



Audit and Investment Commission

February 11, 2026 | 7:30 a.m.

Ash Conference Room (first floor, south room)

Woodbury City Hall | 8301 Valley Creek Road

## Agenda

1. Call to Order/Roll Call
  - A. Welcome Members: Introductions, Complete Oath of Office, Distribute Orientation Guidebook
2. Approval of Minutes
  - A. Audit and Investment Commission meeting: November 13, 2025
3. Review and Recommendation of Mayor and City Council Compensation for 1/1/2027 (motion on recommendation)
4. Cybersecurity Assessment Review Update Presentation (no action needed)
5. City Investment Results Review with Ehlers (no action needed)
6. Adjournment

*Next Meeting of Audit and Investment Commission: To Be Determined*

City of Woodbury

Audit and Investment Commission Minutes  
November 13, 2025

Pursuant to due call and notice thereof, a meeting of the Audit and Investment Commission was held at Woodbury City Hall, 8301 Valley Creek Road, on the 13<sup>th</sup> day of November, 2025.

**Item 1: Call to Order / Roll Call**

Chair John Lehman called the meeting to order at 7:30 a.m.

Upon roll call, the following members of the Audit and Investment Commission were present: John Lehman, Ross Tollefson, Jeanine Kuwik, Cody Groth, and Alec Sonsteby.

Absent (Notified Staff): Gracie George, Frank Gilbertson

Absent (No notice): Shaheer Burney

Resigned prior to this meeting: Annemarie Weiser

Others present: Angela Gorall, Deputy City Administrator; Kim Wilson, Council Member; Jason Schirmacher, CFO/Controller; Brian Johnson, Ehlers; Ryan Miles, Ehlers; Logan Schwartz, Ehlers; and Jen Torning, Administrative Technician II/Deputy Clerk.

**Item 2: Approval of Minutes – August 20, 2025**

Approval of minutes with corrections was moved by Member Kuwik and seconded by Member Groth to approve the August 20, 2025, Audit and Investment Commission minutes.

Voting in favor: All present

Voting Against: None

Absent: Gracie  
George, Frank  
Gilbertson, Shaheer  
Burney

**Item 3: Audit Scope and Engagement Letter for the 2025 Audit**

Requests for Proposals (RFP) process discussed and reviewed by staff. New auditor, Abdo, has been chosen to provide auditing services for the City. As required by law, the new auditor will reach out to previous auditors to confirm no pending concerns. The Commission reviewed and discussed the new engagement.

Member Sonsteby made a motion to accept the Audit Scope and Engagement Letter for the 2025 Audit and seconded by Member Tollefson.

Voting in favor: All present

Voting Against: None

Absent: Gracie  
George, Frank  
Gilbertson, Shaheer  
Burney

## **Audit and Investment Commission Minutes**

November 13, 2025

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### **Item 4: City Investment Results Review with Ehlers**

Ehlers staff Brian Johnson and Ryan Miles presented on the Woodbury portfolio and market updates; Logan Schwartz was present.

Consultants noted data delays due to the government shutdown, so future predictions are hard to determine. The Commission and consultants reviewed the portfolio details and discussed the overall liquidity of the portfolio in the third quarter as compared to the past quarters.

### **Item 5: Commission Updates**

Gorall noted the first meeting of 2026 will be the January 21 Commission kick off event to be held at Central Park, details will be sent closer to the date.

Staff reviewed planning for 2026 noting there are currently no special projects on the horizon where we would need additional Audit and Investment meetings for the year. The meeting in January or February will include the ICT Director reviewing cyber security compliance and another Ehlers update.

### **Item 5: Adjournment**

Chair Lehman adjourned the meeting.

Meeting adjourned at 8:33 a.m.

City of Woodbury, Minnesota  
Audit and Investment Commission

February 11, 2026

To: City of Woodbury Audit and Investment Commission

From: Angela Gorall, Deputy City Administrator

Subject: Review and Recommendation of Mayor and City Council Compensation for 1/1/2027

### Summary

In 2016, the City Council changed the City Code to provide that the City of Woodbury Audit and Investment Commission would accomplish the review and recommendations on Mayor and City Council wages by following the provisions set forth CD-COUNCIL-2.9 (attached).

This Directive establishes guidelines for ongoing review and adjustments to the salaries and benefits of the Mayor and City Council. As such, it is appropriate for the Audit and Investment Commission to review and recommend the salaries of the Mayor and City Council. This process is completed early in even years by the Commission to allow time for final Council authorization in advance of the annual budget process. Adjustments would not be effective until 1/1/2027.

### Recommendation

Provide a cost-of-living adjustment equal to the last increases equal of the current and previous year cost-of-living adjustments approved for City staff (3.0% + 3.0% = 6.0%). CD-COUNCIL-2.9 City Council Compensation policy states (bold emphasis added):

“To ensure that the Mayor and City Council compensation stay within the targeted range, to provide regular adjustments to the compensation and to avoid one-time large increases to these salaries, **the positions will receive odd-year, biennial increases equal to the current and previous year cost-of-living adjustments approved for city staff in the year that adjustment is made**, with the below exceptions:

1. **If either the Mayor’s or Council salaries exceed the specified range of this policy, salary adjustments will not be considered for adoption.**
2. If either the Mayor’s or Council salaries are beneath the specified range of this policy, the Commission shall convene and review the salaries and benefits.

### Fiscal Implications

Total cost of the recommendation as currently presented is \$1,824.

