



## City Council

### Workshop Agenda

**Monday, June 1, 2020 @ 5:00PM**

Arlington Community Center - Council Chambers

1. Call to Order & Roll Call
2. Approval of Agenda
3. Presentations on Payroll Services:
  - a. 5:00PM Mike Duscher from Bergan KVD
  - b. 5:30PM Leah Davis from Abdo, Eick, & Meyers LLP
  - c. 6:00PM Ryan Ortlaff from Schad, Lindstrand & Schuth, Inc.
4. Adjournment.

## City of Arlington

### Payroll Module & Outsourced Payroll Processing (Per Payroll Run Estimate)

Service	Frequency	Investment
Payroll Processing	\$54 Baseline Plus \$3.00 X 40 Employee Pays	\$174
Direct Deposit	\$12 Base Plus \$.12 Per Employee	\$17
General Ledger Report Delivery	Per Payroll Run	\$20
Labor Law E-Update Poster Service (First Location) (Includes County & City Notices)	Per Payroll Run	Included
Announcements	Per Payroll Run	Included
Autocalculations	Per Payroll Run	Included
Base Compensation Change Reasons	Per Payroll Run	Included
Base Level Employee Self-Service	Per Payroll Run	Included
Built-in Test Environments	Per Payroll Run	Included
Document Upload	Per Payroll Run	Included
Document Types	Per Payroll Run	Included
Email Report Generator	Per Payroll Run	Included
Geospacial Tax Identification	Per Payroll Run	Included
HR / Payroll AnswerForce (New!)	Per Payroll Run	Included
Notifications	Per Payroll Run	Included
Online Reports Module	Per Payroll Run	Included
Payroll Tax Filing Service	Per Payroll Run	Included
Report Writer	Per Payroll Run	Included
Support	Per Payroll Run	Included
Turbo Tax Integration (New!)	Per Payroll Run	Included
Vacation Accrual Tracking	Per Payroll Run	Included
Web-Based Payroll Software Access	Per Payroll Run	Included
Workforce Management Dashboard	Per Payroll Run	Included
<b>Estimated 23 Employees Per Payroll:</b>		<b>\$211</b>

### Outsourced Payroll Processing (Annual Estimate)

Service	Frequency	Investment
Per Payroll Run	\$211 X 26 Pay Periods	\$5,486
Quarterly Wage Reporting/ Local Tax Filing - First State	\$75 X 4 Quarters	\$300
W-2's & Year-End Processing	\$50 Base Plus \$5.5 X 80 W-2's	\$490
1099 Processing Year End	\$50 Base Plus \$5.5 X 60 1099's	\$380
Base Implementation & Training (Shared Experience)	One-Time Fee	\$1,000
General Ledger Setup	One-Time Fee	\$250

**Estimated Annual Total Year One: \$7,906**

**Estimated Annual Total Year's Two & Beyond: \$6,276**

\*Implementation fees assume information is provided to BerganKDV by the client in approved format.

\*Estimate does not include Shipping - Current Shipping Rates - Can be eliminated with Employee Self service.

\*Any live checks will be processed off the customers bank account. Pay cards are available to eliminate manual checks.

\*K-Pay Concierge Service also available for additional fee for customers that want BerganKDV to be the System Administrator for their K-Pay instance.

# City of Arlington

## Timekeeping & Time Off Module Access (Per Payroll Run Estimate)

Service	Frequency	Investment
Per Active Employee (Mid-Market Edition)	\$3.00 X 53 ee's	\$159
Announcements	Per Payroll Run	Included
Autopopulated Holidays	Per Payroll Run	Included
Custom Analytics	Per Payroll Run	Included
Document Upload	Per Payroll Run	Included
Document Types	Per Payroll Run	Included
Employee Scheduling	Per Payroll Run	Included
Employee Time Card Self-Service	Per Payroll Run	Included
Exception Tracking	Per Payroll Run	Included
Flexible Pay Rules	Per Payroll Run	Included
Job Costing	Per Payroll Run	Included
Manager Time Card Self-Service	Per Payroll Run	Included
Mass Edit Capabilities	Per Payroll Run	Included
Mobile App	Per Payroll Run	Included
Notifications	Per Payroll Run	Included
Online Time Off Requests & Approvals	Per Payroll Run	Included
Pay Categories	Per Payroll Run	Included
Points	Per Payroll Run	Included
Powerful Reporting	Per Payroll Run	Included
Vacation Accrual Tracking	Per Payroll Run	Included
Workflows (Standard Overtime Request, Questionnaire, Time Off Request, Timesheet, Timesheet Change Requests)	Per Payroll Run	Included
<b>Estimated 23 Employees Per Payroll:</b>		<b>\$159</b>

## Timekeeping & Time Off Module Access (Annual Estimate)

Service	Frequency	Investment
Time & Attendance Module Access	159 X 26 Pay Periods	\$4,134
Base Implementation & Training (Shared Experience)	One-Time Fee	\$1,500
<b>Estimated Annual Total Year One:</b>		<b>\$5,634</b>
<b>Estimated Annual Total Year's Two &amp; Beyond:</b>		<b>\$4,134</b>

\*Implementation fees assume information is provided to BerganKDV by the client in approved format.

\*Implementation fees assume standard training track.

\*K-Pay Concierge Service also available for additional fee for customers that want BerganKDV to be the System Administrator for their K-Pay instance.

## City of Arlington

### HCM Core (Per Payroll Run Estimate)

Service	Frequency	Investment
Per Active Employee	\$4 X 23 ee's	\$92
Announcements	Per Payroll Run	Included
Asset Tracking	Per Payroll Run	Included
Benefits Administration	Per Payroll Run	Included
Online Benefits Enrollment	Per Payroll Run	Included
Checklists	Per Payroll Run	Included
Courses & Certificate Management	Per Payroll Run	Included
Credentials (Ex: Drivers License, Passport)	Per Payroll Run	Included
Compliance	Per Payroll Run	Included
Corrective Action Incidents	Per Payroll Run	Included
Custom Forms	Per Payroll Run	Included
Degree Types	Per Payroll Run	Included
Disabilities	Per Payroll Run	Included
Discipline Tracking	Per Payroll Run	Included
Document Upload	Per Payroll Run	Included
Employee Contract	Per Payroll Run	Included
Employee Directory	Per Payroll Run	Included
Employee Photos	Per Payroll Run	Included
Events	Per Payroll Run	Included
HR Actions	Per Payroll Run	Included
HR / Payroll AnswerForce (New!)	Per Payroll Run	Included
Incident Tracking	Per Payroll Run	Included
Life Change Events	Per Payroll Run	Included
Organization Chart	Per Payroll Run	Included
Pay Grades	Per Payroll Run	Included
Paperless Onboarding	Per Payroll Run	Included
Paperless Offboarding	Per Payroll Run	Included
Position & Job Management With Job Change Reason Codes	Per Payroll Run	Included
Salary Change Reason Codes	Per Payroll Run	Included
Skills	Per Payroll Run	Included
Termination Reason Codes	Per Payroll Run	Included
Training Profiles	Per Payroll Run	Included
Vehicle Tracking	Per Payroll Run	Included
Workers Claims	Per Payroll Run	Included
Workflows - Custom	Per Payroll Run	Included
	Estimated 23 Employees Per Payroll:	\$92

### HCM Core (Annual Estimate)

Service	Frequency	Investment
HCM Core Access	\$92 X 26 Pay Periods	\$2,392
Base Implementation & Standard HR Training Track	One-Time Fee	\$2,500
	Estimated Annual Total Year One:	\$4,892
	Estimated Annual Total Year's Two & Beyond:	\$2,392

\*Implementation fees assume information is provided to BerganKDV by the client in approved format.

\*Implementation fees assume standard training track. HRMS System Administration Service available for additional investment.

\*K-Pay Concierge Service also available for additional fee for customers that want BerganKDV to be the System Administrator for their K-Pay instance.

# City of Arlington

## HCM Elite (Per Payroll Run Estimate)

### Service

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Elite HR Package  
Applicant Tracking Module  
Attestation Module (Points, Attendance, Etc.)  
Compensation Module  
Dedicated HCM Executive Coach / Consultant  
Employee Perspectives Score Cards  
HCM Dashboard Creation  
Performance Management Module  
Performance Development Module  
Quarterly Strategic HR Planning  
Release Notes Review  
Succession Planning Module  
Talent Management  
Talent Matrix Module

## HCM Elite (Annual Estimate)

### Service

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HCM Elite

Frequency	Investment
\$3 X 23 Employees	\$69
Per Payroll Run	Included
Per Payroll Run	Included
Per Payroll Run	Included
Per Payroll Run	Included
Per Payroll Run	Included
Per Payroll Run	Included
Per Payroll Run	Included
Per Payroll Run	Included
Per Payroll Run	Included
Per Payroll Run	Included
Per Payroll Run	Included
Per Payroll Run	Included
Per Payroll Run	Included
Per Payroll Run	Included
<b>Estimated 23 Employees Per Payroll:</b>	<b>\$69</b>

Frequency	Investment
<b>\$175 X 26 Pay Periods</b>	
Minimum fee - \$8,000/year	\$8,000
One-Time Implementation Fee	Included
<b>Estimated Annual Total Year One:</b>	<b>\$8,000</b>
<b>Estimated Annual Total Year's Two &amp; Beyond:</b>	<b>\$8,000</b>



