

*The Finance and Capital Improvements Committee will hold their regularly scheduled meeting in Room #705 of the Anoka County Government Center. All members of the committee will be present. However, due to the applicable Governor's Emergency Executive Orders, and a determination by the county board chair that public attendance is not feasible due to the health pandemic, members of the public will not be allowed to attend this meeting in person. Public members may monitor this meeting through the internet at <https://www.anokacounty.us/1430/Watch-Board-Meetings-Online> or by calling 763-324-4704 24 hours in advance of the meeting time to arrange for telephonic access. Public monitoring in this manner is done pursuant to Minn. Stat. 13D.021.*

## **ANOKA COUNTY FINANCE AND CAPITAL IMPROVEMENTS COMMITTEE AGENDA**

and Meeting of the Anoka County Board of Commissioners\*\*

Commissioners Look (Chair), Braastad, Schulte, Gamache

May 19, 2020 - 1:00 P.M.

County Board Room #705 – Anoka County Government Center

1. Consider recommending the County Board approve the following master contracts for electrical program - **See attached** action item worksheet.
  - Contract # C0007954 with Vinco, PO Box 907, Forest Lake, MN 55025
  - Contract # C0007955 with Wolf River Electric, 101 Isanti Parkway NE #G, Isanti, MN 55040
2. Consider recommending the County Board approve the Stepping Stone Emergency Shelter Lease Agreement, Contract #C0007956, with an effective date of July 1, 2020. The agreement shall automatically renew for successive one-year terms of a total of three years (June 30, 2023) unless terminated earlier as provided in section 14 - **See attached** action item worksheet.
3. Consider recommending the County Board reject bids for the Rum River Campus Exterior Lighting/Parking Lot Expansion project and request authorization to rebid only the exterior lighting portion of the project – **See attached** action item worksheet
4. Consider, for information purposes, Contract #C0006464, with Compass Group USA, Inc., (dba Canteen Vending), 2400 Yorkmont Road, Charlotte, NC 28217, for one year renewal with option to renew an additional 12 month term, with compensation of 20% of sales for vending and market sales which goes to the Anoka County Employees Club – **See attached** informational item worksheet.
5. Consider, for information purposes, the Investment Report for the quarter ended March 31, 2020 – **See attached** informational worksheet.
6. Consider for information purposes, a public hearing on Tuesday, May 26, 2020, for the county board to receive public comments Anoka County user fees.
7. Public Comment: Due to the Governor's Emergency Executive Orders, and determination by the county board chair that public attendance is not feasible due to the health pandemic, members of the public will not be allowed to attend this meeting in person, so for persons who wish to submit public comment they may do so by sending an email to [Finance@co.anoka.mn.us](mailto:Finance@co.anoka.mn.us) or mailing a letter to Anoka County Finance and Central Services, 2100 3<sup>rd</sup> Ave N, Suite 300, Anoka, MN 55303.

*\*\* 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.*



# ANOKA COUNTY FINANCE AND CAPITAL IMPROVEMENTS ACTION ITEM

5-19-2020

FM&C

<b>ACTION REQUESTED</b>	<p>Consider recommending the County Board approve the following master contracts for electrical program:</p> <ul style="list-style-type: none"><li>• Contract # C0007954 with Vinco, PO Box 907, Forest Lake, MN 55025</li><li>• Contract # C0007955 with Wolf River Electric 101 Isanti Parkway NE #G, Isanti, MN 55040</li></ul> <p>Proposal Summary Attached.</p>
<b>BACKGROUND</b>	<p>County master contracts expire 7/31/2020.</p> <p>These master contracts define a predictable hourly rate for HVAC preventive maintenance, repairs/maintenance, and controls.</p> <p>When the work is desired the County will negotiate a Statement of Work for the actual work to be performed for each engagement, subject to the hourly rate, terms and conditions, and insurance requirements defined in the Master Contract.</p> <p>These contracts are for a three-year term, with the County having the option to renew the contract for two additional one-year terms, for a possible total of five years.</p>
<b>FUNDING</b>	<p>County Department Operating Budgets</p>



1 Master/Journeyman	Weekday
1 Apprentice	Weekday
1 Master/Journeyman	Weekday overtime
1 Apprentice	Weekday overtime
1 Master/Journeyman	Weekend overtime
1 Apprentice	Weekend overtime



Egan		
Hourly Rate		Extended
\$ 118.65	\$	4,746.00
\$ 90.85	\$	3,634.00
\$ 217.84	\$	8,713.60
\$ 165.00	\$	6,600.00
\$ 217.84	\$	8,713.60
\$ 165.00	\$	6,600.00
	\$	<u>39,007.20</u>

Vinco		
Hourly Rate		Extended
\$ 90.00	\$	3,600.00
\$ 38.00	\$	1,520.00
\$ 120.00	\$	4,800.00
\$ 60.00	\$	2,400.00
\$ 120.00	\$	4,800.00
\$ 60.00	\$	2,400.00
	\$	<u>19,520.00</u>

Wolf River		
Hourly Rate		Extended
\$ 150.00	\$	6,000.00
\$ 60.00	\$	2,400.00
\$ 225.00	\$	9,000.00
\$ 90.00	\$	3,600.00
\$ 300.00	\$	12,000.00
\$ 120.00	\$	4,800.00
	\$	<u>37,800.00</u>

