

CONTINUATION OF REGULAR COUNCIL MEETING
CITY OF CROSSLAKE
WEDNESDAY, MAY 7, 2014
3:00 P.M. – CITY HALL

The Council for the City of Crosslake met to continue the Regular Council Meeting of 4/14/14 in the Council Chambers of City Hall on Wednesday, May 7, 2014. The following Council Members were present: Mayor Darrell Schneider, Steve Roe, Gary Heacox, John Moengen and Mark Wessels. Also present were City Administrator/Consultant Dan Vogt, City Clerk Char Nelson, Finance Director/Treasurer Mike Lyonais, Crosslake Communications Accountant Cyndi Perkins, and Tom Koop and Mary Reedy of Clifton Larson Allen.

Mayor Schneider called the meeting to order at 3:00 P.M.

Tom Koop and Mary Reedy of Clifton Larson Allen (CLA) appeared before the Council to present the results of the audit of the financial statements for the year ended December 31, 2013. Ms. Reedy began the presentation by stating that it is the auditor's responsibility to plan and perform the audit under governmental auditing standards and to conclude that the financial statements are fairly stated. The auditor is required to report in writing an expressed opinion on the City's internal controls such as segregation of duties. The financial statement includes some estimated numbers pertaining to items such as depreciable assets, compensated absences and other post-employment benefits. It is the auditor's opinion that the financial statements are fairly stated representing an "unmodified" audit opinion as noted in the Independent Auditor's Report of the 2013 Financial Statements. It was also noted that in conducting the Minnesota Legal Compliance Audit for Local Governments, the City complied with all terms and conditions of applicable legal provisions. It was noted that there is limited segregation of duties relating to financial transactions but that is common based on the amount of staff that is available to do the work.

Ms. Reedy reviewed various graphs to the Council depicting the financial condition of the City both alone and when combined with Crosslake Communications as an enterprise fund of the City. It was noted that the financial statement for Crosslake Communications is prepared by Olson Thielen and those audited findings are included in the City's Financial Statement. Discussions ensued regarding the pros and cons of no Local Government Aid to the City of Crosslake and the EDA's Lease Bonds that were paid off.

MOTION 05S1-01-14 WAS MADE BY JOHN MOENGEN AND SECONDED BY GARY HEACOX TO ACCEPT AND APPROVE THE AUDIT OF THE 2013 FINANCIAL STATEMENTS FOR THE CITY OF CROSSLAKE. MOTION CARRIED WITH ALL AYES.

MOTION 05S1-02-14 WAS MADE BY STEVE ROE AND SECONDED BY JOHN MOENGEN TO RECESS THE MEETING AT 3:50 P.M. MOTION CARRIED WITH ALL AYES.

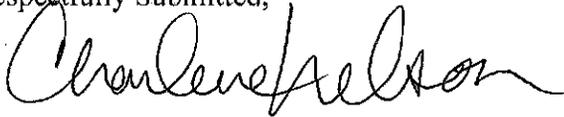
MOTION 05S1-03-14 WAS MADE BY JOHN MOENGEN AND SECONDED BY MARK WESSELS TO REOPEN THE MEETING AT 4:00 P.M. MOTION CARRIED WITH ALL AYES.

Jana O'Leary Sullivan, League of Minnesota Cities Insurance Trust Attorney, introduced herself and stated that she is representing the City of Crosslake on an EEOC claim made by Cynthia Perkins. Ms. Sullivan explained to the Council that she recommends that the Council meet in a closed session to discuss the claim pursuant to MS 13D.05, Subd. 3 (b). MOTION 05S1-04-14 WAS MADE BY JOHN MOENGEN AND SECONDED BY GARY HEACOX TO CLOSE THE MEETING AT 4:02 P.M. MOTION CARRIED WITH ALL AYES.

MOTION 05S1-05-14 WAS MADE BY MARK WESSELS AND SECONDED BY JOHN MOENGEN TO REOPEN THE MEETING AT 5:31 P.M. MOTION CARRIED WITH ALL AYES.

There being no further business at 5:32 P.M., MOTION 05S1-06-14 WAS MADE BY JOHN MOENGEN AND SECONDED BY MARK WESSELS TO ADJOURN THE MEETING. MOTION CARRIED WITH ALL AYES.

Respectfully Submitted,



Charlene Nelson
City Clerk