**City of Arlington**

**Annual Estimates**

**Full Suite: HCM, Timekeeping & Time Off and Payroll**

**Year One: \$18,432**

**Year's Two & Beyond: \$12,802**

**Full Suite: With Elite**

**Year One: \$26,432**

**Year's Two & Beyond: \$20,802**

City of Arlington

**Auxiliary Services Order**

Service	Description	Frequency	Amount
ICA Module		Per Employee	\$0.50
IMA C		Annual Fee	\$90
IMB C		Annual Fee	\$50 Plus \$3 Per Hire
<b>Advanced Technology</b>		Per Active Employee Per Payroll Run	\$1.00
Background Screening With Long Background Investigations & Training		One Time Fee	\$175
Background Screening Tech Eng Background		One Time Fee Per Screen	\$1.00 (2) Per Screen
Entry Level		One Time Fee Per Screen	
Driver		One Time Fee Per Screen	
Manager		One Time Fee Per Screen	
Executive		One Time Fee Per Screen	
State Criminal Record Fee for Florida, Illinois, Indiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Hampshire, New York, North Carolina and Wisconsin as additional fee		One Time Fee Per Screen	
State Police Record Fee for Florida, Illinois, Indiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Hampshire, New York, North Carolina and Wisconsin as additional fee		One Time Fee Per Screen	
<b>Benefits Enrollment &amp; Services Administration Only</b>		Per Employee Per Payroll Run	\$1.00
Benefits Enrollment & Services Administration Implementation & Training		One Time Fee	\$1,000.00
<b>Benefits Carrier Conversion/Enrollment Pricing</b>			
Benefits Carrier Conversion Setup Fee		One Time Fee Per Fee	\$750
Benefits Carrier Enrollment Service		Per Employee Per Payroll Run	\$0.65
Benefits Carrier Enrollment Service & Extra Administration Service		Per Employee Per Payroll Run	\$0.65
<b>Benefits Carrier Conversion Board Admin</b>			
Benefits Carrier Conversion Setup Fee		One Time Fee Per Fee	\$750
Benefits Carrier Conversion Forms Setup		One Time Fee Per Fee	\$200 - \$350 Min
Benefits Carrier Conversion Service		Per Employee Per Payroll Run	\$0.65
<b>Benefits Reenrollment Services</b>			
Benefits Reenrollment Services Setup		One Time Fee Per Carrier	\$750.00
Benefits Premium Administration Services - 1st Fee & Carrier		Per Employee Per Payroll Run	\$1.00 - \$350 Per Payroll Minimum
<b>COBRA Administration Services</b>			
COBRA Administration Implementation		One Time Fee	\$750
COBRA Administration Implementation		Per Active Employees	\$0.50 \$40 Per Payroll Minimum (Based on a Bi-Monthly)
COBRA Administration Services			
Child Support / Garnishments Setup & Payments		One Time Setup Fee Per Active Case	\$85
Child Support / Garnishments Setup		One Time Fee	\$750
Child Support / Garnishments Setup		Per Employee Per Payroll Run	\$0.75 (\$35 Min)
<b>401k Degree Retirement Plan Contributions Reporting</b>			
401k Contribution Submissions - 401k (k) or (401k) Plan		Per Employee Per Payroll Run	\$0.25
401k Contribution Submissions - 401k (k) or (401k) Plan		Per Employee Per Payroll Run	\$0.25
401k Contribution Submissions - 401k (k) or (401k) Plan		One Time Fee	\$750
<b>401k Degree Retirement Plan Contributions Reporting</b>			
401k Contribution Submissions - 401k (k) or (401k) Plan		Per Employee Per Payroll Run	\$0.15
401k Contribution Submissions - 401k (k) or (401k) Plan		Per Employee Per Payroll Run	\$0.75
401k Contribution Submissions - 401k (k) or (401k) Plan		One Time Fee	\$1,400
<b>401k Administration Reporting</b>		Per Payroll Run	\$30
<b>409(a) Form</b>		One Time Fee Per Active Case	\$1.50
<b>409(a) Form</b>		One Time Fee	\$150.00
Letter of Reporting One-time Workshop		One Time Fee	\$500
Web Services REET		Per Payroll Run	Free
Human Payroll Administration - 9th Bi-monthly Payroll Period		Per Payroll Run	Custom Quote
General Ledger Setup		One Time Fee	\$150
General Ledger System Enhancements		Per Payroll Run	\$20
General Ledger System Enhancements		Hourly Basis	Standard Rates
Human Payroll System Import From Approval Request (Excel Format) (up to 5000) - Run Minimum Payroll Software		Per Individual Pay Period Imported	\$250 / Payroll
Human Payroll System Import & Test (up to 5000) - Run Minimum Payroll Software		Per Individual Pay Period Imported	\$250 / Payroll
<b>HR Related Legal by Thompson Cox</b>		Per Payroll Run	\$45 <a href="https://thompsoncox.com/">https://thompsoncox.com/</a>
Implementation/Start/End of Publication of Benefits/Health Insurance/Group Term Life Insurance/Short-Term Disability Insurance/Long-Term Disability Insurance		One Time Fee	\$175 / hr
Letter Law 1 Update Poster Compliance Review - (Includes County & City Notices)		Per Location Per Payroll Run	\$8
Leave of Absence Module (Includes All Leave Types & Tracking)		Per Active Employee/Week Leave Profile Per Payroll Run	\$4
Leave of Absence Module Implementation & Training		One Time Fee	\$250
New Hire Reporting & Site Verification Service		One Time Fee Per Active Hire	\$1.50
908 Health Compliance Tool		One Time Fee	\$500.00
DR Online Website		Per Month	Yes, but Short (Based From 4/24)
Recruitment Job Postings		Per Open Job Posting Per Month	\$16
Recruitment - Online Job Board Integration		One Time Fee Per Job-Open Position	\$48
Recruitment - (Includes EEOC Compliance Package)		Custom Quote for Quote	
Salary & Use Tax Return Filing & Protection		Per Payroll	\$45
Salary & Use Tax Return Filing & Protection		Per Payroll	\$225
Salary & Use Tax Return Filing & Protection		Per Payroll	\$150
QuickBooks Consulting & Setup		One Time Fee	\$33
State Levy Disbursement Setup		Per Active Case Per Payroll Run	\$45
State Levy Disbursement Payments		Per Payroll Run	\$25.00
<b>State Levy Disbursement Payments</b>			
Training - Employee Training Workshop		Per 30 Minute Workshop	\$150
Training Workshops @ BargainCOV		Per 1 Hour Workshop	\$100
Training Workshops @ Class Location		Per 4 Hour Workshop	\$1,000
Web Portal Job Submission		One Time Fee	\$1,000
Web Portal Job Submission		Per Payroll Run	\$40 Per Payroll Run

# Accounting Services Proposal

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## City of Arlington

January 10, 2020



*AEM Financial Solutions™*

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100 Warren Street Suite 600 Mankato, MN 56001  
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AEM Financial Solutions™

January 10, 2020

Amy Newson,  
City of Arlington  
204 Shamrock Drive  
Arlington, MN 55307

Dear Amy,

Thank you for the opportunity to submit this proposal to the City of Arlington, Minnesota (the City) for accounting services. Based on our past experience with cities of comparable size and complexity, we believe our structured contract with defined outcomes offered through AEM Financial Solutions, LLC (AEMFS) would provide the City with excellent accounting services.

We believe our solution will continue to result in the City receiving high level information and continual improvement of processes. Our proposal is based on the needs of the City laid during our conversation and the experiences we have had working with other cities. The proposal outlines the scope of services we believe will address the needs of the City.

The term of this contract shall be from February 1, 2020 through December 31, 2022

An AEMFS representative will perform all services as noted on the Scope of Services page remotely.

Investment by the City for services is indicated in the financial page.

AEMFS would like to thank the City for the opportunity. We look forward to exceeding your expectations and continuing our long-term, mutually beneficial relationship.

Sincerely,

AEM Financial Solutions, LLC  
an Abdo, Eick & Meyers, LLP Company

Jean D. McGann, CPA  
President, AEM Financial Solutions, LLC  
Partner, Abdo, Eick & Meyers, LLP

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# Government Experience

You can have confidence in our 10 years of consulting services, over 55 years of quality accounting services and partnership in the government space. Since 1963, we've served cities just like yours. With an unwavering commitment to streamlining processes, training staff, and finding technology-based solutions, we proudly offer excellence in city consulting and auditing.

Out of our 160-strong, talented staff, over 40 team members are 100% focused on government clients, including services for over 100 cities and other governmental entities. By serving cities across Minnesota, we have become experts in the nuances of how to best support your city.

Our expertise affords you a consulting experience that is painless. We do this by communicating up front, coming better prepared, and being available throughout the year to support you.

## Our Process

Our methods are centered around incorporating technology to deliver unparalleled solutions for government organizations. In addition to our consulting experience, our firm expertly performs outsourcing for governments giving us a wealth of experience in a consulting role. We don't believe in a one-size-fits-all mentality. So together, we'll focus on the needs that are relevant to your city and provide the right services to meet them with a customized methodology based on your needs. We're focused on developing creative, customized solutions to help your city mitigate costs and boost efficiency.

## Our Focus

Through continuous training and growth opportunities, we've established an environment with a focus on serving city governments. We spend more than 100 hours training and onboarding to ensure success for our clients.

We truly hope that you allow us to be your partner. Together, we'll go beyond the numbers to best support your city.

## Our Financial Management and Consulting Services Include:

- Arbitrage compliance
- Budget process development
- Capital improvement planning
- Cash flow analysis
- Cost containment processes
- Debt management plans
- ERP system consulting
- Finance Director services
- Financial management plans
- Financial reporting and analysis
- Fleet: Operations and replacement rate analysis
- Interim accounting and financial services
- Internal control evaluation
- Long-term strategic planning
- Payroll processing
- Policy development
- Process flows and efficiencies
- Project management
- Quarterly and monthly reporting to management
- Reconciliations
- Software implementation
- Utility/fee analysis
- Year-end audit preparation and financial statement preparation

## Our Qualifications

- ✓ GFOA and MnGFOA Association members
- ✓ Government operations training
- ✓ MSRB Municipal Advisor Qualified Representatives (Series 50)
- ✓ Consulting services for over 100 cities
- ✓ We've assisted many municipalities in preparing for the GFOA's Certificate of Achievement for Excellence awards in financial reporting



# Technology

## AEM Technology

We believe technology should enhance our service offerings, making our work less intrusive, our time with you more productive and keep everyone's data more secure. Our use of technology in providing financial accounting services enables us to streamline our work.. It also helps us to automate certain functions of accounting services so we are free to spend more time analyzing our results and working directly with you.

AEM takes the security of our data and our clients data very seriously. A number of systems are in place to ensure the safety of your organization's data with us. We operate in a completely remote hosted environment. This not only allows us to work from any computer, anywhere, any time, but also provides large scale, cutting edge technology and security for your data. Your data is housed in a secure data warehouse, not on laptops or local servers.

It also means:

- ✓ All firm staff use dual authentication for every login to our remote environment
- ✓ Our data is saved on redundant servers so if one server fails, another server immediately takes over
- ✓ Our data is backed up continually
- ✓ All email and embedded links are scanned for viruses prior to landing in our inbox

Our remote host vendor works exclusively with public accounting firms. Their client base includes approximately 300 firms. They maintain a Service Organization Control 2 (SOC 2) report covering their organizational controls over security, processing integrity, etc. This report is available if you'd like to review it.





# Your Team

In assembling our team to serve the City of Arlington, we have assigned experienced individuals who know and understand your unique financial accounting needs. Our proposed delivery team has substantial experience working with cities similar to Arlington. Our team members and their respective experience are briefly profiled below. Full biographies for the team are located on the following pages.

## Team Member



### Jean McGann

Partner, President, CPA

21 Years of Experience



### Victoria Holthaus

Partner, CPA

15 Years of Experience



### Ashley Feldewerd

Client Services Senior Accounting Specialist

7 Years of Experience



### Viktoriya Montik

Client Services Accounting Specialist

9 Years of Experience



AEM Financial Solutions™





# Team Bios

## Team Member

## Background & Expertise



### Jean McGann, CPA

*Partner | Abdo, Eick & Meyers LLP*

*President | AEM Financial Solutions, LLC*

*Registered Municipal Advisor*

jean.mcgann@aemfs.com

Direct Line (952) 715.3059

Jean joined the Firm in 2013. She is licensed to practice as a CPA in Minnesota. Jean leads the Financial Solutions group providing financial management services, day-to-day accounting and customized solutions for local governments, businesses, nonprofit agencies and professional service firms.

### Affiliations

- Mentor for the Business Program at the Minnesota Center for Advanced Professional Studies (MNCAPS)
- Finance and audit committee member for Project for Pride in Living

### Education

- Bachelor of Arts, Buena Vista University, Storm Lake, Iowa
- Continuing professional education as required by AICPA and Government Accountability Office

### Professional Memberships

- American Institute of Certified Public Accountants (AICPA)
- Minnesota Society of Certified Public Accountants (MNCPA)
- Minnesota Government Finance Officers Association
- Government Finance Officers Association of the United States and Canada

### Qualifications

- 21 years of experience in finance and auditing
- Over 8 years of experience in operations management
- Highly skilled in strategic planning and financial forecasting
- Experience in identifying and implementing cost containment processes, efficiencies and streamlining processes
- Policy development, internal control evaluation and project management experience
- MSRB Municipal Advisor Qualified Representative (Series 50)



AEM Financial Solutions™



# Team Bios

## Team Member

## Background & Expertise



### Victoria Holthaus, CPA

*Partner | Abdo, Eick & Meyers LLP*

*Registered Municipal Advisor*

[victoria.holthaus@aemfs.com](mailto:victoria.holthaus@aemfs.com)

Direct Line (952) 715.3069

Victoria joined the firm in 2013. Her past experience includes service to Minnesota municipalities and joint ventures where she held finance and administrative roles. Victoria is licensed to practice as a CPA in Minnesota. Ms. Holthaus works for the Financial Solutions group providing financial management services and customized solutions for local governments and nonprofit agencies.

### Education

- Master of Arts in Public Administration, Hamline University
- Bachelor of Science in Accounting, National American University
- Minnesota Certified Municipal Clerk
- Continuing professional education

### Professional Memberships

- Government Finance Officers Association of the United States and Canada
- Minnesota Government Finance Officers Association
- Minnesota Society of Certified Public Accountants
- American Institute of Certified Public Accountants (AICPA)

### Affiliations

- Hamline School of Business, Accounting Board Member

### Qualifications

- 15 years of experience working with local governments in finance and administration
- MSRB Municipal Advisor Qualified Representation (Series 50)
- Experience with budgeting, capital planning and debt management
- Process evaluation and process improvement engagement lead



AEM Financial Solutions™



# Team Bios

## Team Member

## Background & Expertise



### Ashley Feldewerd

*Client Services Senior  
Accounting Specialist*

ashley.feldewerd@aemfs.com

Direct Line (952) 715.3060

Ashley joined the firm in 2017 as a Financial Services Accounting Specialist after completing her degree from the Minnesota School of Business. Her past experience includes service to Minnesota municipalities, a financial institution and self-employment in the manufacturing and agriculture industries.

### Education

- Associates Degree, Business Administrative Assistant, Minnesota School of Business
  - ✓ Graduated with Honors
- Continuing professional education

### Qualifications

- 4 years of experience working with local governments in administration and finance
- 3 years of experience working at a financial institution in administration and finance
- Worked extensively with CTAS and Black Mountain



# Team Bios

## Team Member

## Background & Expertise



### Viktoriya Montik

*Client Services Accounting Specialist*

[viktoriya.montik@aemfs.com](mailto:viktoriya.montik@aemfs.com)

Direct Line (952)715.3027

Viktoriya Montik joined the firm in 2019 as a Client Services Accounting Specialist after completing her Accounting Diploma from Minneapolis Business College. She worked in the accounting field for the last nine years.

### Education

- Accounting Diploma, Minneapolis Business College
- Continuing professional education

### Qualifications

- Experience in Account Reconciliation and General Ledger Transactions
- Works extensively with Microsoft NAV, QuickBooks and other ERP Systems
- Other services including bank reconciliations, monthly journal entries and analyzing financial reports.



