

**MINUTES
CITY OF ISANTI
CITY COUNCIL WORK SESSION
TUESDAY, APRIL 20, 2010 – 5:45 p.m.
CITY HALL**

Mayor Wimmer called the meeting to order at 5:45 p.m.

Members Present: Mayor Wimmer, Councilors Jim Kennedy and Sue Larson.

Members Absent: Councilors Jeff Kolb and Ross Lorinser.

Staff Present: City Administrator Don Lorsung, Assistant City Administrator/City Clerk Irene Bauer, Finance Director Kristi Smith, City Auditor Steve McDonald, and City Engineer Brad DeWolf.

Review of 2009 Annual Financial Report and Management Letter

City Auditor, Steve McDonald, Abdo Eick & Meyers, LLP reviewed the 2009 Management Letter with Council.

McDonald reported that no findings were found in reviewing internal controls and there were no areas of noncompliance. That a single audit was performed on Federal funds and found no areas of noncompliance in this audit.

The following areas of the audit were reviewed:

- General Fund Balance
 - McDonald reported the total fund balance of \$1,952,756 is 69 percent of the 2010 budgeted expenditures and transfers.
- General fund balance in relation to the previous years budgets
- 2009 Operations of Revenues and Expenditures
- General Fund Revenues
- General Fund Expenditures; comparison of the amount the City spends per capita in comparison to a peer group. All areas were less than the peer group except for Public Safety.
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds:
 - o Water
 - Is making enough money for operations.
 - o Sewer
 - Fund balance is declining; rates should be reviewed to allow for continued revenues for operations.

- Liquor
 - Generated a good cash flow; \$300,000 was transferred out of the fund.
- Reviewed the finding on the Isanti Area Joint Operating Fire District and recommended that the City require an annual audit be submitted by the Isanti Area Joint Operating Fire District as stated in the Joint Powers Agreement dated 12-28-05 and by state statutes.
- Ratio Analysis was reviewed that was a review of trend and peer group analysis comparing the City with other cities.
- Review of Current and Future Accounting Standard Changes

Adjournment

Motion by Kennedy, second by Larson to adjourn. Motion carried unanimously. The Work Session adjourned at 6:06 p.m.

Respectfully submitted,

Irene J. Bauer
Assistant City Administrator/City Clerk