

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
MONDAY, MAY 10, 2021
6:00 P.M. – CITY HALL

The Council for the City of Crosslake met in a Special Session on May 10, 2021. The following Council Members were present: Mayor Dave Nevin, John Andrews, Dave Schrupp, Aaron Herzog and Marcia Seibert-Volz. Also in attendance were City Administrator Mike Lyonais, City Clerk Char Nelson, Park Director TJ Graumann, Fire Chief Chip Lohmiller, Public Works Director Ted Strand and Mary Reedy of Clifton Larsen Allen. Police Chief Erik Lee, Northland Press Reporter Paul Boblett, Echo Publishing Reporter Nancy Vogt and one audience member attended via Zoom.

Mayor Nevin called the meeting to order at 6:00 P.M. and turned the meeting over to Mike Lyonais. Mike Lyonais introduced Audit Principal Mary Reedy and stated that Ms. Reedy would present the audit results of the financial statements for the year ending December 31, 2020.

Mary Reedy of Clifton Larsen Allen (CLA) addressed the Council and stated that the primary responsibility of the auditor is to provide an opinion on the fairness of the presentation of the financial statements by reviewing internal accounting controls, reviewing risks, and testing transactions. CLA gave the City a clean opinion on the audit. Mary Reedy noted that there is limited segregation of duties relating to financial transactions but that this is common based on the amount of staff that is available to do the work.

Ms. Reedy noted that during claims and disbursement testing, it was noted that the City did not annually delegate authority to make electronic fund transfers as required by Minnesota State Statute 471.38. MOTION 05SP2-01-21 WAS MADE BY JOHN ANDREWS AND SECONDED BY AARON HERZOG TO APPOINT CITY ADMINISTRATOR AND CITY CLERK AS ELECTRONIC FUND TRANSFERS DELEGATES. Marcia Seibert-Volz asked if payroll should be included on the list of bills for approval. Mary Reedy replied that payroll is not normally included and what the City does is sufficient. Dave Schrupp and Aaron Herzog stated that they track payroll on the month end reports. MOTION CARRIED WITH ALL AYES.

Ms. Reedy reviewed various graphs depicting the financial condition of the City. Ms. Reedy noted the receipt of a Water Quality Grant from the Soil and Water Conservation District and Corona Virus Relief Funds increased revenue budget. The net position of the Sewer Fund increased by \$215,374 in 2020 compared to \$58,479 in 2019. This increase was due to a transfer from the General Fund of \$154,713 to help fund the sewer portion of the City Hall project. A lengthy discussion ensued regarding the Sewer Fund.

MOTION 05SP2-02-21 WAS MADE BY JOHN ANDREWS AND SECONDED BY DAVE SCHRUPP TO ACCEPT AND APPROVE THE AUDIT OF THE 2020 FINANCIAL STATEMENTS FOR THE CITY OF CROSSLAKE. MOTION CARRIED WITH ALL AYES.

MOTION 05SP2-03-21 WAS MADE BY AARON HERZOG AND SECONDED BY JOHN ANDREWS TO ADJOURN THE MEETING AT 6:30 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully Submitted,

Charlene Nelson

Charlene Nelson
City Clerk