AEM Financial Solutions™



# Value

We at AEM help cities achieve their financial goals.

Fees are based on the assumption and limitations outlined in the scope of work that follows below. Below are the fees for our services.

	Monthly	Quarterly	Annual
<b>February 1, 2020 - December 31, 2020</b>			
Payroll Services	\$ 2,250		\$ 27,000
Quarterly reporting (includes cash and investment reconciliations)		\$ 2,950	11,800
Subtotal			<u>38,800</u>
Bundled services discount			<u>(1,940)</u>
<b>Total investment for payroll services and quarterly reporting</b>			<b>\$ 36,860</b>
<b>January 1, 2021 - December 31, 2021</b>			
Payroll Services	\$ 2,300		\$ 27,600
Quarterly reporting (includes cash and investment reconciliations)		\$ 3,000	12,000
Subtotal			<u>39,600</u>
Bundled services discount			<u>(1,980)</u>
<b>Total investment for payroll services and quarterly reporting</b>			<b>\$ 37,620</b>
<b>January 1, 2022 - December 31, 2022</b>			
Payroll Services	\$ 2,350		\$ 28,200
Quarterly reporting (includes cash and investment reconciliations)		\$ 3,050	12,200
Subtotal			<u>40,400</u>
Bundled services discount			<u>(2,020)</u>
<b>Total investment for payroll services and quarterly reporting</b>			<b>\$ 38,380</b>

Initial invoice will be sent within 10 days of the execution of this agreement. Monthly installment fees will be invoiced throughout the remainder of this contract.

We do not believe in charging for phone calls or emails during the year. When our communications identify additional service needs we will provide you with an expected fee range.



## Scope of Services

AEMFS Contract Task	Client Responsibility	Frequency
<b>Cash and Investment Monitoring</b>		
Reconcile cash and investments		Monthly
Review Monthly to ensure timely and accurately balance		Monthly
Verify bank has proper amount of collateral pledged to City's account	Request monthly collateral statement from the bank	Monthly
Review cash flow to ensure proper amounts are available for operations		Monthly
<b>Monthly/Quarterly Reporting</b>		
Complete quarterly dashboard of key indicators		Quarterly
Provide narrative to quarterly financial report	Review and provide input	Quarterly
Review monthly budget to actual reports for coding errors	Review and provide input	Monthly
Review journal entries and payroll entries to ensure accuracy	Review and provide input	Bi-weekly
Review payroll and other monthly/quarterly reports	Review and provide input	Monthly/Quarterly
941 reconciliation	Review and provide input	Quarterly
<b>Payroll</b>		
Process payroll for fulltime staff	Provide totaled timecards, review and approve	Bi-weekly
Process payroll for City Council	Provide totaled timecards, review and approve	Quarterly
Process payroll for Fire Department	Provide totaled timecards, review and approve	Annually
Prepare payroll reports	Review and approve	Each payroll
Prepare W-2's and W-3	Review and approve	Annually



# What Our Clients Say

## Client References

We have long-term relationships with many cities in Minnesota. Our clients listed below serve as a sample of references of those we serve as their Finance Director. Additional references are available upon request.

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### City of Green Isle

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Bert Panning | 507.326.3901

Engagement partner – Jean McGann

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### City of Byron

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Mary Blair-Hoeft | 507.775.3417

Engagement partner – Jean McGann

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### City of Le Sueur

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Jasper Kruggel | 507.593.8312

Engagement partner – Jean McGann

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### City of Independence

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Mark Kaltsas | 763.479.0527

Engagement partner – Jean McGann

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AEM Financial Solutions™



# Why AEM?

Abdo, Eick & Meyers, LLP, established in 1963, has a professional staff of more than 150 in its Edina and Mankato offices. The two offices serve clients of all sizes and industries. Our services include audits, reviews and compilations, monthly accounting, tax planning and preparation, management advisory services and HR Outsourcing, to name a few. In addition, Abdo, Eick & Meyers, LLP is recognized as one of the Top 150 firms in the United States and the 13th largest firm in Minnesota.

We're here because our clients need solutions to their challenges--not a commodity product. Through our dedication to teamwork, development and relationships, we will help our clients thrive. The investments into our People + Process make a difference for you, our valued client. We focus on the challenges and needs that are relevant to your business or government agency. This allows us to be thoughtful in our approach in providing you with the best solutions, and leave you assured in the value of our deliverable.

The Firm is a member of the American Institute of Certified Public Accountants Division of Firms and has received an unmodified opinion on its Peer Review. Our Peer Review, which included nonprofit, was completed in 2017 and resulted in a pass rating.

The Firm has not had any federal or state desk reviews or field reviews of its audits in the last three years. We have had no disciplinary action taken or pending against the Firm during the past three years with state regulatory bodies or professional organizations.

We maintain library facilities which include current professional literature and specific information for the industries we serve. The Firm library is also reviewed as part of the external quality review program. The Firm has in-house training programs specific to our nonprofit clients. We also perform auditing and accounting updates for our clients that are organized by our staff. These practices ensure the quality of our staff over the term of engagement.



## We Listen

You will know you're in the right hands well before delivery, but be assured that we will get you a great value for the investment of your time.



## We Engage

Active engagement with DFK International and domestic industry associations allows us to provide maximum value to your organization.



## We Deliver

Combining our internal expertise and technological resources with what we've learned about you allows us to deliver a solution that exceeds your expectations.





# Appendix A



# Agreement for Financial Services

THIS AGREEMENT, is made and entered into on January 10, 2020 by and between the City of Arlington, Minnesota (hereinafter referred to as the "City"), and AEM Financial Solutions LLC (hereinafter referred to as the "Contractor").

## Articles of Agreement & Recitals

WHEREAS, the City is authorized and empowered to secure from time to time certain professional services through contracts with qualified consultants; and

WHEREAS, the Contractor understands and agrees that:

1. The Contractor will act as an Independent Contractor in the performance of all duties under this Agreement. Accordingly, the Contractor shall be responsible for payment of all taxes, including federal, state and local taxes and professional/business license fees arising out of the Contractor's activities;
2. The Contractor shall have no authority to bind the City for the performance of any services or to obligate the City. The Contractor is not an agent, servant, or employee of the City and shall not make any such representations or hold himself/herself out as such;
3. The Contractor shall be the exclusive outsourced accounting service provider for the City during the term of this Agreement;
4. The Contractor shall perform all professional services in a competent and professional manner, acting in the best interests of the City at all times.
5. The Contractor shall not accrue any continuing contract rights for the services performed under this contract.

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

## ARTICLE I

### INCORPORATION OF RECITALS

The recitals and agreement set forth above are hereby incorporated into this Agreement.

## ARTICLE II

### LIABILITY INSURANCE

Section 1 Liability Insurance: The Contractor shall obtain professional liability insurance, at their expense with liability insurance coverage minimums in the amount of \$2,000,000, which Contractor must secure and maintain during the term of this Agreement. Contractor will provide City with proof of liability insurance coverage under this Agreement in writing upon request by the City.

## **AGREEMENT FOR FINANCIAL SERVICES - CONTINUED**

### **ARTICLE III**

#### **DURATION OF THE AGREEMENT**

Section 1 Duration: This Agreement shall commence upon date of execution by all parties and will remain in effect until December 31, 2022 unless earlier terminated as provided in Sections 2 and 3.

Section 2 City's Termination Rights: City may terminate this Agreement upon sixty (60) days written notice in the event the City determines in its sole discretion that it is not in the City's best interest to continue using Contractor's services. The City may terminate on ten (10) days written notice of the Contractor fails to perform its obligations under this Agreement.

Section 3 Contractor's Termination Rights: Contractor may terminate this Agreement upon thirty (30) days written notice to City in the event City does not pay Contractor compensation as required under Article 5, Section 9 within fifteen (15) days after invoice is received by City. In the event of non-payment within thirty (30) days, Contractor shall give City an opportunity to cure the default by giving a notice of such non-payment and an additional five (5) days after the City's receipt of the notice to remit such payment, prior to giving a notice of termination. Contractor can also terminate the Agreement with one hundred twenty (120) days written notice if the Contractor believes it is in its best interests to terminate the Agreement.

### **ARTICLE IV**

#### **RENEWAL OF THE AGREEMENT**

Section 1 Renewal Period: Not less than ninety (90) days prior to the expiration of this Agreement, the City may provide written notice of intent to renew this Agreement for an additional term of up to three years upon terms and conditions agreed upon by both parties to the Agreement. If no such renewal agreement is executed by the parties, the Agreement terminates without further action of either party on December 31, 2022.

### **ARTICLE V**

#### **GENERAL**

Section 1 Authorized City Agent: The City's authorized agent for the purpose of administration of this Agreement is the City Administrator. Said agent shall have final authority for approval and acceptance of the Contractor's services performed under this Agreement and shall further have responsibility for administration of the terms and conditions of this Agreement. All notices under this Agreement shall be sent to the person and address indicated below on the signature lines.

Section 2 Amendments: No amendments or variations of the terms and conditions of this Agreement shall be valid unless in writing and signed by the parties.

Section 3 Assignability: The Contractor's rights and obligations under this Agreement are not assignable or transferable.

## **AGREEMENT FOR FINANCIAL SERVICES - CONTINUED**

### **ARTICLE V - CONTINUED**

#### **GENERAL - CONTINUED**

Section 4 Data: Any data or materials, including, but not limited to, reports, studies, photographs, negatives, or any and all other documents prepared by the Contractor or its outside consultants in the performance of the Contractor's obligations under this Agreement shall be the exclusive property of the City, and any such data and materials shall be remitted to the City by the Contractor upon completion, expiration, or termination of this Agreement. Further, any such data and materials shall be treated and maintained by the Contractor and its outside consultants in accordance with applicable federal, state and local laws. Further, Contractor will have access to data collected or maintained by the City to the extent necessary to perform Contractor's obligations under this Agreement. Contractor agrees to maintain all data obtained from the City in the same manner as the City is required under the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 or other applicable law (hereinafter referred to as the "Act"). Contractor will not release or disclose the contents of data classified as not public to any person except at the written direction of the City. Upon receipt of a request to obtain and/or review data as defined in the Act, Contractor will immediately notify the City. The City shall provide written direction to Contractor regarding the request within a reasonable time, not to exceed fifteen (15) days. The City agrees to indemnify, hold harmless and defend Contractor for any liability, expense, cost, damages, claim, and action, including attorneys' fees, arising out of or related to Contractor's complying with the City's direction. Subject to the aforementioned, Contractor agrees to defend and indemnify the City from any claim, liability, damage or loss asserted against the City as a result of Contractor's failure to comply with the requirements of the Act. Upon termination and/or completion of this Agreement, Contractor agrees to return all data to the City, as requested by the City.

Section 5 Entire Agreement: This Agreement is the entire agreement between the City and the Contractor and it supersedes all prior written or oral agreements. There are no other covenants, promises, undertakings, or understandings outside of this Agreement other than those specifically set forth. Any term, condition, prior course of dealing, course of performance, usage of trade, understanding, or agreement purporting to modify, vary, supplement, or explain any provision of this Agreement is null and void and of no effect unless in writing and signed by representatives of both parties authorized to amend this Agreement.

Section 6 Severability: All terms and covenants contained in this Agreement are severable. In the event any provision of this Agreement shall be held invalid by any court of competent jurisdiction, this Agreement shall be interpreted as if such invalid terms or covenants were not contained herein and such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7 Contractor Fiscal Decision Waiver: Contractor is responsible for providing the City with timely and accurate financial recommendations and information that allows City Council the ability to make final financial decisions. Contractor will provide final financial recommendations, but is not responsible for the final decisions made regarding financial matters.

Section 8 City Employment of Contractor's Employees; Should the City desire to employ the Contractor's employee that is assigned to the City during the term of this Agreement, it must have the written consent of the Contractor to enter into a City employee contract with the Contractor's employee. Should the Contractor agree to such arrangement, the agreement will include a payment equal to 50% of the annual contracted cost, in addition to the annual contracted cost already paid to the Contractor. This restriction on employment applies only during the term of this agreement.

**AGREEMENT FOR FINANCIAL SERVICES - CONTINUED**

**ARTICLE V - CONTINUED**

**GENERAL - CONTINUED**

Section 9 Compensation: The parties agree that the Contractor shall be paid compensation for the services provided hereunder, payable for work performed in accordance with this Agreement, based on the fees indicated in Table 1 and under the attached scope of services. Additional fees will not be incurred without prior approval of the City.

