

**MINUTES
SPECIAL JOINT CITY COUNCIL AND BUDGET & FINANCE COMMITTEE MEETING
2018 AUDIT**

MAY 13, 2019

Mayor Jeff Thompson called the meeting to order at 4:30 p.m. Council members present were Len Gilmore, Shawn Reinke, Neil Herzberg and Alicia LaBeau. Others present were Renee Eckerly, City Administrator; Jennifer Welling, Administrative Assistant/Zoning Specialist; Bill Ludwig, Liquor Store Manager; Belinda Ludwig, Finance Specialist; Ryan Schmidt, Schlenner Wenner & Co.; Paul Wegner, Police Chief; Jean Soine, and Kristin Leither, Social Media Specialist.

Schmidt presented the 2018 Audit and reported on the following:

- Audit process – expressing an unmodified (clean) opinion (best opinion the City can get)
- Audit results – standard practices, net pension liability, positive working relationship with City management and staff, no issues with the audit
- Material weaknesses
 - Audit adjustments
 - Segregation of duties – very common for a City of this size
 - Auditor’s prepare financial statements
- Minnesota legal compliance with state statutes – no noncompliance identified
- Financial highlights
 - General fund – revenue & expenses
 - Revenues are consistently exceeding expenses, expenditures in excess of budgeted figures; primarily police compensation and larger transfers in from other funds than budgeted
 - Fund balance goal – 55-60% of expenses in reserves
 - State recommends 35-40%
 - City’s history of reserves:
 - 2014 79.6%
 - 2015 85.6%
 - 2016 76.8%
 - 2017 86.8%
 - 2018 90.7%
- Cash trends
- Water revenues and expenses
- Sewer revenues and expenses; increase in revenue due to AMPI billings
- Liquor revenues and expenses
- Cash
- Assets – buildings and infrastructure
- Liabilities
- Long-term debt

POLICE DEPARTMENT SQUAD ROOM FURNITURE

Wegner reviewed two quotes for squad room furniture:

Northern Business Products, Inc.	\$3,730.15
Office Furniture Solutions, Inc.	\$5,015.00

This was discussed at the April 9, 2019 Budget & Finance Board Meeting and there was support for the purchase; however, there was not recommendation to Council. Funds for this would come from Police Capital Improvement.

Motion was made by Eckerly to approve the purchase of Police Department squad room furniture in the amount of \$3,730.15 from Northern Business Products, Inc. Seconded by LaBeau and unanimously carried.

There being no further business, the meeting was adjourned at 4:50 p.m.

Renee Eckerly, City Administrator