### Policy

The following are applicable policies for this agenda item:

- City Code Chapter 2 Article II Section 2-21. Compensation
- CD-COUNCIL-2.9 City Council Compensation

**Audit and Investment Commission**

**February 11, 2026**

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**Public Process**

This will be the first public process for this item in 2026 for the Audit and Investment Commission. Directive CD-COUNCIL-2.9 was most recently updated and adopted by the City Council on January 10, 2024.

**Background**

Staff has accomplished the wage research for this consideration period. The findings are as follows:

(1) The Mayor and City Council wages were last increased on January 1, 2025.

(2) Current Market Information

Mayor

City of Woodbury	\$17,681/annual
Average	\$18,277/annual
Percentage of Market	97%

City Council

City of Woodbury	\$12,726/annual
Average	\$12,416/annual
Percentage of Market	102%

(3) The wage information and policy language would indicate that the 2025 and 2026 COLAs should be applied to the wages, but it is not mandatory. Therefore, staff recommends that the Audit and Investment Commission recommend to the City Council providing the current and previous year cost-of-living adjustment increases (6%) to the Mayor and City Council wages on January 1, 2027.

It is important that the City continue to keep wages competitive with the comparable market and to avoid one-time increases as directed. The City of Woodbury continues to grow in population and complexity and with it the Mayor and City Council's time and expertise for meeting preparation, meeting attendance, resident communications, and strategic issues are increasingly required.

A 6% increase to the Mayor and City Council wages would result in the following:

Mayor	\$18,742/annual
Percentage of Market	102.5% <sup>1</sup>
City Council	\$13,490/annual
Percentage of Market	108.7% <sup>1</sup>

Written By: Angela Gorall, Deputy City Administrator  
Attachment: Mayor and Council Compensation Analysis  
CD-COUNCIL-2.9 City Council Compensation

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<sup>1</sup> Per policy, "are to be not less than 95% and not more than 125% of comparable cities".

**MAYOR AND COUNCIL COMPENSATION ANALYSIS**

**CITIES IN THE SEVEN COUNTY METRO AREA WITH POPULATION of 60,000 TO 95,000 EXCLUDING CITIES OF THE 1ST CLASS**

**STUDY CITY INFORMATION IN ORDER BY MAYOR WAGE**

**STUDY CITY INFORMATION IN ORDER BY COUNCIL WAGE**

Order	City	Population	Mayor Annual Wage
1	Bloomington	91,975	\$ 26,400
2	Burnsville*	65,696	\$ 24,000
3	Brooklyn Park	84,753	\$ 21,355
4	Plymouth	80,038	\$ 21,148
5	Eden Prairie	64,793	\$ 17,425
6	Maple Grove	71,988	\$ 15,500
7	Lakeville	76,746	\$ 15,000
8	Blaine	75,933	\$ 14,314
9	Coon Rapids	63,331	\$ 14,000
10	Eagan*	69,723	\$ 13,625
	<b>Average</b>		<b>\$ 18,277</b>
	<b>Woodbury***</b>	<b>81,347</b>	<b>\$ 17,681</b>
	<b>Woodbury Compared to Average</b>		<b>97%</b>


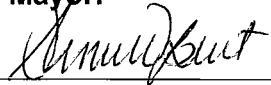
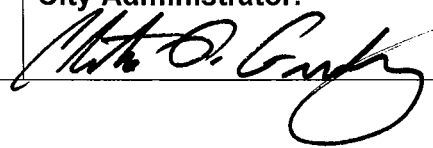
Order	City	Population	City Council Annual Wage
1	Burnsville*	65,696	\$ 18,000
2	Maple Grove	71,988	\$ 13,500
3	Plymouth	80,038	\$ 13,409
4	Eden Prairie	64,793	\$ 13,351
5	Bloomington	91,975	\$ 12,396
6	Brooklyn Park	84,753	\$ 12,212
7	Coon Rapids	63,331	\$ 10,792
8	Blaine	75,933	\$ 10,500
9	Eagan*	69,723	\$ 10,005
10	Lakeville	76,746	\$ 10,000
	<b>Average</b>		<b>\$ 12,416</b>
	<b>Woodbury</b>	<b>81,347</b>	<b>\$ 12,726</b>
	<b>Woodbury Compared to Average</b>		<b>102%</b>

\*Receives benefits similar to full-time employees

\*\*\*Woodbuty Mayor receives \$300 per month allowance for personal vehicle, travel, and parking expenses and may receive benefits similar to full-time employees.  
Mayor also receives \$166.66/month deferred compensation contribution.

	Mayor	Council
95% of Average	\$ 17,363	\$ 11,796
125% of Average	\$ 22,846	\$ 15,521
Current Compensation	\$ 17,681	\$ 12,726
Meets Comp Policy	<b>Yes</b>	<b>Yes</b>
Recommended Comp (6%)	\$ 18,742	\$ 13,490
Meets Comp Policy	<b>Yes</b>	<b>Yes</b>

Population Data Source - 2024 Met Council Estimates

 <p><b>CITY OF Woodbury</b></p> <p><b>COUNCIL DIRECTIVE</b></p>	<b>Adopted: 6-29-16</b> <b>Revised: 10-26-16,</b> <b>4-13-22, 1-10-24</b>	<b>Number: CD-COUNCIL-2.9</b>
	<b>Mayor:</b> 	<b>City Administrator:</b> 
	<b>For: City Council</b>	
	<b>Subject: City Council Compensation</b>	

**Purpose**

The Audit & Investment Commission (Commission) has been charged with reviewing the Mayor and Council salaries and benefits. The purpose of this policy is to guide the work of the Commission and establish guidelines for adjustments to the salaries and benefits of the Mayor and City Council.

