

Riley-Purgatory-Bluff Creek Watershed District
Audit and Finance Committee Regular Meeting

July 11, 2023, 2:00 PM

Present:

Managers: Tom Duevel

Jill Crafton

Staff: Terry Jeffery, District Administrator

Amy Bakkum, Office Administrator

Other: Bonnie Burns, Redpath

Corey Boyer, 4M

Minutes

The meeting was called to order at 2:03 PM.

New Business:

Discussion with Redpath about financial reporting:

Administrator Jeffery and Accountant Burns presented the Treasurer's Report for the Comfort Lake-Forest Lake Watershed District to consider the format. Manager Crafton noted that she has concerns on the format of this treasurer's report. She stated that there should be a discussion about what is necessary to include to report to the Board and the public, whereas an internal report could be more comprehensive.

Administrator Jeffery noted that RPBCWD's version of this Treasurer's Report format would not be identical to this report. Manager Duevel expressed that he has difficulty viewing how the district's current expenses work looking at a month-by-month basis. Administrator Jeffery suggested that projects should be tracked mostly internally. Manager Crafton liked the idea of tracking the projects separately, to leave some of the information out of the treasurer's report. Manager Duevel responded but had some audio difficulties.

Administrator Jeffery presented the individual budget year spreadsheets, depicting how anticipated levies are broken down by year per project. He clarified that Redpath and

Accountant Burns will prepare district-wide budget totals, as well as those for each creek, rather than by individual project. The administrator talked about the goal being to reform what the treasurer's report looks like, as it is reported to the public.

Administrator Jeffery suggested that Accountant Burns should be given more time to put RPBCWD's numbers into the existing treasurer's report format to allow managers to give feedback to that specifically.

Manager Crafton noted the information that she likes to see in a treasurer's report, including by specific wetland, tributary, and project. This led to a conversation about what should be included in reports to the managers. Accountant Burns was able to clarify what she was planning on indicating in the charts. She told Manager Crafton that she'd be able to break down some of the subtotals more in the new spreadsheet.

Discussion with 4M about Current and Future Investments:

Mr. Boyer began by discussing the synergy between U.S. Bank and 4M, which Administrator Jeffery and the Managers had indicated having questions on. The U.S. Bank account is a zero balance account, where funds either leave the 4M account or enter it to zero it out at the end of the day. Mr. Boyer mentioned that the 4M fund is governed by the League of Minnesota cities and therefore, must follow State Statute 118A. This has led to some banking issues of concern based on the review process and limitations.

Mr. Boyer stated that given the higher interest rates we are seeing right now, 4M is advising some of their participants to set money aside at fixed interest rates if there are amounts they don't need over the next few years. Administrator Jeffery stated that the committee first needs to focus on having a budget that indicates what is needed in the next 18 months prior to making a decision on a fixed interest rate fund. The committee then discussed the timeline of setting the budget and disbursement. This helped clarify what it would look like to invest some funds if not being used for a project.

Old Business:

Per diem payments:

Administrator Jeffery stated that the Managers needed to reach a decision on per diem payments, noting that both I-9s or the current payroll process are both viable options. Staff Bakkum stated that it could be easier to process per diem payments as if they are vendors. Manager Duevel expressed concern with adding more external steps to this process and a higher chance of error.

Manager Crafton stated that it would be important to have firm deadlines for submitting the per diem requests. Administrator Jeffery suggested that this could be in the Governance manual. The Administrator is looking into Bill.com, which nearby watershed districts use. Staff Bakkum has started to indicate which monthly payments may work best going through ACH.

Administrator Jeffery stated that he could draft a resolution to bring to the August Board of Managers meeting to make this switch in per diem payments. The committee continued to clarify specific instances for per diem payments, including the question of prep for workshops and the inclusion of an itemized receipt. Manager Crafton mentioned that this should go in the Governance manual.

Upcoming Topics:

The next meeting will include a discussion of internal controls. Manager Duevel noted that it would be helpful to see the guidelines for internal control that Abdo has.

Administrator Jeffery mentioned that the next meeting will also include a discussion of administrator spending limits. Another topic could be investments, going off of the discussion with Mr. Boyer.

Managers Duevel and Crafton agreed to recommend that the administrator spending limit be \$10,000, rather than \$5,000.

The two Managers noted that it would also be important to discuss processing of payments as well as approvals needed and timing of approvals at the next meeting. This will ultimately be added to the Governance manual.

The meeting ended at 3:56 pm.

