

CITY OF FOLEY, MINNESOTA  
CITY COUNCIL MEETING – June 7, 2024

The Foley City Council held a special meeting on June 7, 2024, at 12:00 p.m. at Foley City Hall.

Members Present: Councilmembers Jeff Gondeck, Deb Mathiowetz, Jack Brosh, Gary Swanson, and Brandon Voit.

Members Absent: None

Mayor Jack Brosh presided and called the meeting to order at 12:00 p.m.

The pledge of allegiance was recited.

Motion by Gondeck, seconded by Voit, to approve the agenda.

Motion carried, unanimous.

**2023 Audit Presentation & Report**

Ashley Meagher, Schlenner & Wenner, gave an overview of the 2023 Audit Report to the council, referring to the report in the council packet. She began by explaining the audit process and stated they have issued an Unmodified (Clean Opinion) for the city's 2023 audit. There were no significant issues or errors or misstatements that arose during the audit procedure.

Overall, the audit went smoothly. They have a positive working relationship with staff. Nothing unusual noted in terms of recorded transactions or accounting policies/treatments. Significant estimates include the calculation of Net Pension Asset/Liability and related balances. There was a new accounting standard this year. They reviewed the city's software for that and there was nothing they had to record.

There were various adjustments recorded during the audit process. The majority of which were not material. She noted the city lacks proper segregation of duties, which is very common for a city of Foley's size. There are some segregations in place just not at 100%. Downgraded to a lesser impact after the new office hire from the previous year. No instances of noncompliance were identified as a result of our procedures. Broker Acknowledgement Certification corrected. Sweep account Compliance/Deposits in Excess of Insured Limits working on correction.

Revenues exceeded budget, primarily due to unbudgeted State Grants and Investment income. Actual Expenditures exceeded budget, primarily due to unbudgeted Public Works and Public Safety expenditures.

Unassigned fund balance is the spendable portion of your fund balance. Fund balance policy sets a target fund balance of approximately 50% to 65% of annual budgeted operating expenditures. For 2023, it sat at 150.8%. This was a slight decrease from the previous year, but still well above policy so a healthy unassigned balance for the spendable portion.

Cash trend analysis was slightly higher than 2022. Fire Service Fund balance \$846,354. 2020 Improvement Bond Fund balance \$606,113. Not a lot of fluctuation with fund balances shown in the Cash Trends Analysis. Total cash balances for all of those funds sat at about \$2.7 million.

Water Funds Historical Trends shows overall increase of about \$270,000 and ending just under \$4.5 million. Expenses are similar to 2022. Sewer Fund Historical Trends shows a lot of fluctuation with the wastewater project from 2021 – 2023. Overall increase of about \$6.8 million with ending balance of \$20.2 million. A lot of the increase comes from infrastructure being capitalized as an asset.

Increase in total assets is primarily due to various capital related equipment purchases and construction in progress in the current year. City's long-term liabilities decreased in the current year.

Motion by Brosh, seconded by Gondeck, to accept the audit report for 2023 from Schlenner & Wenner.

Motion carried, unanimous.

**Other Business**

Gondeck said opening the pool was fun.

Swanson asked if there would be more discussion on the snow fence ordinance. Waiting on more information from the city attorney.

Motion by Gondeck, seconded by Swanson, to adjourn.

Motion carried, unanimous.

Meeting adjourned 12:21 p.m.



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Sarah A. Brunn, Administrator  
(Minutes By: Sara Judson Brown, Administrative Assistant)