**Policy**

It is the intent of the Woodbury City Council to establish salaries for the Mayor and City Council that are to be not less than 95% and not more than 125% of comparable cities in the seven county metropolitan area with a population of 60,000 to 95,000 excluding Cities of the First Class. The basis of the comparison computation will be on the total of all wages. The deferred compensation retirement benefit shall not be included in the calculation.

To ensure that the Mayor and City Council compensation stays within the targeted range, to provide regular adjustments to the compensation and to avoid one-time large increases to these salaries, the positions will receive odd-year, biennial increases equal to the current and previous year cost-of-living adjustments approved for city staff in the year that adjustment is made, with the below exceptions:

1. If either the Mayor’s or Council salaries exceed the specified range of this policy, salary adjustments will not be considered for adoption.
2. If either the Mayor’s or Council salaries are beneath the specified range of this policy, the Commission shall convene and review the salaries and benefits.

Wage increases for the Mayor and City Council will become effective the January 1 following a municipal election.

The Mayor will receive \$300 per month vehicle allowance for use of personal vehicle, for travel and parking expenses.

Active City Councilmembers shall be eligible to participate in the City of Woodbury group life, medical and dental insurance programs. This shall mean the coverage provided under the group insurance policy and does not include participation in any related benefits such as the integrated HRA.

Participating City Councilmembers shall pay for the entire premium cost and shall receive no City of Woodbury contribution. The Mayor may elect to receive benefits at the same participation levels as a full-time employee. The Mayor and Councilmembers shall be deemed full-time employees for health care reform purposes.

**Council Directive**  
**CD-COUNCIL-2.9**  
**City Council Compensation**  
**Page 2 of 2**

The Mayor and City Council may elect to participate in the Public Employees Retirement Association Defined Contribution Plan and the MissionSquare 457 Deferred Compensation Plan. The Mayor shall receive an annual \$2,000 deferred compensation contribution, payable in equal monthly installments. Bi-annual changes in the deferred compensation amount shall occur concurrent with the percentage change in the salaries, rounded to the nearest \$100.

Expense Reimbursements

It is the intent of the compensation policy and the salary provided herein that no expense reimbursements are covered for activities in connection with their normal duties as Mayor and City Council except those associated with city businesses eligible for reimbursement per:

1. Elected and Appointed Travel, Training and Reimbursement Policy (CD-COUNCIL-2.2)
2. City Travel and Conference Reimbursement Policy (AD-FIN-4.4).
3. Technology Reimbursement Policy (CD-COUNCIL-2.8)

Resolutions Adopting CD-COUNCIL-2.9 City Council Compensation

Resolution No. 16-103  
Resolution No. 16-181  
Resolution No. 22-71  
Resolution No. 24-18

**City of Woodbury, Minnesota  
Audit and Investment Commission**

**February 11, 2026**

**To: City of Woodbury Audit and Investment Commission**  
**From: Angela Gorall, Deputy City Administrator**  
**Subject: Cybersecurity Assessment Review Update Presentation**

**Summary**

An update presentation regarding the Cybersecurity Assessment Review for the City will be provided by Robert James, Woodbury's Information and Communications Technology (ICT) Director.

This is an annual presentation to the Commission to provide a review of the City's progress on cybersecurity efforts. The City has determined that it is important to report out on results and progress from staff for transparency on such efforts.

**Recommendation**

This agenda item is for update and information, no formal action is required.

**City of Woodbury, Minnesota  
Audit and Investment Commission**

**February 11, 2026**

**To: City of Woodbury Audit and Investment Commission**  
**From: Jason Schirmacher, Chief Financial Officer/Controller**  
**Subject: City Investment Results Review with Ehlers**

**Summary**

The City has been utilizing the services of Ehlers Investment Advisory Services since February, 2021 to lead and manage our investment portfolio. The Commission reviews and is updated on quarterly results as feasible at meetings already scheduled for the Commission, but meetings are not scheduled just for this single topic. The Commission last reviewed investment performance at its meeting on November 13, 2025.

A representative from Ehlers will be in attendance to present investment results for the City and answer any questions of the Commission.

**Recommendation**

Review investment results and provide any comments or recommendations to our Ehlers Advisor.

**Fiscal Implications**

As presented with investment results.

**Policy**

Council Directive CD-FIN-5.3 Investment Policy (last updated September 29, 2021)  
Council Directive CD-FIN-5.14 Financial Reporting to City Council

Written By: Jason Schirmacher, CFO/Controller  
Attachment: Portfolio Review, Q4 2025



