



City of Fergus Falls Committee of the Whole Agenda

November 13, 2024
7:00 am
City Council Chambers

A. Call to Order

B. Roll Call

C. Discussion Items

1. Audit Engagement Letter

Bill Sonmor

Requested Action: Recommendation to the council to approve the audit engagement letter with BerganKDV for the financial audits of 2024, 2025 and 2026

2. Insurance Services RFP

Bill Sonmor

Requested Action: Recommendation to the council to enter into a five-year agreement with AMP Insurance for Insurance Agent of Record services

3. Information Technology System Update

Bill Sonmor

4. 2025 and 2026 Labor Contracts

Mike Hartwell

Requested Action: Recommendation to the council to approve the 2025 and 2026 labor contracts

D. Additional Agenda Items

Announcements

November 18 City Council meeting 5:30 pm

November 27 Committee of the Whole meeting 7:00 am

November 28-29 Most city offices and facilities closed for observation of Thanksgiving. Garbage and recycling normally picked up on Thursday and Friday will be moved to Wednesday November 27th.

Adjourn



Council Action Recommendation

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Meeting Date: November 13, 2024

Subject: 2024, 2025, & 2026 Audit Engagement Letter

Recommendation: Approve the audit engagement letter with BerganKDV for the financial audits for 2024, 2025, & 2026.

Background/Key Points: The City is required to have an annual financial audit. The City received an engagement letter from BerganKDV for the 2024, 2025, & 2026 year-end audits. BerganKDV specializes in audits of local governments. The City of Fergus Falls prepares an Annual Comprehensive Financial Report, therefore it is important to contract with a firm specializing in governmental audits.

BerganKDV maintained the annual fee of \$36,225 for the audits of the 2021, 2022, & 2023 year-end audits (plus \$3,850 for component units and \$5,000 for a federal single audit, when required).

Budgetary Impact:

The proposed annual audit fees will increase 15% for 2024, 5% for 2025, and 5% for 2026. The fees for the December 31, 2024 audit will be as follows:

- City Financial Audit \$41,600
- Audit of Component Units \$4,400
- Federal Single Audit \$4,500 - \$6,500 for each single audit (required if City receives more than \$750,000 of federal funds)

Originating Department: Finance

Respectfully Submitted: Bill Sonmor, Finance Director

Attachments:

None



Council Action Recommendation

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Meeting Date: November 13, 2024

Subject: Insurance Agent of Record Agreement

Recommendation: Approve renewal of a 5-year agreement with AMP Insurance for Insurance Agent of Record services.

Background/Key Points:

The City of Fergus Falls purchases property and liability insurance as well as workers compensation insurance through the League of Minnesota Cities Insurance Trust (LMCIT). The standard rate of agent compensation per the LMCIT is 10% of premiums for the property and liability package and 2% for workers compensation.

The City has contracted with AMP Insurance for agent services for the past 15 years and for several years prior. The City has paid AMP Insurance 5% commission for the property and liability insurance and 0.5% for the workers compensation under the existing 5-year contract. The current agreement is expiring as of December 31, 2024.

AMP Insurance proposes to increase the compensation from 0.5% to 0.6% for the worker's compensation policy and will leave the property and liability package unchanged at 5%. AMP Insurance has always provided good service for the City of Fergus Falls and I would recommend this adjustment to the fees and approve a 5-year agreement.

Budgetary Impact: The proposed change to the workers' compensation fees results in an estimated \$512 increase based on the 2024 premiums.

Originating Department: Finance

Respectfully Submitted: Bill Sonmor, Finance Director

Attachments:

None



Council Action Recommendation

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Meeting Date: November 13, 2024

Subject: Information Technology System Update

Recommendation: N/A

Background/Key Points: On July 15, 2024, the City Council approved a contract with Civic Systems LLC for a new information technology system. City staff have met with Civic Systems to begin scheduling the migration to the new system.

The migration of the core financial systems is planned for the Summer 2025. The peripheral systems (customer portal, licensing, building permits, code enforcement, etc.) will be implemented during the fall of 2025

Budgetary Impact:

The cost of the system is payable over 3 years. The City also downsized the Information Technology Department from a staff of 2 down to 1 due to the implementation of the new system.

Originating Department: Finance

Respectfully Submitted: Bill Sonmor, Finance Director

Attachments:

None



Council Action Recommendation

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Meeting Date:

November 13, 2024 Committee of the Whole
November 18, 2024 City Council

Subject:

2025 and 2026 Labor Contracts

Recommendation:

Approve the 2025 and 2026 Contracts for each labor group and non-union employees

Background/Key Points:

The following contract terms have been agreed upon in good faith by all bargaining units representing city employees, effective January 1, 2025.

The following resolutions are being presented for approval by the Fergus Falls City Council:

1. Resolution to approve Sergeants and Lieutenants contract for 2025 and 2026 which includes annual wage increases of 3.5% in 2025, and 3.5% in 2026.
2. Resolution to approve Patrols contract for 2025 and 2026 which includes annual wage increases of 3.5% in 2025, and 3.5% in 2026.
3. Resolution to approve Supervisors and Professionals 2025 and 2026 contract which includes annual wage increases of 3.5% in 2025 and 3.5% in 2026.
4. Resolution to approve Teamsters 2025 and 2026 contract which includes annual wage increases of 3.5% in 2025 and 3.5% in 2026.
5. Resolution to approve wage increases of 3.5% in 2025 and 3.5% in 2026 for non-union employees.

Budgetary Impact:

All monetary increases and incremental insurance costs are factored into the 2025 budget

Respectfully Submitted:

Mike Hartwell, Human Resources Director

Attachments: None