	<b>Monthly</b>	<b>Quarterly</b>	<b>Annual</b>
<b>February 1, 2020 - December 31, 2020</b>			
Payroll Services	\$ 2,250		\$ 27,000
Quarterly reporting (includes cash and investment reconciliations)		\$ 2,950	<u>11,800</u>
Subtotal			38,800
Bundled services discount			<u>(1,940)</u>
<b>Total investment for payroll services and quarterly reporting</b>			<b>\$ 36,860</b>
<b>January 1, 2021 - December 31, 2021</b>			
Payroll Services	\$ 2,300		\$ 27,600
Quarterly reporting (includes cash and investment reconciliations)		\$ 3,000	<u>12,000</u>
Subtotal			39,600
Bundled services discount			<u>(1,980)</u>
<b>Total investment for payroll services and quarterly reporting</b>			<b>\$ 37,620</b>
<b>January 1, 2022 - December 31, 2022</b>			
Payroll Services	\$ 2,350		\$ 28,200
Quarterly reporting (includes cash and investment reconciliations)		\$ 3,050	<u>12,200</u>
Subtotal			40,400
Bundled services discount			<u>(2,020)</u>
<b>Total investment for payroll services and quarterly reporting</b>			<b>\$ 38,380</b>

Initial invoice will be sent within 10 days of the execution of this agreement. Monthly installment fees will be invoiced throughout the remainder of this contract.

Section 10 Additional Services: Should the City request additional services in addition to the Contracted Services, the Contractor will provide the City with proposed fees for the services to be provided. The City shall provide a written or electronic confirmation prior to the proposed services implementation.

Section 11 Outside Contractors: It shall be the responsibility of Contractor to compensate any other outside consultants retained or hired by Contractor to fulfill their obligations under this Agreement and shall be responsible for their work and Contractor, by using outside contractors, shall not be relieved of its obligations under this Agreement.



## Appendix B



# Agreement for the Provision of Professional Services

WHEREFORE, this Agreement was entered into on the date set forth below and the undersigned, by execution hereof, represent that they are authorized to enter into this Agreement on behalf of the respective parties and state that this Agreement has been read by them and that the undersigned understand and fully agree to each, all and every provision hereof, and hereby, acknowledge receipt of a copy hereof.

City of Arlington  
204 Shamrock Drive  
Arlington, MN 55307

Name \_\_\_\_\_

Title \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

AEM Financial Solutions, LLC  
5201 Eden Ave. Suite 250  
Edina, Minnesota 55436

Name \_\_\_\_\_

Title President

Date January 10, 2020





## Appendix C





# 1st Quarter Report

**City of Sample**  
City, Minnesota

As of March 31, 20xx



*AEM Financial Solutions™*

People  
+ Process.  
Going  
Beyond the  
Numbers



Date

*AEM Financial Solutions™*

## ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and City Council  
City of Sample  
City, Minnesota

We have compiled the accompanying statement of revenues and expenditures for the General Fund and statements of revenues and expenses for the enterprise funds of the City of Sample, Minnesota (the City) as of March 31, 20xx for the quarter then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Sincerely,

AEM FINANCIAL SOLUTIONS, LLC



*AEM Financial Solutions™*

Date

Honorable Mayor and City Council  
 City of Sample  
 City, Minnesota

Dear Honorable Mayor and City Council:

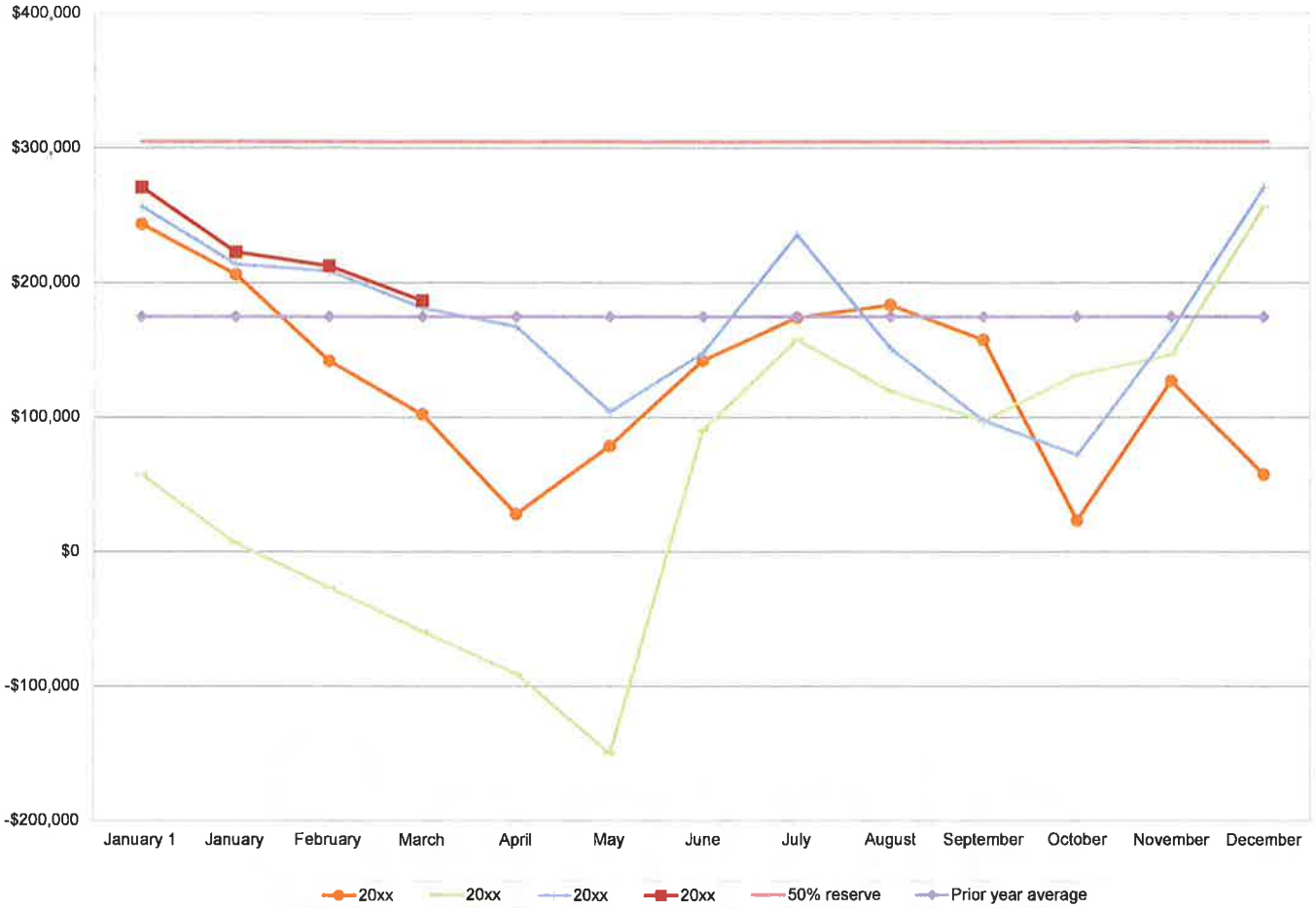
We have reconciled all bank accounts through March 31, 20xx and reviewed activity in all funds. The following is a summary of our observations. All information presented is unaudited.

**Cash and Investments**

The City's cash and investment balances are as follows:

	<u>03/31/20xx</u>	<u>12/31/20xx</u>	<u>Increase/ (Decrease)</u>
Checking	\$ 239,215	\$ 532,984	\$ (293,768)
Savings	3,367,284	3,465,194	(97,910)
Investments (at Market Value)	<u>992,875</u>	<u>979,257</u>	<u>13,618</u>
 Total Cash and Investments	 <u>\$ 4,599,374</u>	 <u>\$ 4,977,435</u>	 <u>\$ (378,061)</u>
 <u>Investment Type</u>	 <u>03/31/20xx</u>	 <u>12/31/20xx</u>	 <u>Increase/ (Decrease)</u>
Checking	\$ 239,215	\$ 532,984	\$ (293,768)
Money Market	2,446	7,593	(5,147)
Savings	3,367,284	3,465,194	(97,910)
Brokered CD	<u>990,428</u>	<u>971,664</u>	<u>18,764</u>
 Total Investments	 <u>\$ 4,599,374</u>	 <u>\$ 4,977,435</u>	 <u>\$ (378,061)</u>

**General Fund Cash Balances 20xx - 20xx**



General Fund									
	YTD Budget	YTD Actual	Percent of YTD Budget		YTD Budget	YTD Actual	Percent of YTD Budget		
<b>Receipts</b>					<b>Disbursements</b>				
Taxes	\$ 74,500	\$ -	- %	↓	General government	\$ 5,663	\$ 5,333 94.2 %	⇒	
Intergovernmental	64,999	-	-	↓	City Council	1,863	152 8.2	↑	
Licenses and permits	238	150	63.2	↓	Executive	976	-	↑	
Charges for services	6,442	30	0.5	↓	City Clerk	9,859	11,668 118.4	↓	
Fines and forfeitures	675	287	42.5	↓	Financial administration	21,849	20,986 96.1	⇒	
Special assessments	855	-	-	↓	Law/legal services	3,500	471 13.5	↑	
Interest earnings	500	3,064	612.7	↑	Community center	2,663	2,459 92.4	⇒	
Miscellaneous	2,953	687	23.3	↓	General government buildings	362	417 115.3	↓	
Contributions	1,250	1,131	90.5	⇒	Police	55,508	42,082 75.8	↑	
Transfers in	-	-	N/A		Fire	16,650	6,399 38.4	↓	
	<u>\$ 152,410</u>	<u>\$ 5,348</u>	<u>3.5 %</u>	↓	Highways, streets, and roads	18,465	28,037 151.8	↓	
					Lions	516	945 183.1	↓	
					Parks	4,413	293 6.6	↑	
					Transfers	10,126	-	↑	
						<u>\$ 152,410</u>	<u>\$ 119,243</u>	<u>78.2 %</u>	↑

<b>Key</b>	
↑	Varies more than 10% than budget positively
↓	Varies more than 10% than budget negatively
⇒	Within 10% of budget

Current short-term rates being offered by financial institutions are very low as evidenced by the table of U.S. Treasury rates below. The U.S. Treasury rates provide a benchmark perspective for rate of return.

Date	Treasury Yields								
	1 mo	3 mo	6 mo	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr
09/30/20xx	0.03	0.02	0.04	0.10	0.33	0.63	1.39	2.02	2.64
12/31/20xx	0.01	0.07	0.10	0.13	0.38	0.78	1.75	2.45	3.04
03/31/20xx	0.03	0.05	0.07	0.13	0.44	0.90	1.73	2.30	2.73
06/30/20xx	0.02	0.04	0.07	0.11	0.47	0.88	1.62	2.13	2.53
09/30/20xx	0.02	0.02	0.03	0.13	0.58	1.07	1.78	2.22	2.52
12/31/20xx	0.03	0.04	0.12	0.25	0.67	1.10	1.65	1.97	2.17
03/31/20xx	0.05	0.03	0.14	0.26	0.56	0.89	1.37	1.71	1.94
06/30/20xx	0.02	0.01	0.11	0.28	0.64	1.01	1.63	2.07	2.35
09/30/20xx	-	-	0.08	0.31	0.64	0.92	1.37	1.75	2.06
12/31/20xx	0.14	0.16	0.49	0.65	1.06	1.31	1.76	2.09	2.27
03/31/20xx	0.05	0.03	0.14	0.16	0.26	0.56	0.89	1.37	1.71
06/30/20xx	0.20	0.26	0.36	0.45	0.58	0.71	1.01	1.29	1.49
09/30/20xx	0.20	0.29	0.45	0.59	0.77	0.88	1.14	1.42	1.60
12/31/20xx	0.44	0.51	0.62	0.85	1.20	1.47	1.93	2.25	2.45
03/31/20xx	0.74	0.76	0.91	1.03	1.27	1.50	1.93	2.22	2.40
06/30/20xx	0.84	1.03	1.14	1.24	1.38	1.55	1.89	2.14	2.31
09/29/20xx	0.96	1.06	1.20	1.31	1.47	1.62	1.92	2.16	2.33
12/31/20xx	1.28	1.39	1.53	1.76	1.89	1.98	2.20	2.33	2.40
03/31/20xx	1.63	1.73	1.93	2.09	2.27	2.39	2.56	2.68	2.74
06/29/20xx	1.77	1.93	2.11	2.33	2.52	2.63	2.73	2.81	2.85
09/28/20xx	2.12	2.19	2.36	2.59	2.81	2.88	2.94	3.01	3.05
12/31/20xx	2.44	2.45	2.56	2.63	2.48	2.46	2.51	2.59	2.69

**Budget Summary**

A more detailed analysis of funds is included as Attachment A.

**Cash Balance Summary**

A detailed view of department totals compared with budget is included as Attachment B.