## **Portfolio Review Q4, 2025**

City of Woodbury, MN

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# ECONOMIC UPDATE

# Key Market Themes

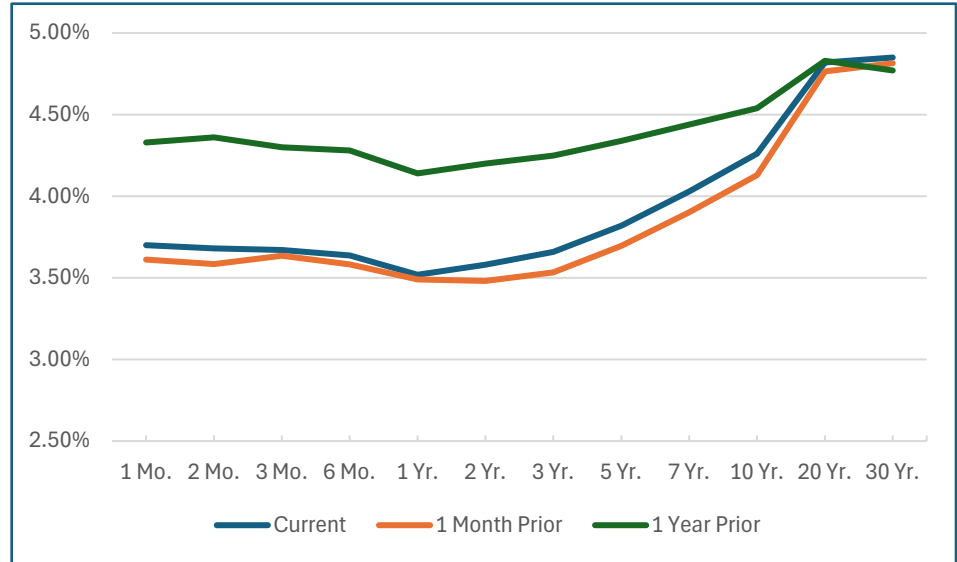
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## Economic Indicators

- **Gross Domestic Product (GDP):** The U.S. economy continues to experience growth, with real GDP increasing at an annual rate of 4.4% in the third quarter of 2025, up from 3.84% in the second quarter.
- **Inflation:** The Consumer Price Index (CPI) fell to 2.7% in December 2025, indicating a slight reduction in inflation pressures, but still well above the target level of 2.0%.
- **Unemployment Rate:** The labor market remains relatively strong, although there are signs of a continued hiring slowdown. On a national basis, unemployment ticked up to 4.5% in November 2025 from September's level of 4.4%.
- **Housing Market:** New home sales in October 2025 reached a seasonally-adjusted annual level of 737,000 units. This equates to an increase of 21.7% over the October 2024 level of 621,000. The median new home price declined by 5.5% YoY to \$392,300, from the October 2024 level of \$405,800.

# U.S. Treasury Rates: Par Curve

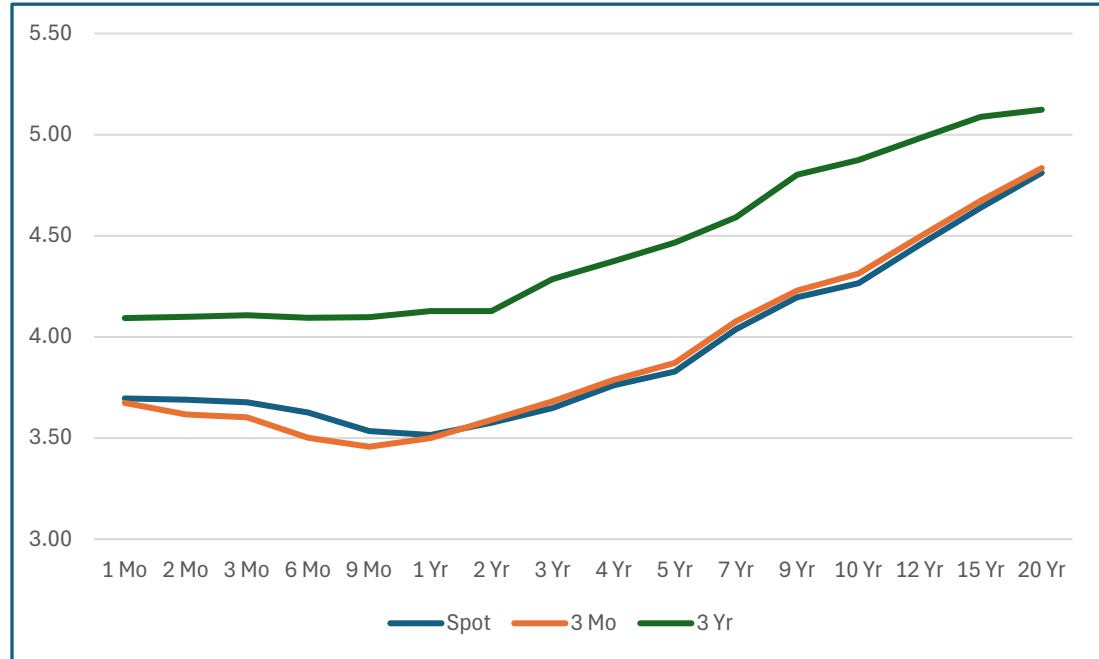
Treasury Rates					
	1/28/2026	12/26/2025	MoM Δ	1/27/2025	YoY Δ
<b>1 Mo.</b>	3.70%	3.61%	0.09%	4.33%	-0.63%
<b>2 Mo.</b>	3.68%	3.58%	0.10%	4.36%	-0.68%
<b>3 Mo.</b>	3.67%	3.64%	0.03%	4.30%	-0.63%
<b>6 Mo.</b>	3.64%	3.58%	0.06%	4.28%	-0.64%
<b>1 Yr.</b>	3.52%	3.49%	0.03%	4.14%	-0.62%
<b>2 Yr.</b>	3.58%	3.48%	0.10%	4.20%	-0.62%
<b>3 Yr.</b>	3.66%	3.53%	0.13%	4.25%	-0.59%
<b>5 Yr.</b>	3.82%	3.70%	0.12%	4.34%	-0.52%
<b>7 Yr.</b>	4.03%	3.90%	0.13%	4.44%	-0.41%
<b>10 Yr.</b>	4.26%	4.13%	0.13%	4.54%	-0.28%
<b>20 Yr.</b>	4.82%	4.77%	0.06%	4.83%	-0.01%
<b>30 Yr.</b>	4.85%	4.82%	0.03%	4.77%	0.08%



