

## Cloquet City Council Work Session

Tuesday, August 18, 2020

**Present:** B. Carlson, S. Lamb, C. Swanson, K. Kolodge, L. Wilkinson, Mayor Maki

**Absent:** S. Langley

**Staff:** T. Peterson, J. Barclay, N. Klassen, C. Peterson, H. Hansen

### **2019 Audit**

Finance Director Nancy Klassen gave a summary of the 2019 audit report. The full report is on the City's website on the Finance page. The report is being submitted to the GFOA certificate program for the 14<sup>th</sup> year. Financial highlights are as follows:

#### Revenues

- Property taxes had a 1.5% or \$45,000 levy decrease
- Sales tax collections of \$1,032,686, an increase from 2018
- Building permits worth \$17.6 million in value issued
- Issued GO bond of \$1.5 million for the library expansion

#### Expenditures/Expenses

- City Hall and Police Department building project for \$4 million with \$1.8 million spent in 2018 for purchase of MCCU building and \$2.15 spent in 2019 for building remodel
- Library expansion \$950,000
- Water treatment plant for \$7.6 million with \$2.6 million spent in 2018 and \$4.5 million spent in 2019
- Business Park bonds paid off early for \$900,000

Ms. Klassen next reviewed the various funds and gave explanations of their results.

### **Fund Balance Policy**

Ms. Klassen explained the purpose of the Fund Balance Policy is to establish the specific guidelines for the level of fund balances available for current and future spending in the governmental funds. It addresses a minimum level of unrestricted fund balance to be maintained, how unrestricted fund balance can be used and how that fund balance will be replenished if it falls below the minimum level. The City of Cloquet's Fund Balance Policy Plan is based on the 2019 audited balances.