

Audit and Finance Committee Special Meeting

February 12, 2024 9:00 am

18681 Lake Dr E, Chanhassen MN

Present:

Manager Crafton

Manager Duevel

Administrator Jeffery

Staff Bakkum

Engineer Sobiech

1. Call to Order

The audit and finance special committee meeting was called to order at 9:06am.

The A&F committee suspended Robert's rules by unanimous consent. Committee members appointed Staff Bakkum as recorder.

2. Approval of the agenda

The agenda was approved by a consensus of the committee.

3. Reading and approval of minutes of last meeting

There were no minutes to approve from a prior meeting.

4. Old Business

4.1 Review and edit of financial policies

Administrator Jeffery suggested going through fiscal policies in relation to the last several audit reports and manager comments received thus far. He stated he would compile these comments and recommendations and send to the committee for their review, and then at next A & F meeting, the committee could discuss their desired changes. Administrator Jeffery noted he would have this compilation sent out to the committee by Feb 23rd, 2024. The committee looked at dates to reconvene and determined that March 12-14th would work well. Administrator Jeffery confirmed he would send a follow up email to find a window which works best for a special A&F meeting to approve and recommend any changes in time to come in front of the governance committee at their March 15th meeting.

4.2 Adjust Administrator's Discretionary Spending Limits

Next, Administrator Jeffery spoke about upping the administrator's discretionary spending to \$10,000. Manager Duevel moved to approve a \$10,000 limit, Manager Crafton seconded and the motion passed by consensus. That recommendation will come up at the March 13th regular meeting of the board.

4.3 Workflow- Monthly financials

The committee reviewed a flowchart of the monthly financial workflow to which Manager Crafton noted was an accurate representation of the month's workflow. Manager Duevel requested to see a similar workflow for interactions with Redpath.

Staff Bakkum answered questions in regards to coding and how invoices and receipts travel from her to the treasurer and Redpath.

In regard to the monthly workflow and the fiscal policies, Administrator Jeffery suggested incorporating generic language in the governance manual and referencing the monthly financial workflow as recommended by the audit and finance committee.

The committee noted that they would like to discuss per diems at the next meeting of the audit and finance committee.

4.4 Treasurer's report format

In a discussion of the treasurer's report format, Administrator Jeffery shared the annual cash expenditures and discussed how he and Engineer Sobiech determined anticipated annual expenses for 2024 to explore what funds are available to invest.

The committee discussed the differences between the annual budget process and the process of anticipating annual costs. The committee discussed what is required by statute, what is reviewed by the auditor, and what they would like to see in the treasurer's report. Manager Duevel asked how the audit relates to our own financial reporting and Administrator Jeffery stated he would set up a meeting with Abdo as soon as possible to discuss the audit process with the committee.

4.5 E-signature for checks

Administrator Jeffery spoke about how the Rice Creek and Lower Minnesota watershed districts utilize Bill.com which can tie into the accountant's software and send checks for electronic signatures. Administrator Jeffery and Staff Bakkum agreed to explore this option and get back to the committee as soon as possible.

5. New Business

There was no new business on the special meeting agenda.

6. Member Reports

Manager Duevel reported his desire to see new, additional codes used for 2024 to better demonstrate the cost of ongoing lawsuits. Administrator Jeffery stated he would go back through 2023 and create a memorandum relating to the costs of the lawsuit.

7. Adjourn

The meeting was adjourned at 10:45am.