Source: Treasury Direct  
As of: 1/28/2026

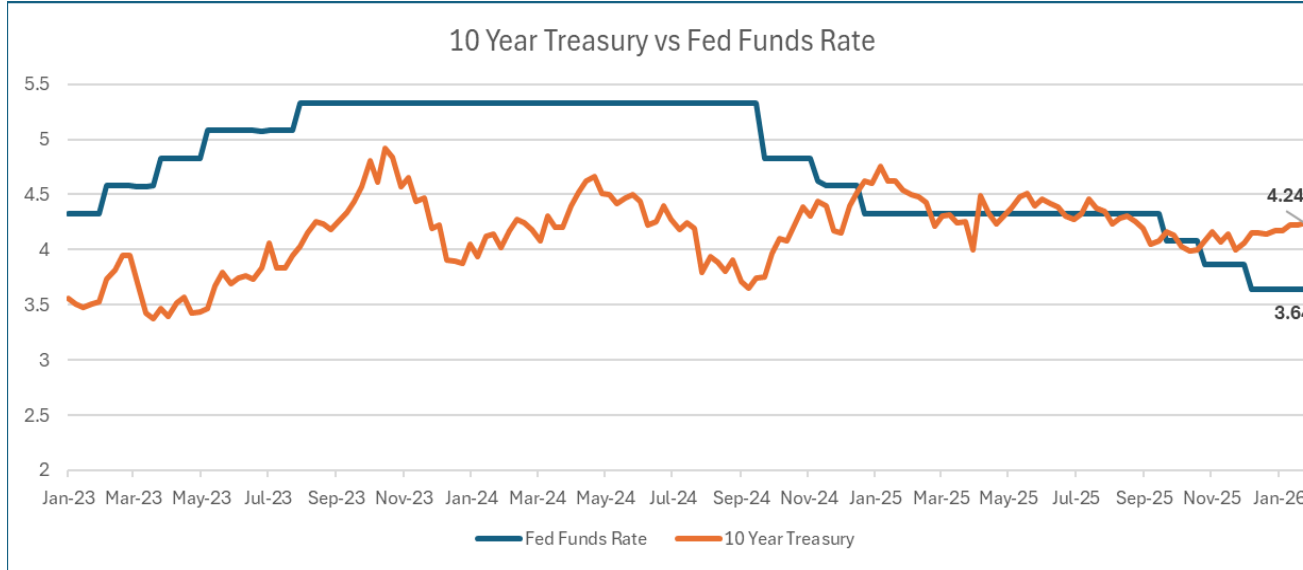
# U.S. Treasury Forward Rates

US Treasury Actives Curve			
Tenor	Spot	3 Mo	3 Yr
1 Mo	3.70	3.67	4.09
2 Mo	3.69	3.62	4.10
3 Mo	3.68	3.60	4.11
6 Mo	3.63	3.50	4.09
9 Mo	3.53	3.46	4.10
1 Yr	3.51	3.50	4.13
2 Yr	3.58	3.59	4.13
3 Yr	3.65	3.68	4.29
4 Yr	3.76	3.79	4.37
5 Yr	3.83	3.87	4.47
7 Yr	4.04	4.08	4.59
9 Yr	4.20	4.23	4.80
10 Yr	4.27	4.31	4.87
12 Yr	4.46	4.50	4.98
15 Yr	4.64	4.67	5.09
20 Yr	4.81	4.83	5.12



Source: Bloomberg  
As of: 1/28/2026

# Federal Funds Effective Rate



Current Target Rate:  
3.50 – 3.75%

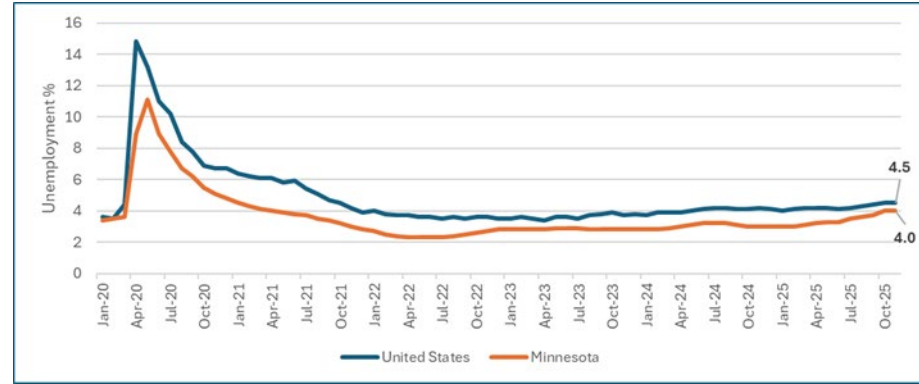
Next Meeting: March  
18<sup>th</sup>, 2026