**Investment Summary**

A detailed summary of current investments is included as Attachment C.

**Enterprise Fund Summary**

A detailed summary of enterprise fund financial results is included as Attachment D.

**Revenue and Expenditures**

A detail of revenues and expenditures is included.

\* \* \* \* \*

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

If you have any questions or wish to discuss any of the items contained in this letter or the attachments, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.

Sincerely,

AEM FINANCIAL SOLUTIONS, LLC



City of Sample, Minnesota  
Statement of Revenues and Expenditures -  
Budget and Actual -  
General Fund (Unaudited)  
For the Three Months Ended March 31, 20xx

ATTACHMENT A

	Annual Budget	Budget thru 3/31/20xx	Actual Thru 3/31/20xx	Variance - Favorable (Unfavorable)	Percent Received or Expended Based on Budget thru 3/31/20xx
<b>Revenues</b>					
Taxes	\$ 283,775	\$ 70,944	\$ -	\$ (70,944) *	- %
Local government aid	232,149	58,037	-	(58,037) *	-
Tax abatements	14,224	3,556	-	(3,556)	-
Intergovernmental	27,847	6,962	-	(6,962)	-
Licenses and permits	950	238	150	(88)	63.2
Charges for services					
Fire	23,421	5,855	-	(5,855)	-
Police	2,700	675	287	(388)	42.5
Other	2,345	586	30	(556)	5.1
Special assessments	3,420	855	-	(855)	-
Interest earnings	2,000	500	3,064	2,564	612.7
Miscellaneous revenue	11,810	2,953	687	(2,266)	23.3
Contributions and donations	5,000	1,250	1,131	(119)	90.5
<b>Total Revenues</b>	<b>609,641</b>	<b>152,410</b>	<b>5,348</b>	<b>(147,062)</b>	<b>3.5</b>
<b>Expenditures</b>					
General government	22,650	5,663	5,333	329	94.2
City Council	7,450	1,863	152	1,710	8.2
Executive	3,905	976	-	976	-
City Clerk	39,435	9,859	11,668	(1,809)	118.4
Financial administration	87,395	21,849	20,986	863	96.1
Law/legal services	14,000	3,500	471	3,029	13.5
Community center	10,650	2,663	2,459	203	92.4
General government buildings	1,447	362	417	(55)	115.3
Police	222,030	55,508	42,082	13,426	75.8
Fire	66,599	16,650	6,399	10,251	38.4
Highways, streets and roads	73,859	18,465	28,037	(9,573)	151.8
Lions	2,065	516	945	(429)	183.1
Parks	17,652	4,413	293	4,120	6.6
<b>Total Expenditures</b>	<b>569,141</b>	<b>142,284</b>	<b>119,243</b>	<b>23,041</b>	<b>83.8</b>
<b>Excess Revenues (Expenditures)</b>	<b>40,500</b>	<b>10,126</b>	<b>(113,895)</b>	<b>(124,021)</b>	<b>-</b>
<b>Other Financing Uses</b>					
Transfers in	-	-	-	-	-
Operating transfers out	(40,500)	(10,126)	-	10,126	-
<b>Total Other Financing Sources (Uses)</b>	<b>(40,500)</b>	<b>(10,126)</b>	<b>-</b>	<b>10,126</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (113,895)</b>	<b>\$ (113,895)</b>	

Item    Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and \$ Variance Greater than \$15,000.

\*    Variance due to timing of when tax settlement and LGA is received.

City of Sample, Minnesota  
Unaudited Cash Balances by Fund  
For the Three Months Ended March 31, 201xx

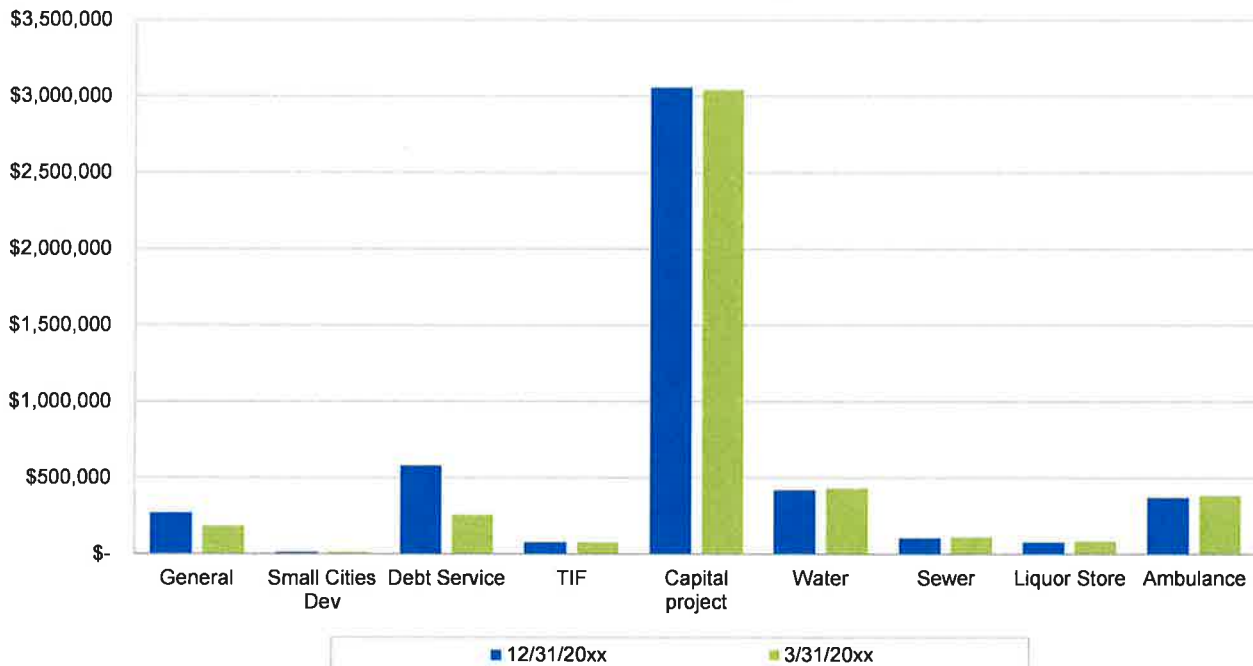
ATTACHMENT B

Fund	Balance 03/31/20xx	Balance 12/31/20xx	Balance 03/31/20xx	YTD Change From 12/31/20xx	YTD % Change From 12/31/20xx
101 General	\$ 181,002	\$ 270,872	\$ 186,661	\$ (84,211) (1)	(31.1) %
201 Small Cities Development	1,073	13,795	14,050	255	1.8
301 G.O. Improvement Bonds 2003	-	-	1,129	1,129	100.0
302 G.O. Improvement Bonds 2006	103,006	140,414	97,990	(42,424)	(30.2)
303 G.O. Improvement Bonds 2014	228,084	375,975	200,123	(175,852) (2)	(46.8)
304 G.O. Improvement Bonds 2018A	-	64,955	(475)	(65,430) (3)	(100.7)
305 G.O. Improvement Bonds 2018B	0	-	(40,591)	(40,591)	100.0
376 TIF MN Energy	124,424	124,424	124,424	(0)	(0.0)
377 TIF MN Beef Industries, Inc.	(46,124)	(46,124)	(46,124)	0	(0.0)
401 Fire Equipment Donations	65,948	73,751	75,569	1,818	2.5
402 Public Works Reserve	153,514	169,157	170,305	1,148	0.7
403 Police Reserve	41,305	49,493	49,829	336	0.7
404 Fire Reserve	37,588	33,990	34,315	325	1.0
405 Ambulance Reserve	-	-	-	-	100.0
406 General Government Reserve	90,417	95,789	96,439	650	0.7
407 Infrastructure Reserve	425,918	457,007	460,675	3,668	0.8
408 Culture and Recreation Reserve	52,608	25,133	25,419	286	1.1
409 Street Improvements	0	-	-	-	100.0
410 Street Project 601 Water	(1,525)	2,154,547	2,131,540	(23,007)	(1.1)
602 Sewer	197,909	420,414	432,719	12,305	2.9
609 Liquor Store	143,553	105,938	112,902	6,964	6.6
615 Ambulance	83,371	77,431	86,163	8,732	11.3
	<u>541,571</u>	<u>370,474</u>	<u>386,314</u>	<u>15,840</u>	<u>4.3</u>
<b>Total</b>	<u>\$ 2,423,641</u>	<u>\$ 4,977,435</u>	<u>\$ 4,599,375</u>	<u>\$ (378,060)</u>	<u>(7.6) %</u>

Item Explanation of Changes Greater than \$50,000 and 20%.

- (1) Unfavorable variance YTD due to excess expenditures over revenue as further explained in Attachment A.
- (2) Variance due to payment of 2012 G.O. Improvement Bond. Taxes and special assessments will be received in July and December.
- (3) Variance due to payment of 2018A G.O. Improvement Bond. Taxes and special assessments will be received in July and December.

**Cash Balance by Fund Compared to Prior Year End**



City of Sample, Minnesota  
Schedule of Investments  
For the Month Ending March 31, 20xx

ATTACHMENT C

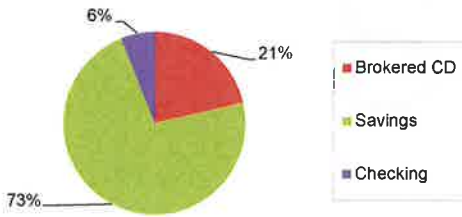
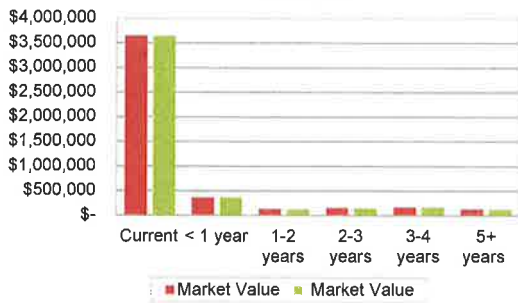
Institution	Description	Type	Market Value	Deposits -	Expenditures -			Unadjusted	Market Value	Unrealized
			1/1/2019	Purchases	Sales	Transfers	Interest	3/31/20xx	3/31/20xx	gain / loss
<b>CenBank</b>	General Fund	Checking	\$ 483,290.96	\$ 322,927.76	\$ (625,518.75)	\$ -	\$ 36.34	\$ 160,736.31	\$ 160,736.31	\$ -
<b>CenBank</b>	Ambulance Donations	Checking	55,312.65	500.00	-	-	9.58	55,822.23	55,822.23	-
<b>CenBank</b>	Ambulance Debit Card Acct	Checking	1,145.30	17.04	(135.89)	-	0.19	1,026.64	1,026.64	-
<b>CenBank</b>	General Fund (Svgs)	Savings	3,465,194.32	-	(100,000.00)	-	2,089.93	3,367,284.25	3,367,284.25	-
<b>CenBank</b>	Fire Dept Debit Card Acct	Checking	779.94	-	(10.71)	-	0.14	769.37	769.37	-
<b>CenBank</b>	Twp/Donations Acct	Checking	12,842.11	-	-	-	2.21	12,844.32	12,844.32	-
<b>CenBank</b>	Fire Truck Utility Acct	Checking	44,846.12	-	-	-	7.74	44,853.86	44,853.86	-
<b>CenBank</b>	Police Dept	Checking	4,722.54	5.00	-	-	0.82	4,728.36	4,728.36	-
<b>CenBank</b>	Liquor store Petty Cash	Checking	12.96	-	-	-	-	12.96	12.96	-
<b>Cenebank</b>	Ambulance CD	Brokered CD	25,086.89	-	-	-	-	25,086.89	25,086.89	-
<b>Cenebank</b>	Ambulance CD	Brokered CD	137,733.05	-	-	-	-	137,733.05	137,733.05	-
<b>Cenebank</b>	Ambulance CD	Brokered CD	-	-	-	-	-	-	-	-
<b>Cenebank</b>	Liquor Store Cash on Hand	Checking	1,250.00	-	-	-	-	1,250.00	1,250.00	-
			<b>4,212,216.84</b>	<b>323,449.80</b>	<b>(725,665.35)</b>	<b>-</b>	<b>2,146.95</b>	<b>3,812,148.24</b>	<b>3,812,148.24</b>	<b>-</b>
<b>RBC</b>	Money Market	Money market	7,592.63	79,000.00	(87,000.00)	2,847.76	5.68	2,446.07	2,446.07	-
<b>RBC</b>	Cash	Money market	-	-	-	-	-	-	-	-
<b>RBC</b>	Sallie Mae SLC Bank	Brokered CD	81,107.88	-	-	-	-	81,107.88	82,992.00	1,884.12
<b>RBC</b>	Goldman Sachs	Brokered CD	78,992.89	-	(79,000.00)	(700.72)	700.72	(7.11)	-	7.11
<b>RBC</b>	American Express Centrm	Brokered CD	132,566.42	-	-	-	-	132,566.42	132,856.36	289.94
<b>RBC</b>	Third Fed Svgs & Ln Assn	Brokered CD	74,332.50	-	-	-	-	74,332.50	74,648.25	315.75
<b>RBC</b>	Capital One BK USA Natl	Brokered CD	78,730.38	-	-	(562.34)	562.34	78,730.38	79,597.89	867.51
<b>RBC</b>	Discover BK CD	Brokered CD	62,556.80	-	-	-	-	62,556.80	63,348.48	791.68
<b>RBC</b>	Wells Fargo BK N A Sioux Falls	Brokered CD	79,285.23	-	-	(409.44)	409.44	79,285.23	80,398.98	1,113.75
<b>RBC</b>	Capital One BK USA Natl	Brokered CD	89,286.92	-	-	-	-	89,286.92	90,950.28	1,663.36
<b>RBC</b>	Sallie Mae BK Murray Utah	Brokered CD	53,339.04	-	-	-	-	53,339.04	54,648.00	1,308.96
<b>RBC</b>	Third Fed Svgs & Ln Assn	Brokered CD	78,646.08	-	-	(1,175.26)	1,175.26	78,646.08	79,762.35	1,116.27
<b>RBC</b>	Goldman Sachs	Brokered CD	-	87,000.00	-	-	-	87,000.00	88,405.92	1,405.92
			<b>816,436.77</b>	<b>166,000.00</b>	<b>(166,000.00)</b>	<b>(0.00)</b>	<b>2,853.44</b>	<b>819,290.21</b>	<b>830,054.58</b>	<b>10,764.37</b>
Total Cash and Investments			\$ 5,028,653.61	\$ 489,449.80	\$ (891,665.35)	\$ (0.00)	\$ 5,000.39	\$ 4,631,438.45	\$ 4,642,202.82	\$ 10,764.37



