

City of North Saint Paul
May 21, 2024
Approved City Council Workshop Meeting Minutes

I. CALL TO ORDER

Acting Mayor Cole called the meeting to order at 5:15 p.m.

II. ROLL CALL

Present: Council Member Schweer
Council Member Nordby absent
Acting Mayor Cole
Council Member Wong
Mayor Monge absent

Staff: City Manager Brian Frandle, Assistant to the City Manager Jennie Kloos, Finance Director Dan Winek

III. ADOPT AGENDA

On motion by Council Member Schweer, seconded by Council Member Wong, with all present voting aye (3-0), motion carried to approve the agenda as amended.

IV. TOPICS

- A. Review of the 2023 Financial Report with City's Audit Firm of Malloy, Montague, Karnowski, Radosevich & Co. P.A. (MMKR)

Finance Director Dan Winek thanked City Council and City staff for all of their hard work regarding the budget.

Ms. Jackie Huegel, principal accountant with MMKR, reviewed the 2023 annual financial report and management report with City Council but noted there were other reports in the Council packet.

Ms. Huegel noted if the City spent over \$750,000 in federal funding, there would have been a separate audit on the federal funds but the City did not need that audit.

Ms. Huegel summarized the audit results and noted the new audit standard was implemented in 2023. She noted the one area of non-compliance was due to the new group dental insurance and stated the City was required to go out for an RFP and send out information in publications if changing group dental insurance.

Ms. Huegel noted the findings from the previous year have been cleaned up and stated her recommendations. They are as follows:

- Discussed funds containing a deficit

- Explained the deficit in the fiber optic fund
- Described the deposit and escrow reconciliations
- Recommended the City review its policies and procedures regarding deposit and escrow reconciliations and maintain tracking on those through the City's financial software

Ms. Huegel noted the difference between the major and non-major funds and explained the slight decrease from the previous year.

Ms. Huegel reviewed all of the increases and decreases as it relates to expenditures. She also reviewed the general fund financial fund position for the past 5 years and added the City was in compliance with its policy of maintaining a 50% fund balance at the end of each year.

Ms. Huegel reviewed the enterprise fund operations and discussed each enterprise fund, including the electric fund, water fund, service water fund, and waste water fund, She added the fiber optic fund ended the year with a deficit. She recommended the City monitor operations of the fiber optic fund moving forward.

Ms. Huegel defined and explained the governmental-wide financial statement and noted the audit was overall positive and reviewed the non-compliance relating to group health insurance.

Mr. Winek provided more detail and information on why the City was in violation on the dental insurance RFP and thanked everyone for their continued work on the budget.

V. ADJOURNMENT

On motion by Council Member Wong, seconded by Council Member Schweer, with all present voting aye (3-0), meeting is adjourned at 5:44 p.m.

/s/ Tim Cole, Acting Mayor

Attest:

/s/ Brian Frandle, City Manager / Clerk