# Unemployment & Inflation

	Unemployment		CPI
	United States	State of Minnesota	United States
2025 November	4.5	4.0	2.7
2025 October	NA*	NA*	NA*
2025 September	4.4	3.7	3.0
2025 August	4.3	3.6	2.9
2025 July	4.2	3.5	2.7
2025 June	4.1	3.3	2.7
2025 May	4.2	3.3	2.4
2025 April	4.2	3.2	2.3
2025 March	4.2	3.1	2.4
2025 February	4.1	3.0	2.8
2025 January	4.0	3.0	3.0
2024 December	4.1	3.0	2.9
2024 November	4.2	3.0	2.7
2024 October	4.1	3.0	2.6
2024 September	4.1	3.1	2.4
2024 August	4.2	3.2	2.5
2024 July	4.2	3.2	2.9
2024 June	4.1	3.2	3.0
2024 May	4.0	3.1	3.3
2024 April	3.9	3.0	3.4
2024 March	3.9	2.9	3.5
2024 February	3.9	2.8	3.2
2024 January	3.7	2.8	3.1

CPI Data Source: U.S. Bureau of Labor Statistics. Data is seasonally adjusted.

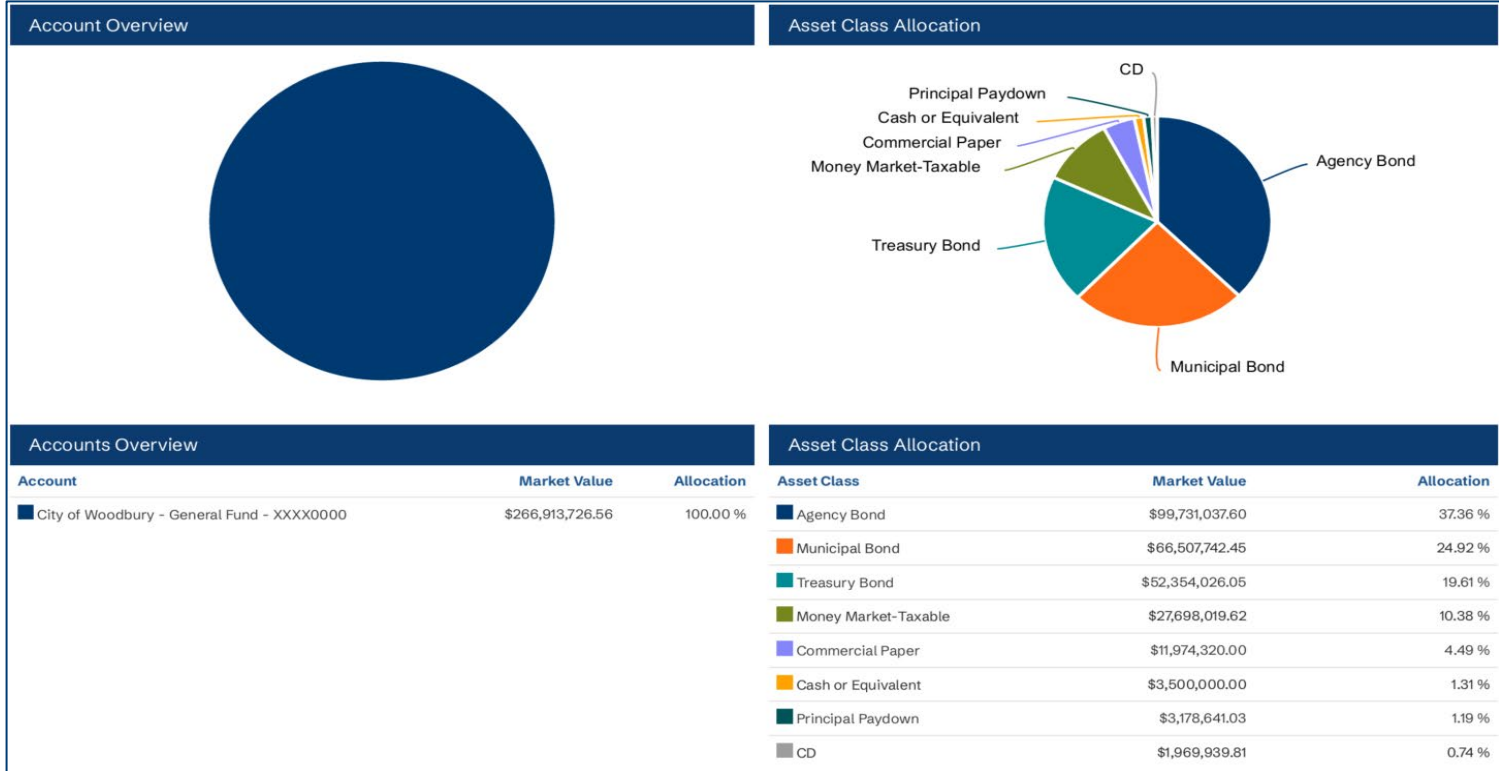
\*Data points were not officially released by Federal Government



