

ANOKA COUNTY FINANCE AND CAPITAL IMPROVEMENTS COMMITTEE AGENDA

and Meeting of the Anoka County Board of Commissioners**

Commissioners Look (Chair), Braastad, Schulte, Gamache

April 19, 2022 - 1:00 P.M.

Anoka County Government Center – Room 710

2100 3rd Avenue N

Anoka, MN 55303

1. Public comments: Public comments are welcome at this time. In consideration of others wishing to speak, please limit comments to 2 minutes. Questions directed to the committee will not be answered immediately; however, whenever possible, all appropriate questions will be responded to in a timely and effective manner by county staff.
2. Consider recommending the County Board approve Amendment #3 for Contract #C0007891 with Plante Moran, PO Box 307, Southfield, MI 48037, for business process improvement and change management services related to the Finance and Procurement System Project, in an amount not to exceed \$352,300 – **See attached** action sheet.
3. Consider for information purposes, Contract #C0009185 with Wold Architects and Engineers, 332 Minnesota Street, Suite W2000, St Paul, MN 55101, for professional architectural and engineering services related to the re-design of space at the Blaine Human Services Center for the Human Services Economic Assistance / Job Training Center, for fixed fees of \$43,200 and reimbursables not to exceed \$1,200 – **See attached** informational sheet.
4. Consider for information purposes, Contract #C0009048 with ABDO, 5201 Eden Avenue, Suite 250, Edina, MN 55436, for GASB 87 Implementation Services, for an amount of \$36,925, with a budgetary contingency of unknowns in an amount of \$8,075 - **See attached** informational sheet.
5. Consider for information purposes, the Investment Report for the quarter ended March 31, 2022 – **See attached** information sheet.
6. Consider for information purposes, an update on Anoka County Finances – **See attached** informational sheet.

*** Actions taken by this Committee do not bind the County Board. In addition to the County Commissioners appointed to this committee, additional County Commissioners may attend. Non-committee Commissioners may choose to participate in the discussions and/or ask questions, but they will not vote on any item, nor will they agree to take a specific action on business conducted by the committee. If their attendance and limited participation in the committee meeting is considered a meeting of the County Board, this shall serve as notice of a County Board meeting. This shall also serve as notice of a County Board Meeting for any committee comprised of four or more members of the board.*



FINANCE & CAPITAL IMPROVEMENTS COMMITTEE

ACTION ITEM

April 19, 2022

Finance and Central Services

ACTION REQUESTED	Consider recommending the County Board approve Amendment #3 for Contract #C0007891 with Plante Moran, PO Box 307, Southfield, MI 48037, for business process improvement and change management services related to the Finance and Procurement System Project, in an amount not to exceed \$352,300.
BACKGROUND	<p>Anoka County contracted with Plante Moran in April 2020 to perform a finance system assessment. In June 2021, we amended that contract to include reworking our chart of accounts and assistance with RFP development such as requirement gathering and technical assistance with scoring, demos, etc.</p> <p>On March 4, 2022, we released an RFP for a new financial and procurement system. It is anticipated that we would select a top vendor for contract negotiation in August 2022, with implementation planning beginning late 2022.</p> <p>Implementing a system(s) of this size will cause massive change that needs to be carefully managed to reap the benefits of a solution(s).</p>
SOLUTIONS	<p>We are committed to change management in all areas focusing on standardization and adherence to financial and procurement best practices. Some of these changes may be countywide changes. A planful strategic approach to the change will help to ensure that input, understanding and buy in to that change occurs in F&CS and across the County.</p> <p>To accomplish this, we require the professional services of Plante Moran. They have been an excellent partner with Anoka County, providing expertise and guidance as we move along his process.</p>
CONCLUSION	<p>The contract amendment with Plante Moran includes:</p> <ul style="list-style-type: none">• Business Process Improvement Services – Facilitate the Finance and Procurement work streams as it relates to the business process change• Change Management Services – Starting with contract execution, Plante Moran will facilitate a change management process. This process will take a multi-phased approach to ensure that the change climate is understood, stakeholders are defined, and change readiness activities are taking place throughout the County.• Subject Matter Expertise – Includes a bank of hours, should we need it, for experts in each of the functional areas which could include but is not limited to payment processor selection, financial process reviews, integration support, etc.
FUNDING	Funding for this is derived within the Project Plan and funds have been provided through the core reserve allocation strategy.