City of Sample, Minnesota  
Investments  
For the Month Ending March 31, 20xx

ATTACHMENT C

**Maturities**



Maturity	Unadjusted Market Value 3/31/20xx	Market Value 3/31/20xx	Variance 3/31/20xx
Current	\$ 3,651,767.26	\$ 3,651,774.37	\$ 7.11
< 1 year	369,718.86	370,324.55	605.69
1-2 years	141,287.18	142,946.37	1,659.19
2-3 years	157,931.31	160,161.33	2,230.02
3-4 years	170,394.80	173,942.28	3,547.48
5+ years	140,339.04	143,053.92	2,714.88
	<u>\$ 4,631,438.45</u>	<u>\$ 4,642,202.82</u>	<u>\$ 10,764.37</u>

Weighted Average Rate of Return	0.24%	3/31/2019
Average Maturity (years)	0.22	3/31/2019

Investment Type	Market Value 3/31/20xx
Money Market	\$ 2,446.07
Brokered CD	990,428.45
Savings	3,367,284.25
Checking	282,044.05
	<u>\$ 4,642,202.82</u>

<b>Operating Account</b>	
O/S Deposits	\$ 4,357.01
O/S Checks	(47,185.80)
Reconciled Balance	<u>\$ 4,599,374.03</u>

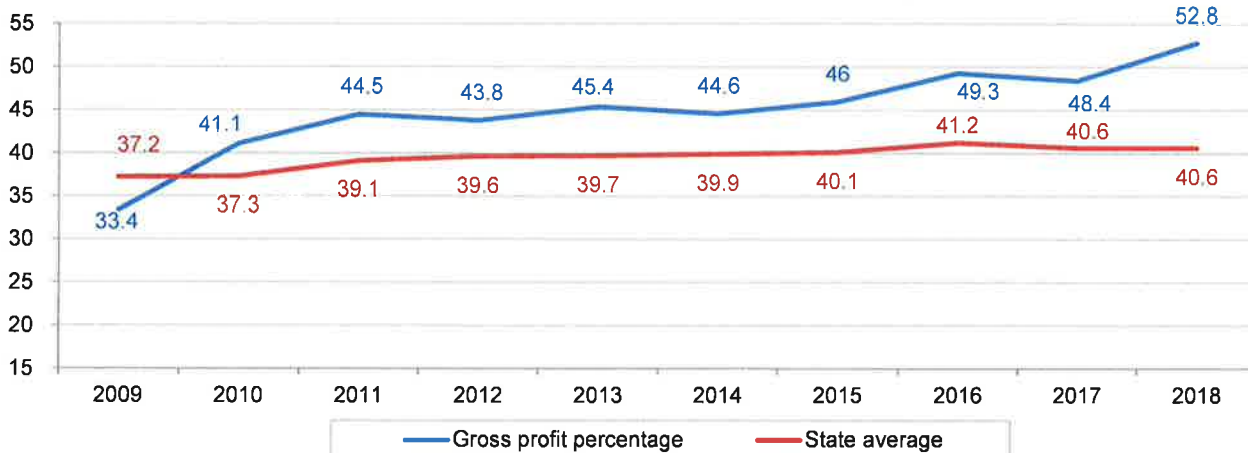
City of Sample, Minnesota  
 Statement of Revenues and Expenses -  
 Budget and Actual -  
 Liquor Store Fund (Unaudited)  
 For the Three Months Ended March 31, 20xx

ATTACHMENT D

**LIQUOR FUND**

	Actual Thru 3/31/20xx	Actual Thru 3/31/20xx	Variance - Favorable (Unfavorable)	Percent Change from 3/31/20xx
<b>Revenues</b>				
On sale	\$ 41,072	\$ 45,170	\$ 4,098	10.0 %
Off sale	34,442	35,393	950	2.8
Other merchandise	21,563	20,880	(682)	(3.2)
Cigarettes, other	-	-	-	N/A
Pulltab	1,033	1,161	128	12.4
Miscellaneous	868	1,494	626	72.1
<b>Total Revenues</b>	<u>98,978</u>	<u>104,099</u>	<u>5,120</u>	<u>5.2</u>
<b>Expenses</b>				
Salaries and benefits	38,984	35,792	3,192	8.2
Supplies	3,029	2,327	702	23.2
Cost of goods sold	56,917	44,309	12,609 (1)	22.2
Other	9,534	9,310	224	2.3
Depreciation	2,500	2,500	-	-
<b>Total Expenses</b>	<u>110,964</u>	<u>94,238</u>	<u>16,727</u>	<u>15.1</u>
<b>Excess Revenues Over Expenses</b>	<u>\$ (11,986)</u>	<u>\$ 9,861</u>	<u>\$ 21,847</u>	<u>(182.3) %</u>
Sales		\$ 101,444		
Cost of Sales		<u>44,309</u>		
Gross Profit		<u>\$ 57,135</u>		
Gross Profit Percentage				56%

**Gross Profit Percentage vs. State Average**



\* 20xx municipal liquor state report is not available at this time. An estimated average has been used for comparison

Item Explanation of Items Percentage Received/Expended Greater than 20% and \$ Variance Greater than \$10,000.

(1) Variance due to decrease in liquor store goods for resale expense.

City of Sample, Minnesota  
Statement of Revenues and Expenses -  
Budget and Actual -  
Water Fund (Unaudited)  
For the Three Months Ended March 31, 20xx

ATTACHMENT D

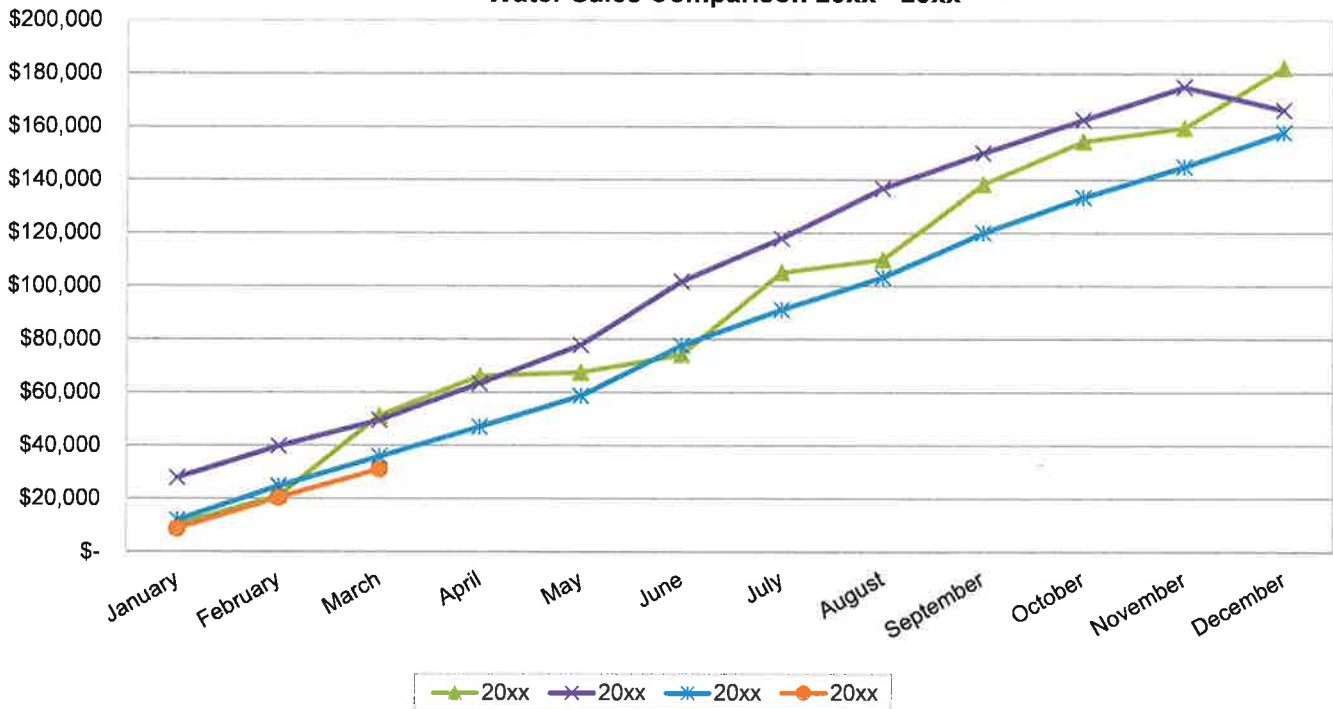
**WATER FUND**

	Actual Thru 3/31/20xx	Actual Thru 3/31/20xx	Variance - Favorable (Unfavorable)	Percent Change from 3/31/20xx
<b>Revenues</b>				
Charges for services	\$ 35,814	\$ 31,031	\$ (4,783)	(13.4) %
Miscellaneous	(248)	1,636	1,884	(759.1)
<b>Total Revenues</b>	<u>35,566</u>	<u>32,667</u>	<u>(2,898)</u>	<u>(8.1)</u>
<b>Expenses</b>				
Salaries and benefits	11,868	11,603	265	2.2
Supplies	1,930	2,767	(836)	(43.3)
Other services and charges	1,574	3,197	(1,622)	(103.1)
Repair and maintenance	1,950	2,009	(59)	(3.0)
Utilities	3,523	3,011	511	14.5
Depreciation	25,000	25,000	-	-
<b>Total Expenses</b>	<u>45,845</u>	<u>47,586</u>	<u>(1,741)</u>	<u>(3.8)</u>
<b>Excess Revenues Over Expenses</b>	<u>\$ (10,279)</u>	<u>\$ (14,919)</u>	<u>\$ (4,639)</u>	<u>45.1 %</u>

Item Explanation of Items Percentage Received/Expended Greater than 20% and \$ Variance Greater than \$10,000.

None.

