all documentation included with each statement. Staff may contact the Finance Department with questions on the appropriate account codes.

Any meals charged to a City issued credit card should include an explanation of those in attendance and the purpose of meeting held.

In any instance where a product or service purchased with a City issued credit card is returned or canceled the transaction must be refunded to the credit card account.

Review and Payment of City Issued Credit Card Statements

All credit card statements will be reviewed by the Finance Department for compliance with this policy. Additional documentation may be requested from a card user to ensure compliance with this policy and the City's Purchasing Policy.

Payment of the outstanding balance of City issued credit cards will typically be made through the City's normal vendor payment process, however, the Finance Department reserves the right to pay the credit card bill outside the normal vendor payment process if necessary to avoid finance charges. Upon receiving the monthly credit card statement, account holders should match credit card charges with supporting documentation to ensure all charges have been accounted for. The documentation shall be forwarded to the Finance department within 5 business days from when the current statement is received, to ensure prompt payment and to avoid finance charges.

The Finance Department will periodically review the use of the City issued credit cards to determine if accounts can be established with vendors where repetitive purchases are made. If an account has been established with a vendor, all purchases should be made through that process, unless extenuating circumstances exist.

Unauthorized Purchases/Noncompliance with Policy

Personal use of the City issued credit card is prohibited.

Each card holder will be responsible for ensuring that purchases made with their card comply with this policy and the City's Purchasing Policy. Purchases that do not comply with this policy, or that are not approved by the City Council, may become the personal responsibility of the card holder and/or purchaser.

Not covered under this policy

This policy does not restrict the use of personal credit cards for purchases/payments eligible for reimbursement from the City in accordance with the City's Purchasing Policy.

Additional Retail Credit Card Accounts

In addition to the City credit card accounts the City has credit cards with the following vendors:

Home Depot
Sam's Club

A list of cardholders is maintained by the Finance Department for these accounts. After a purchase is made the receipt/purchase order should be approved, coded and sent to the Finance Department to reconcile with the monthly bill.