FINANCE & CAPITAL IMPROVEMENTS COMMITTEE

INFORMATIONAL ITEM

April 19, 2022

FM&C

ACTION REQUESTED	Consider for information purposes, Contract #C0009185 with Wold Architects and Engineers, 332 Minnesota Street, Suite W2000, St Paul, MN 55101, for professional architectural and engineering services related to the re-design of space at the Blaine Human Services Center for the Human Services - Economic Assistance Department / Job Training Center.
BACKGROUND	<p>Professional Architectural and Engineering services are required for the remodeling of the second and fourth Floors of the Anoka County Blaine Human Services Center. This is related to the implementation of the new service delivery model for the Economic Assistance Department and the Job Training Center.</p> <p>The project includes remodeling of approximately 11,500sf of the second floor for the Job Training Center and 1,300sf of remodeling on the fourth floor Economic Assistance to become a scanning/mailroom area.</p> <p>Goal is to implement this remodeling to support a hybrid work environment.</p> <p>Wold's role:</p> <ul style="list-style-type: none">• Review designs developed by FMC.• Review existing conditions and develop full architectural, mechanical and electrical engineering drawings and specifications for procurement and construction.• Involvement through construction - tasked with normal construction admin duties to ensure all contracted requirements are met. <p>Cost:</p> <ul style="list-style-type: none">• Fixed fees: \$43,200• Reimbursables: not to exceed \$1,200
FUNDING	American Rescue Plan Act (ARPA) – State and Local Fiscal Recovery Funds (SLFRF) are budgeted to be used for this project.



FINANCE & CAPITAL IMPROVEMENTS COMMITTEE

INFORMATIONAL ITEM

April 19, 2022

Finance and Central Services

ACTION REQUESTED	Consider for informational purposes, Contract #C0009048 with ABDO, 5201 Eden Avenue, Suite 250, Edina, MN 55436, for GASB 87 Implementation Services for an amount of \$36,925, with a budgetary contingency for unknowns in an amount of \$8,075.
BACKGROUND	<p>The Government Accounting Standards Board (GASB) has issued a pronouncement called GASB 87 that changes how we report assets and liabilities around leases that we enter into, as both the Lessee and Lessor. This Pronouncement has a significant lift and requires amortization calculations on every lease identified that will lead to changes in how we report assets and liabilities within our financial statements. The lift is significant and requires actuarial like calculations on our leases and may lead to restatement of prior years as well as ongoing disclosures within the Financial Statements.</p> <p>We are required to implement this for the year-ended in 2022 and have determined that we need assistance from an accounting firm to make the change in the appropriate way due to the complexities that surround this required change.</p> <p>We prepared and issued an RFP for GASB 87 Services. Also, we have surveyed some other counties, which are all either contracting for these services or in the process of issuing their own RFP.</p>
SOLUTIONS	<p>We received three bids for these services as shown below:</p> <p>ABDO – not to exceed \$36,925 CLA – Estimated Fees of \$48,235 to \$61,555. berganKDV – Estimated Fees of \$90,000</p> <p>The difference was surprising and based on our review of the scope of work that is needed for completion, we are very comfortable with ABDO and are moving forward with setting up the project.</p>
CONCLUSION	We are moving forward with ABDO in an amount of \$36,925, with a budgetary contingency of \$8,075. The funds are available from excess 2021 Budget within Finance & Central Services, and are part of the 2021 Carry-forward Budget Plan.



FINANCE & CAPITAL IMPROVEMENTS COMMITTEE

INFORMATIONAL ITEM

April 19, 2022

FINANCE & CENTRAL SERVICES

ACTION REQUESTED	Consider for informational purposes, the Investment Report for the quarter ended March 31, 2022.
BACKGROUND	Attached is the March 31, 2022, investment update per the request of the Committee. The amounts shown are year-to-date for 2022.