**Water Sales Comparison 20xx - 20xx**



City of Sample, Minnesota  
Statement of Revenues and Expenses -  
Budget and Actual -  
Sewer Fund (Unaudited)  
For the Three Months Ended March 31, 20xx

ATTACHMENT D

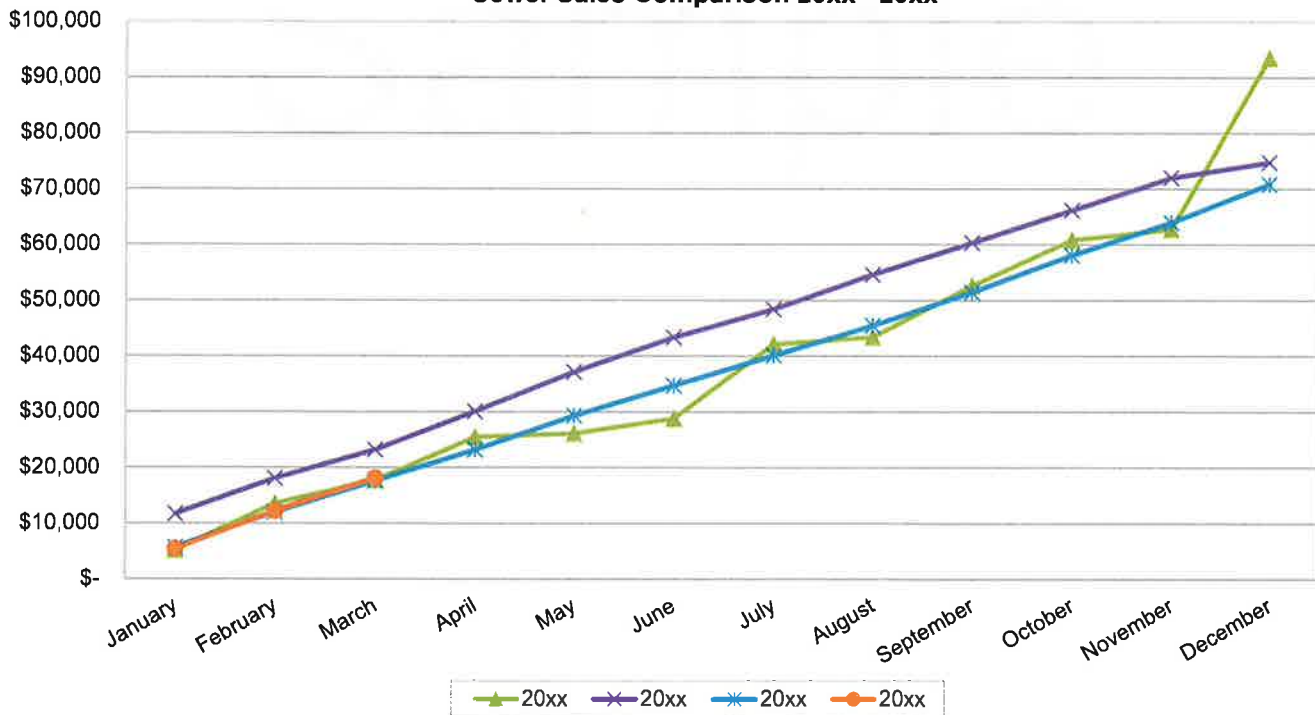
**SEWER FUND**

	Actual Thru 3/31/20xx	Actual Thru 3/31/20xx	Variance - Favorable (Unfavorable)	Percent Change from 03/31/20xx
<b>Revenues</b>				
Charges for services	\$ 17,650	\$ 18,128	\$ 478	2.7 %
Miscellaneous	(223)	909	1,132	(508.3)
<b>Total Revenues</b>	<u>17,427</u>	<u>19,037</u>	<u>1,610</u>	<u>9.2</u>
<b>Expenses</b>				
Salaries and benefits	7,883	8,950	(1,067)	(13.5)
Supplies	169	112	57	33.9
Other services and charges	1,771	772	999	56.4
Repair and maintenance	9,729	2,009	7,720	79.4
Utilities	769	619	151	19.6
Depreciation	17,500	17,500	-	-
<b>Total Expenses</b>	<u>37,822</u>	<u>29,962</u>	<u>7,860</u>	<u>20.8</u>
<b>Excess Revenues Over Expenses</b>	<u>\$ (20,395)</u>	<u>\$ (10,925)</u>	<u>\$ 9,470</u>	<u>(46.4) %</u>

Item Explanation of Items Percentage Received/Expended Greater than 20% and \$ Variance Greater than \$10,000.

None.

**Sewer Sales Comparison 20xx - 20xx**



# Full Service Payroll Support Proposal

## City of Arlington

January 15, 2020



*AEM Workforce Solutions™*

5201 Eden Avenue Suite 250 Edina, MN 55436  
P: (952) 835.9090 • F: (952) 835.3261

100 Warren Street Suite 600 Mankato, MN 56001  
P: (507) 625.2727 • F: (507) 389.9139  
[www.aemcpas.com](http://www.aemcpas.com)



*AEM Workforce Solutions™*

January 15, 2020

City of Arlington  
C/O Amy Newsom  
204 Shamrock Drive  
Arlington, MN 55307

Dear Amy,

Thank you for the opportunity to submit this proposal to the City of Arlington for full service payroll processing and support. Based on our past experience with government clients of comparable size and complexity, I believe the following scope of services and company investment will provide your organization with the payroll processing, support and compliance that you are seeking.

We are confident that we can provide you with the high level financial reporting and compliance with all applicable local, state and federal requirements to allow you to focus on your key operations while we execute your payroll strategies, manage your payroll deadlines, and support your employees. Our proposal is based on the needs of your organization and the experiences we have had working with other city clients of your size.

Again, we thank you for the opportunity to partner with you and I look forward to any questions or feedback that you may have.

Sincerely,

**Leah Davis, CPA**  
President, AEM Workforce Solutions  
Partner, Abdo, Eick & Meyers



## Payroll Experience

Our talented payroll team members recognize that our primary focus must always be providing outstanding service to your most valuable resource, your people. Our team is comprised of 11 HR and payroll industry experts with over 75 combined years of service, including two CPAs. Beyond having a deep knowledge of payroll tax, compliance and processes, our team also understands that payroll is a critical piece of a much larger business objective - attracting and retaining the talent necessary to drive your organization's goals

As your payroll partner, we bring the experience and expertise to offer payroll support that reduces stress and ensures deadlines and compliance requirements are met. For our over 200 clients, we provide proactive and value-added suggestions for improvement and will do the same for you and your team. We're not just gathering data and completing a transaction, we're committed service-providers who understand the payroll process and its impact on your organization. Your people are your biggest asset and there will always be someone to help you each time you call.

In addition to payroll support, AEM is a full-service firm with over 160 experienced experts in areas ranging from accounting, audit, taxation, human resources, business valuation, and estate planning. Our team is here to help bring your organization to the next level of success.

### Process

From the start, you will experience the difference working with AEM Workforce Solutions, as we begin our relationships by getting to know your organization. We focus on learning your unique payroll timing, policies, processes, challenges, and opportunities. During this phase, we transition your organization to an integrated software platform to streamline confidential payroll communication and information sharing, while allowing us to stay connected to your management team and employees. Through this process, we will uncover opportunities to improve compliance, employee experience, and payroll process efficiencies for your team. Upon completion of set-up, we provide the necessary process and software training to you and your staff.

With our experience and commitment to quality service, you can be confident that we're the right payroll partner for your organization. Let us help you take the stress and anxiety out of payroll to allow you to focus on what you do best.

### Our payroll experts provide:

- Integrated payroll software options that keep you connected with management and employees
- Guaranteed on-time payroll processing and employee delivery
- Proactive and expert payroll compliance support to keep you out of trouble
- Worry-Free tax and regulatory reporting and filing with anytime access to management and labor reports
- Employee friendly self-service access and information updating
- Integrated time and PTO tracking, approval, and scheduling
- No-hassle accounting entries and general ledger integration
- Integrated software support and utilization
- Specialized labor cost analysis and reporting
- Multi-department labor cost allocation



# Technology

## AEM Workforce Solutions Technology

At AEM Workforce Solutions we maintain an ongoing commitment to our clients and their employees to provide expert HR and payroll solutions that are efficient, proactive, and integrated with all areas of your business. In doing so, the use of cutting edge technology and software has been key to our success in helping you save time and meet the needs and expectations of your employees. We believe technology should enhance our service offerings, making our work less intrusive, our time with you more productive and keep everyone's data more secure.

AEM Workforce Solutions takes the security of our data and our clients data very seriously. A number of systems are in place to ensure the safety of your organization's data with us. We operate in a completely remote hosted environment. This not only allows us to work from any computer, anywhere, any time, but also provides large scale, cutting edge technology and security for your data. Your data is housed in a secure data warehouse, not on laptops or local servers.

It also means:

- All firm staff use dual authentication for every login to our remote environment
- Our data is saved on redundant servers so if one server fails, another server immediately takes over
- Our data is backed up continually
- All email and embedded links are scanned for viruses prior to landing in our inbox

Our remote host vendor works exclusively with public accounting firms. Their client base includes approximately 300 firms. They maintain a Service Organization Control 2 (SOC 2) report covering their organizational controls over security, processing integrity, etc. This report is available if you'd like to review it.



*AEM Workforce Solutions™*





# Value

## Full Service Payroll Support \$900.00/Month

Guaranteed on-time payroll processing and employee delivery, including direct deposit	Bi-weekly processing for 20-25 employees & Quarterly/Annual Council and Firefighter Payrolls
Proactive and expert payroll compliance support to keep you out of trouble	Included
Worry-Free tax and regulatory reporting, including W2s, with anytime access to management and labor reports	Included
Integrated web-based timekeeping and PTO tracking, approval, and scheduling	Included
Employee friendly self-service portal access and information updating	Included
Post-payroll submission/payment of existing retirement/PERA, HSA, child support, and garnishment orders	Included
No Hassle Accounting Entries	Full accounting integration customized to your general journal
Integrated Software Support and Utilization	Basic support for HR, timeclock & payroll system
One-time Payroll Setup/Implementation fee	<b>\$1,250.00</b>

## Items that may affect your contracted monthly amount

Changes in Employee Headcount

Additional State/Jurisdiction Filing Requirements

New Child Support Submissions

New 401(k)/IRA/PERA/HSA/AFLAC Submissions

New Garnishments/Levy Calculation and Submissions



# Value

## Additional services billed as needed

Integrated Time and PTO tracking, approval, and scheduling	Optional – additional \$45.00 per month software fees apply
Employee Self-Service Login Support	Billed hourly
Form 8027 Preparation – Tip Allocation Reporting	Billed hourly
W2 Reprints	Billed hourly + Software fees (if any)
Special/Historical Reporting or Analysis	Billed hourly
Work Comp Audit Reporting	Billed hourly
Verification of Employment Reporting	Billed hourly
1095C/1094C ACA Reporting	Billed hourly + Software fees (if any)
Special/Additional payroll Runs and Corrections (due to client error or changes)	Billed hourly + Software fees (if any)
Client Payroll Bank Account Changes	Billed hourly
Payroll Filing Amendments (due to client errors or changes)	Billed hourly + Software fees (if any)



*AEM Workforce Solutions™*



# Value

## Service Guarantee

Our work is guaranteed to the complete satisfaction of the customer. If you are not completely satisfied with the services performed by AEMWS, we will, at the option of the Client, either refund the price or accept a portion of said price that reflects the Client's level of value received. Upon payment of each of your scheduled payments, we will judge you have been satisfied.

## Price Guarantee

Furthermore, if you ever receive an invoice without first authorizing the service, payment terms, and price, you are not obligated to pay for that service. Please understand, however, that the price that we've quoted considers and relies upon the following:

- The information you agree to provide is on time and complete to the degree indicated in our agreement.
- Your key management, finance, or human resources team members don't change during our service period.
- No undisclosed or newly arising complexities, claims, or significant transactions, occur that impact our service period. This includes emergence of yet unspecified revisions to any prior period work that would need to occur before we can perform our agreed services.
- No new tax, regulatory, or other reporting requirements are introduced between now and the end of our service period.

## Additional Services

Should the Client request services in addition to the Contracted Services, the Contractor will provide the Client with proposed fees for the services to be provided. The Client shall provide a written or electronic confirmation prior to the proposed services implementation.



*AEM Workforce Solutions™*



# Value Added Services

## Financial Reporting Standards Changes

We live in a world of constantly changing rules and standards when it comes to accounting and financial statement reporting. From one-on-one consulting to training for your entire financial team, we can help.

- Training on upcoming and current changes
- Liquidity footnote analysis
- Lease contract analysis
- Revenue recognition standards

## HR and Payroll Outsourcing

Having clear and consistent HR practices that best suit the individuality of your business is key, even more so in today's tight employment environment. And because the right policies are just as important, we lend our HR expertise to help you strategically plan for your future.

- Payroll services (5 – 500 people)
- Employer Assistance Programs
- Human Resources services and consulting

## Accounting and Financial Services Outsourcing

With a staff of experienced professionals, we develop and implement creative solutions for businesses of all shapes and sizes. We rely on a proven process to provide your organization with the very best value in financial management.

- Monthly accounting
- Temporary accounting help
- CFO/Finance Director

## Fraud and Forensic Services

Our fraud examination professionals specialize in the detection and deterrence of organization fraud schemes. We have Certified Fraud Examiners on staff, ready to assist in...

- Fraud risk assessment
- Fraud prevention
- Litigation support services
- Economic damages calculation

## Operational Efficiencies

Is your organization looking to do more without increasing your budget? There are many ways to review and improve your operations, from delivering key services more efficiently to keeping general and management expenses to a minimum.