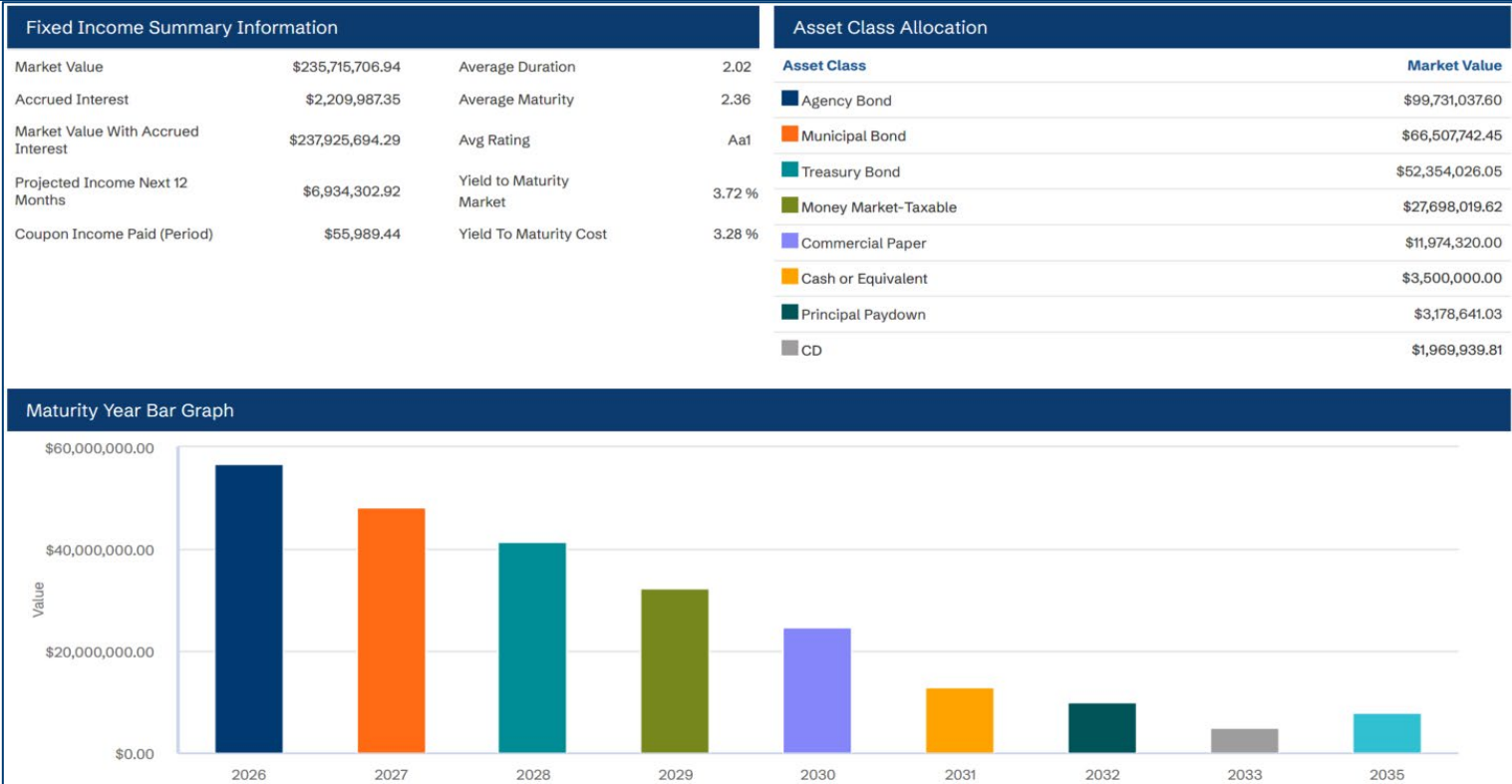


# PORTFOLIO SUMMARY

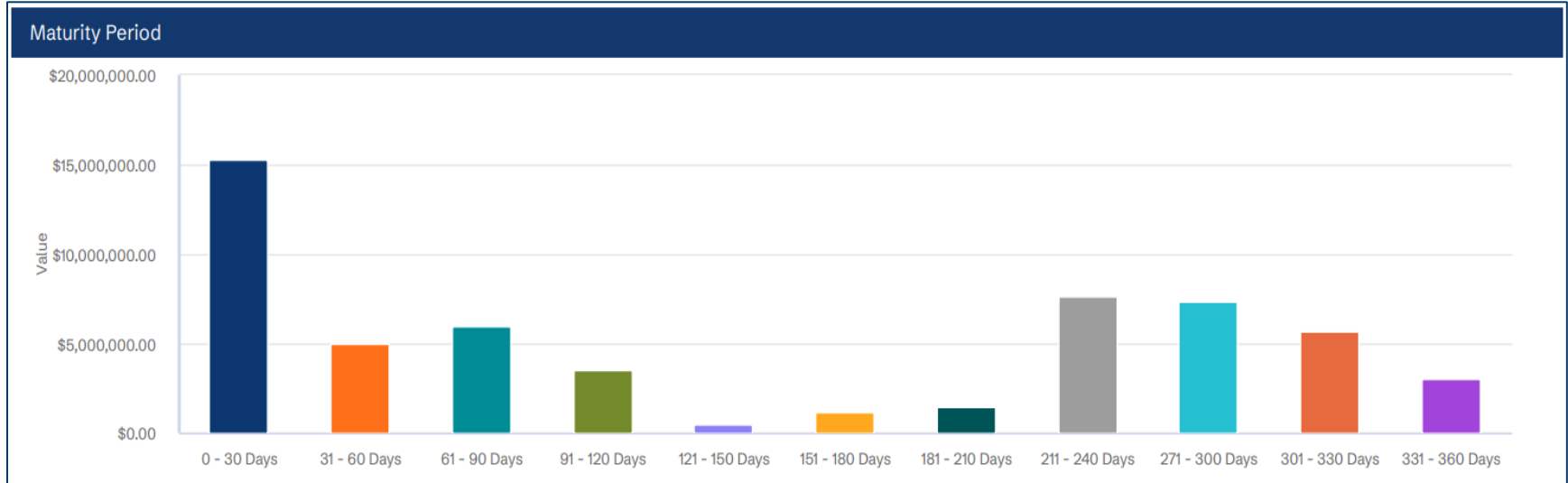
# Portfolio Overview: As of 12/31/25



# Portfolio Summary: Q4, 2025

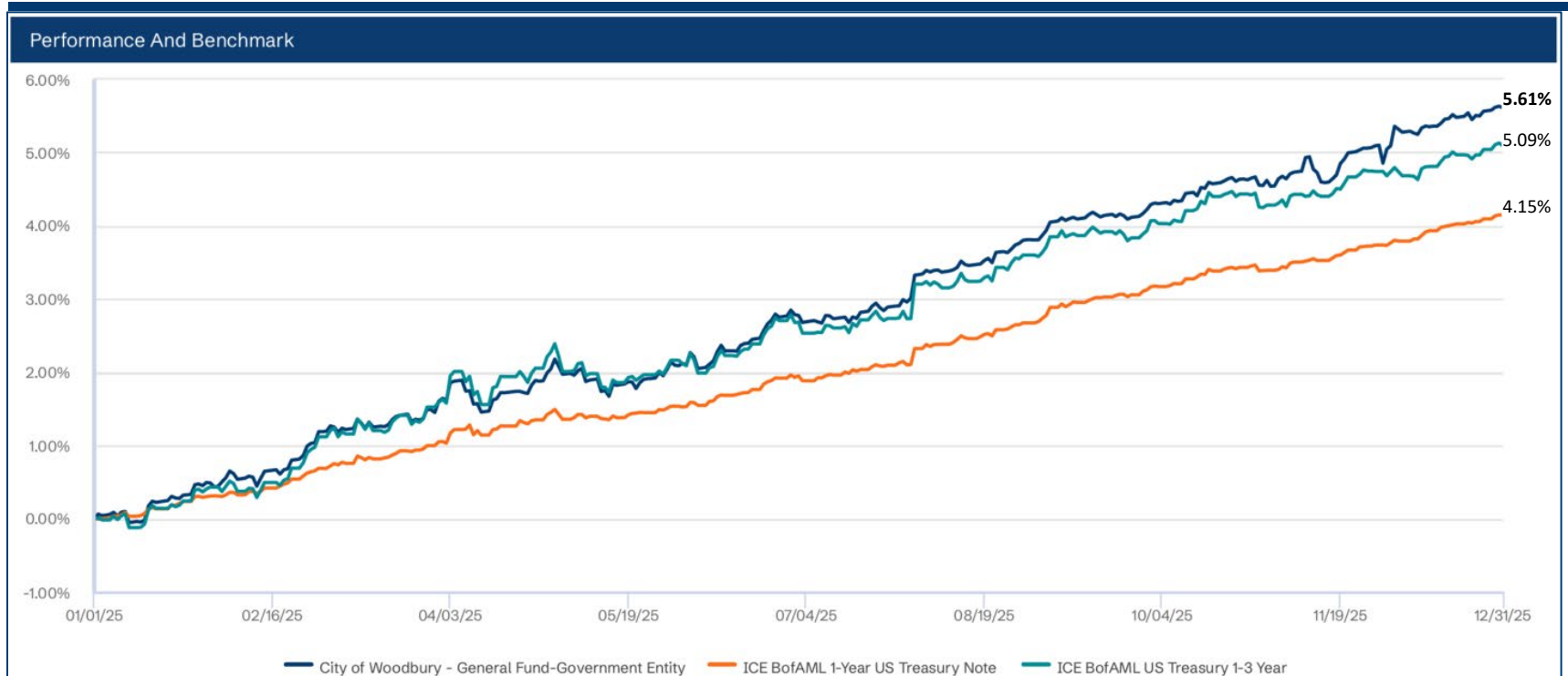


# 12-Month Liquidity:





# 2025 Year-End Performance



# Looking Ahead

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- The Federal Reserve's Federal Open Market Committee (FOMC) priority will dominate short-term yields for the foreseeable future.
- At the FOMC's most recent meeting (1/28), Powell described the state of the economy as being on "Firm Footing", and there were no short-term pressures to continue easing the level of interest rates. Fed funds rate remained unchanged.
- Selectively utilize high-quality commercial paper to enhance yield on short-dated investments in the City's portfolio.
- Maintain duration target while selectively looking to add to permissible spread sectors with upcoming maturities.
- Assess swap opportunities if a meaningful shift in interest rate policy occurs.



# Important Disclosure

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Ehlers is the joint marketing name of the following affiliated businesses (collectively, the “Affiliates”): Ehlers & Associates, Inc. (“EA”), a municipal advisor registered with the Municipal Securities Rulemaking Board (“MSRB”) and the Securities and Exchange Commission (“SEC”); Ehlers Investment Partners, LLC (“EIP”), an SEC registered investment adviser; and Bond Trust Services Corporation (“BTS”), a holder of a limited banking charter issued by the State of Minnesota.

Where an activity requires registration as a municipal advisor pursuant to Section 15B of the Exchange Act of 1934 (Financial Management Planning and Debt Issuance & Management), such activity is or will be performed by EA; where an activity requires registration as an investment adviser pursuant to the Investment Advisers Act of 1940 (Investments and Treasury Management), such activity is or will be performed by EIP; and where an activity requires licensing as a bank pursuant to applicable state law (paying agent services shown under Debt Issuance & Management), such activity is or will be performed by BTS. Activities not requiring registration may be performed by any Affiliate.

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