MEMORANDUM

DATE: April 19, 2022

TO: Commissioner Matt Look
Chair, Finance & Capital Improvements Committee

FROM: Cory Kampf, F&CS Division Manager

SUBJECT: 2022 1st Quarter Investment Update

The Finance Committee has requested receiving information on investments on a periodic basis.

For the Quarter-ended March 31, 2022, the County had investments totaling \$464.66 million. Within the investment management system, we have broken down our investments into portfolios, which are defined below:

- **Investment Manager – RBC:** Represents funds managed by RBC.
- **MAGIC Fund:** Represents short-term CD's, Term Notes, and liquid funds.
- **OPEB Irrevocable:** Investments with State Board of Investments (SBI) tied to our Retiree Health Care Liability.
- **US Bank - Fixed Income:** Represents portfolio managed internally.
- **US Bank – Liquid Assets:** Represents short-term liquid funds.
- **Wells Fargo – Sweep:** Represents short-term overnight funds associated with main checking account.

Investing Strategy

The County's investing strategy focuses on safety, liquidity, and then yield. The yield is impacted by the constraints of the fixed income market and is secondary to maintaining safety in the investments chosen and the liquidity needed to manage operations. We strive for the best yield possible using a ladder maturity philosophy.

Anoka County Summary of Investments by Portfolio – March 31, 2022

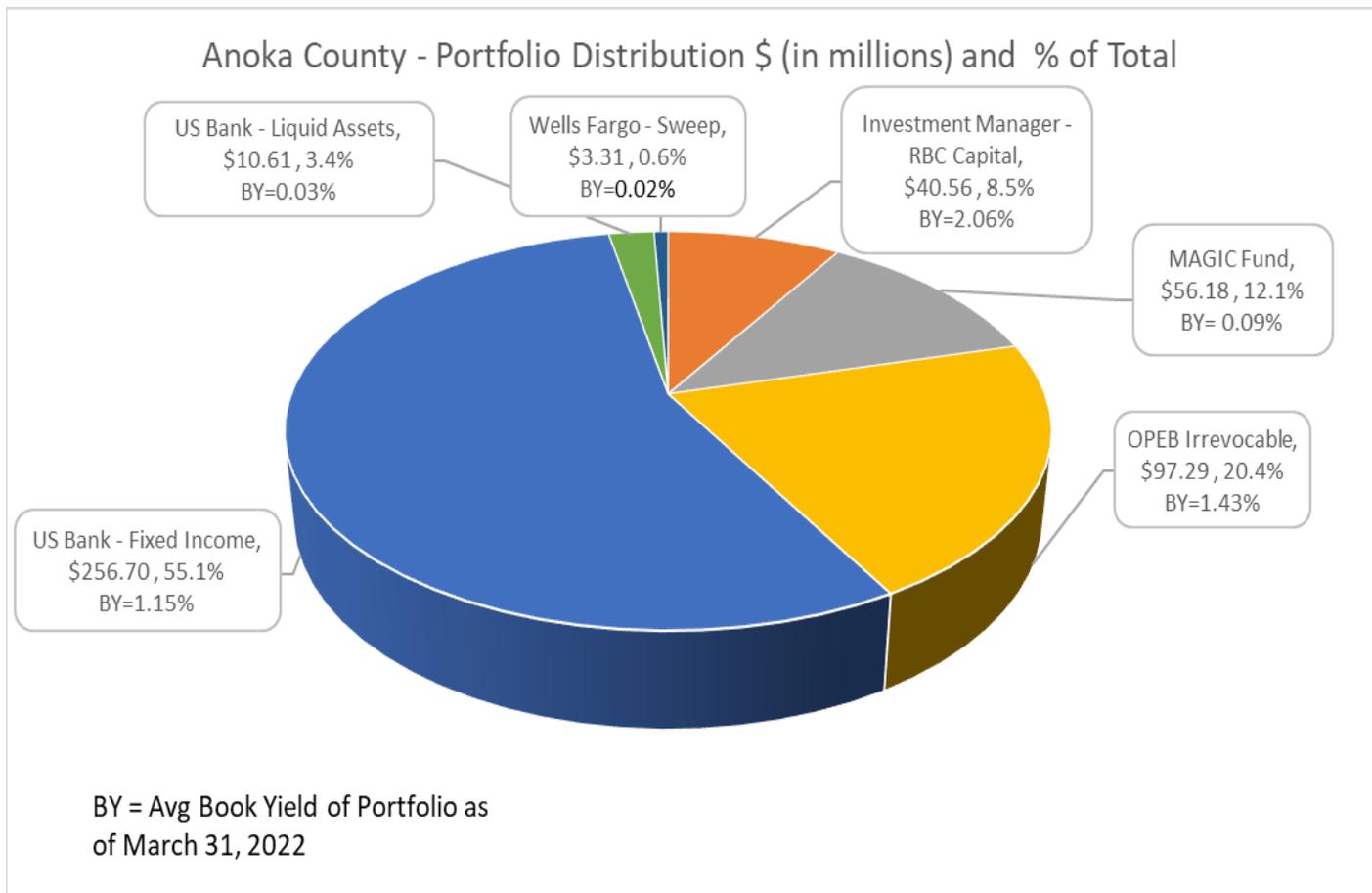
Description	Beginning Face Amount/Shares	Ending Face Amount/Shares	Buy Principal	Sell Principal	Interest Earned During Period-Book Value	Realized Gain/Loss-Book Value	Investment Income-Book Value
Investment Manager - RBC Capital	40,301,433.28	40,561,939.24	3,185,939.28	2,949,876.47	222,935.92	(10,711.44)	212,224.48
MAGIC Fund	55,779,661.09	56,181,765.74	49,302,104.65	48,900,000.00	(13,685.51)	-	(13,685.51)