- Six Sigma
- Lean practice
- Continuous Improvement

## Business Valuation & Analytics

Whether you are looking at your business's core operations or business subsidiaries, we can assist in improving your efficiency and effectiveness. Below are some of the tools we employ in working with businesses seeking to improve their operations.

- Performing ratio and trend analysis
- Creating a customized narrative report for easy to understand financial analysis
- Benchmarking your key performance indicators (KPIs) against the industry
- Financial modeling
- Transition consulting



*AEM Workforce Solutions™*



## Why AEM?

Abdo, Eick & Meyers, LLP, established in 1963, has a professional staff of more than 150 in its Edina and Mankato offices. The two offices serve clients of all sizes and industries. Our services include audits, reviews and compilations, monthly accounting, tax planning and preparation, management advisory services and Human Resources outsourcing. In addition, Abdo, Eick & Meyers, LLP is recognized as one of the Top 150 firms in the United States and the 13th largest firm in Minnesota.

We're here because our clients need solutions to their challenges--not a commodity product. Through our dedication to teamwork, development and relationships, we will help our clients thrive. The investments into our People + Process make a difference for you, our valued client. We focus on the challenges and needs that are relevant to your business or government agency. This allows us to be thoughtful in our approach in providing you with the best solutions, and leave you assured in the value of our deliverable.

The Firm is a member of the American Institute of Certified Public Accountants Division of Firms and has received an unmodified opinion on its Peer Review. Our Peer Review was completed in 2017 and resulted in a pass rating.

The Firm has not had any federal or state desk reviews or field reviews of its audits in the last three years. We have had no disciplinary action taken or pending against the Firm during the past three years with state regulatory bodies or professional organizations.

We maintain library facilities which include current professional literature and specific information for the industries we serve. The Firm library is also reviewed as part of the external quality review program. The Firm has in-house training programs specific to our business clients. We also perform auditing and accounting updates for our clients that are organized by our staff. These practices ensure the quality of our staff over the term of engagement.



### WE LISTEN

You will know you're in the right hands well before delivery, but be assured that we will get you a great value for the investment of your time.



### WE ENGAGE

Active engagement with DFK International and domestic industry associations allows us to provide maximum value to your business.



### WE DELIVER

Combining our internal expertise and technological resources with what we've learned about you allows us to deliver a solution that exceeds your expectations.



# Appendix A



# Agreement for Services

## Agreement for Services

THIS AGREEMENT, is made and entered into on \_\_\_\_\_, 2020, by and between the City of Arlington (hereinafter referred to as the "Client"), and AEM Workforce Solutions LLC (hereinafter referred to as "AEMWS" or the "Contractor").

### Articles of Agreement & Recitals

WHEREAS, the Client is authorized and empowered to secure from time to time certain professional services through contracts with qualified consultants; and

WHEREAS, the Contractor understands and agrees that:

The Contractor will act as an Independent Contractor in the performance of all duties under this Agreement. Accordingly, the Contractor shall be responsible for payment of all taxes, including federal, state and local taxes and professional/business license fees related to its own operations and arising out of the Contractor's activities;

The Contractor shall have no authority to bind the Client for the performance of any services or to obligate the Client. The Contractor is not an agent, servant, or employee of the Client and shall not make any such representations or hold itself out as such;

The Contractor shall be the exclusive outsourced payroll resource service provider for the Client during the term of this Agreement;

The Contractor shall perform all professional services in a competent and professional manner, acting in the best interests of the Client at all times.

The Contractor shall not accrue any continuing contract rights for the services performed under this contract.

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

## ARTICLE I

### INCORPORATION OF RECITALS

The recitals and agreement set forth above are hereby incorporated into this Agreement.

## ARTICLE II

### LIABILITY INSURANCE

Section 1 Liability Insurance: The Contractor shall obtain professional liability insurance, at its expense with liability insurance coverage minimums in the amount of \$2,000,000, which Contractor must secure and maintain during the term of this Agreement. Contractor will provide the Client with proof of liability insurance coverage under this Agreement in writing upon request by the Client.



# Agreement for Services

## ARTICLE III

### DURATION OF THE AGREEMENT

Section 1 Duration: This Agreement shall commence upon date of execution by all parties and will remain in effect for UP TO 90 DAYS, or upon the completion of the consulting engagement, whichever is longer, unless earlier terminated as provided in Subsections 2 and 3.

Section 2 Client's Termination Rights: The Client may terminate this Agreement upon sixty (60) days written notice in the event the Client determines in its sole discretion that it is not in the Client's best interest to continue using Contractor's services. The Client may terminate upon ten (10) days written notice of the Contractor fails to perform its obligations under this Agreement.

Section 3 Contractor's Termination Rights: Contractor may terminate this Agreement upon thirty (30) days written notice to the Client in the event the Client does not pay Contractor compensation as required under Article 5, Section 9 within fifteen (15) days after invoice is received by the Client. In the event of non-payment within thirty (30) days, Contractor shall give the Client an opportunity to cure the default by giving a notice of such non-payment and an additional five (5) days after the Client's receipt of the notice to remit such payment, prior to giving a notice of termination. Contractor can also terminate the Agreement with sixty (60) days written notice.

## ARTICLE IV

### RENEWAL OF THE AGREEMENT

Section 1 Renewal Period: Not less than ninety (90) days prior to the expiration of the term of this Agreement, the Client may provide written notice of its intent to renew this Agreement for an additional term of up to three years upon terms and conditions agreed upon by both parties to the Agreement. If no such renewal agreement is executed by the parties, the Agreement terminates without further action of either party on the one year anniversary date, or the completion of the consulting engagement, whichever is longer.

## ARTICLE V

### GENERAL

Section 1 Authorized Client Agent: The Client's authorized agent for the purpose of administration of this Agreement is the Client Operations Manager. Said agent shall have final authority for approval and acceptance of the Contractor's services performed under this Agreement and shall further have responsibility for administration of the terms and conditions of this Agreement. All notices under this Agreement shall be sent to the person and address indicated below on the signature lines.

Section 2 Amendments: No amendments or variations of the terms and conditions of this Agreement shall be valid unless in writing and signed by the parties.

Section 3 Assignability: The Contractor's rights and obligations under this Agreement are not assignable or transferable, but the Client's rights and obligations may be assigned to any successor entity upon ten (10) days notice.





# Agreement for Services

## ARTICLE V--CONTINUED

### GENERAL--CONTINUED

Section 4 Data: Any data or materials, including, but not limited to, reports, studies, photographs or any and all other documents prepared by the Contractor or its outside consultants in the performance of the Contractor's obligations under this Agreement shall be the exclusive property of the Client, and any such data and materials shall be remitted to the Client by the Contractor upon completion, expiration, or termination of this Agreement conditioned upon Client's payment of all fees and expenses due to Contractor pursuant to this Agreement. Further, any such data and materials shall be treated and maintained by the Contractor and its outside consultants in accordance with applicable federal, state and local laws. Further, Contractor will have access to data collected or maintained by the Client to the extent necessary to perform Contractor's obligations under this Agreement. Contractor agrees to maintain all data obtained from the Client in the same manner as the Client is required under the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 or other applicable law (hereinafter referred to as the "Act"). Contractor will not release or disclose the contents of data classified as not public to any person except at the written direction of the Client. Upon receipt of a request to obtain and/or review data as defined in the Act, Contractor will immediately notify the Client. The Client shall provide written direction to Contractor regarding the request within a reasonable time, not to exceed fifteen (15) days. The Client agrees to indemnify, hold harmless and defend Contractor for any liability, expense, cost, damages, claim, and action, including attorneys' fees, arising out of or related to Contractor's complying with the Client's direction. Upon termination and/or completion of this Agreement, Contractor agrees to return all data to the Client, as requested by the Client.

Section 5 Entire Agreement: This Agreement is the entire agreement between the Client and the Contractor and it supersedes all prior written or oral agreements. There are no other covenants, promises, undertakings, or understandings outside of this Agreement other than those specifically set forth. Any term, condition, prior course of dealing, course of performance, usage of trade, understanding, or agreement purporting to modify, vary, supplement, or explain any provision of this Agreement is null and void and of no effect unless in writing and signed by representatives of both parties authorized to amend this Agreement.

Section 6 Severability: All terms and covenants contained in this Agreement are severable. In the event any provision of this Agreement shall be held invalid by any court of competent jurisdiction, this Agreement shall be interpreted as if such invalid terms or covenants were not contained herein and such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7 Contractor Fiscal Decision Waiver: Contractor is responsible for providing the Client with timely and accurate human resource recommendations and information that allows the Client the ability to make final human resource decisions. Contractor will provide final human resource recommendations, but Contractor is not responsible for the final decisions made regarding human resource matters and Client shall indemnify and hold Contractor harmless from the same.

Section 8 Client Employment of Contractor's Employees; Should the Client desire to employ the Contractor's employee that is assigned to the Client during the term of this Agreement, it must have the written consent of the Contractor to enter into a Client employee contract with the Contractor's employee. Should the Contractor agree to such arrangement, the agreement will include a payment equal to 50% of the annual contracted cost, in addition to the annual contracted cost already paid to the Contractor. This restriction on employment applies only during the term of this Agreement and for a period of six (6) months thereafter.



# Agreement for Services

## ARTICLE V--CONTINUED

### GENERAL—CONTINUED

Section 9 Compensation: The parties agree that the Contractor shall be paid compensation for the services provided hereunder, based on the fees indicated in the proposed client investment schedule and under the attached scope of services. Additional fees will not be incurred without prior approval of the Client.

Initial invoice for anticipated first month fees will be sent within 10 days of the execution of this agreement. Monthly installment fees will be invoiced throughout the remainder of this contract. If the contract is for an hourly fee basis, invoices will be sent monthly.

Section 10 Additional Services: Should the Client request additional services in addition to the Contracted Services, the Contractor will provide the Client with proposed fees for the additional services to be provided. The Client shall provide a written or electronic confirmation prior to the proposed services implementation.

Section 11 Outside Contractors: It shall be the responsibility of Contractor to compensate any other outside consultants retained or hired by Contractor to fulfill its obligations under this Agreement and shall be responsible for their work and Contractor, by using outside contractors, shall not be relieved of its obligations under this Agreement.

### LIMITATION OF LIABILITY

Section 1 Disputes: If any dispute arises between AEMWS and the Client under this Agreement, the dispute shall first be submitted to mediation. The costs of mediation shall be shared equally by the parties. All disputes between AEMWS and the Client arising out of this Agreement which cannot be settled directly or through mediation shall be resolved through binding arbitration in Mankato, Minnesota in accordance with the rules for resolution of commercial disputes then in effect of the American Arbitration Association, and judgment upon the award may be entered in any court having jurisdiction thereof. It is further agreed that the arbitrator may, in its sole discretion, award attorneys' fees and costs to the prevailing party.

Section 2 Limitation of Liability: AEMWS' entire liability, and the Client's exclusive remedy, for AEMWS' performance or non-performance under this Agreement shall be for AEMWS to reimburse the Client the total charges for related services provided during the previous twelve months. AEMWS WILL NOT, UNDER ANY CIRCUMSTANCES, BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR FOR LOST PROFITS, SAVINGS OR REVENUES WHICH THE CLIENT MAY INCUR AS A RESULT OF AEMWS' FAILURE TO PERFORM ANY TERM OR CONDITION OF THIS AGREEMENT (EVEN IF IT HAS BEEN SPECIFICALLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES). The Client shall indemnify AEMWS against, and hold each of them harmless from, any and all liabilities, claims, costs, expenses and damages of any nature (including reasonable attorney's fees and costs) in any way arising out of or relating to disputes or legal actions with Client's employees or any third parties concerning the provision of the services under this Agreement. The Client's obligations under the preceding sentence shall survive termination of this Agreement.



## Agreement for the Provision of Professional Services

WHEREFORE, this Agreement was entered into on the date set forth below and the undersigned, by execution hereof, represent that they are authorized to enter into this Agreement on behalf of the respective parties and state that this Agreement has been read by them and that the undersigned understand and fully agree to each, all and every provision hereof, and hereby, acknowledge receipt of a copy hereof.

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_ President

Date \_\_\_\_\_ 1/15/2020



*AEM Workforce Solutions™*



**Certified Public Accountants**

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Effective January 1, 2019 our payroll service pricing is as follows:

Number of Checks (Employees)	Charge Per Pay Period
1 – 5	\$40.00
6 – 10	55.00
11 – 15	65.00
16 – 25	75.00
26 – 40	85.00
41 – 80	100.00
<ul style="list-style-type: none"> <li>• Monthly payroll minimum fee</li> <li>• Payroll deposits and quarterly payroll reports no additional fee</li> <li>• Additional fee for client set up, direct deposit, W-2's, postage and delivery</li> </ul>	55.00