OPEB Irrevocable	104,704,515.54	97,292,739.26	1,220,008.32	(8,628,909.36)	354,756.44	-	354,756.44
US Bank - Fixed Income	274,488,991.49	256,700,420.96	13,109,310.95	30,697,104.07	916,132.70	(140,619.98)	775,512.72
US Bank - Liquid Assets	32,202,554.33	10,610,801.22	117,165,352.17	138,757,105.28	1,398.18	-	1,398.18
Wells Fargo - Sweep	4,287,610.86	3,308,676.48	16,436,327.22	17,415,261.60	140.76	-	140.76
Total / Average	511,764,766.59	464,656,342.90	200,419,042.59	230,090,438.06	1,481,678.49	(151,331.42)	1,330,347.07

Less OPEB Investment Income							(354,756.44)
Net Investment Income YTD				<i>% of Budget as of 3.31.2022</i>	25%		975,590.63
2022 Investment Income Budget							3,975,000.00
Investment Income (deficit) surplus YTD							(2,999,409.37)

Portfolio Performance

Total investment income earned during the quarter totaled \$1.330M, with \$(151.3 K) related to one time realized gain/losses due to regular activity by our RBC Capital Asset Manager \$(10.7K and Internal activity (\$140.6). The overall portfolio performance as of the Quarter ended March 31, 2022, is an average book yield of 1.09% compared with 1.08% at the end of 2021. As we entered March, the Federal Reserve increased the short term interest rate index, which is increasing short-term rates and will be more reflective in 2nd quarter results. Also, the OPEB Trust saw a 7.1% decrease in its Market Value due to the current volatility in the equity markets.

See the chart below for a breakdown by Portfolio:





FINANCE & CAPITAL IMPROVEMENTS COMMITTEE

INFORMATIONAL ITEM

April 19, 2022

FINANCE & CENTRAL SERVICES

ACTION REQUESTED	Consider for informational purposes, an update on Anoka County Finances.
BACKGROUND	The Committee will be presented an update on the following: <ul style="list-style-type: none">• Year End 2021 results on Core Reserves and Asset Preservation Funds• 2022 Budget to Actual on Core Reserve funds as of 3/31/2022