15% \$ 1,150.00  
\$ 40,157.20

7% \$ 1,070.00  
\$ 20,590.00

10% \$ 1,100.00  
\$ 38,900.00

Percentage Increases
----------------------

Year 2  
Year 3  
Year 4  
Year 5

Time	Materials
3%	0%
3%	0%
3%	0%
3%	0%

Time	Materials
2%	0%
3%	0%
3%	0%
3%	0%

Time	Materials
3%	3%
3%	3%
3%	3%
3%	3%



# ANOKA COUNTY FINANCE AND CAPITAL IMPROVEMENTS ACTION ITEM

5-19-2020

FM&C

<b>ACTION REQUESTED</b>	Consider recommending the County Board approve the Stepping Stone Emergency Shelter Lease Agreement, Contract # C0007956, with an effective date of July 1, 2020. The agreement shall automatically renew for successive one-year terms for a total of three years (June 30, 2023) unless terminated earlier as provided in section 14.
<b>BACKGROUND</b>	<p>Couple of things:</p> <ul style="list-style-type: none"><li>• July 2012, Anoka County Board approved leasing the first floor of the Cronin Building at the Rum River Human Service Center to Stepping Stone Emergency Housing. July 2014 the lease was updated to include access to all first floor, access to the entire basement including dining room area, along with increasing the number of beds to 66. The lease limits the number of shelter beds with the Human Services Division Manager having the ability to increase or decrease the number of beds by ten percent.</li><li>• Direction from County Board was given to Human Services in 2014 to allow access to the basement area for programming purposes with the understanding that Stepping Stone could be asked to give that space up within 60 days if the county had other needs for the basement space. Nonprofits were not to be given dedicated space in the building, and the capacity was not to exceed 66 persons per day as long as the city of Anoka has a shelter moratorium in place.</li><li>• The lease requires payment of \$1,250 per month for rent, and as of January 1, 2021 begins to adjust in the following manner for utilities making us whole:<ul style="list-style-type: none"><li>○ January – March a \$400.00 adjustment to \$1,800 per month.</li><li>○ April – June a \$200.00 adjustment to \$2,000 per month.</li><li>○ July 1<sup>st</sup> and thereafter a \$200.00 adjustment to \$2,200 per month.</li></ul></li></ul>
<b>FUNDING</b>	Stepping Stone with revenues for utilities and equipment upkeep coming back to FM&C operating budget.



# ANOKA COUNTY FINANCE AND CAPITAL IMPROVEMENTS ACTION ITEM

5-19-2020

FM&C

<b>ACTION REQUESTED</b>	<p>Consider recommending the County Board reject bids for the Rum River Campus Exterior Lighting/Parking Lot Expansion project and request authorization to rebid only the exterior lighting portion of the project.</p> <p>Bid Tab Attached</p>
<b>BACKGROUND</b>	<p>Three bids were received:</p> <ul style="list-style-type: none"><li>• All three came in considerably higher than the engineer's estimate. The low bid, at \$579,216.59 was nearly double the engineer's estimate.</li><li>• Several factors seem to have contributed to the larger than expected bid values:<ul style="list-style-type: none"><li>○ Additional grading and watermain utility improvements would be necessary</li><li>○ Substantial completion by end of July did not provide flexibility needed</li><li>○ Combining two completely different disciplines into one contract needed more supervision by the general contractor</li></ul></li></ul> <p>Further dialogue was had with Jerry Pederson, Dylan Warkentin, and Cindy Cesare regarding these projects at the Rum River Campus.</p> <p>Human Services recommended we re-bid the exterior lighting project since this is directly related to safety, however, given the current environment with COVID-19 and business changes that have been implemented hold off on parking lot expansion till 2022.</p>
<b>FUNDING</b>	<p>One Shot Funds</p>





# FINANCE & CAPITAL IMPROVEMENTS COMMITTEE

## INFORMATIONAL ITEM

May 19th, 2020

Finance and Central Services

ACTION REQUESTED	<p>Consider for informational purposes, Contract #C0006464, with Compass Group USA, Inc., (dba Canteen Vending), 2400 Yorkmont Road, Charlotte, NC 28217, for one-year renewal (July 1, 2020 thru June 30, 2021) with option to renew an additional 1 year term, with compensation of 20% of sales for vending and market sales which goes to the Anoka County Employees Club.</p>
BACKGROUND	<p>Our vending contract ends July 1, 2020 and we have been negotiating with Canteen for an extension to allow us some time to re-evaluate our overall vending needs throughout the county.</p> <p>Our current contract calls for a guaranteed \$42,000 annually for the Anoka County Employees Club. Unfortunately, due to COVID-19, the landscape has changed on us and Canteen is not willing to go with a guarantee but will go with a 20% of sales option.</p> <p>During 2019, we had \$225,000 in sales, which under the 20% option would have translated into \$45,000 in proceeds to the Employees Club, which is more than our current contract. Unfortunately, as we begin to see the sales numbers for March and April, they have dropped considerably. For April, we are estimated to be down almost 85%. This is expected to impact the Employees Club, fortunately, the guarantee is in place until end of June, which is favorable for us.</p>
CONCLUSION	<p>Based on the current situation, we would like to extend the contract for up to two 1-year extensions, with the ability to re-visit the 20% of gross sales clause before signing the 2<sup>nd</sup> 1-year extension. This would also give us time to evaluate our service level and vending needs at all locations as we prepare for an RFP within the two-year window.</p>



## FINANCE & CAPITAL IMPROVEMENTS COMMITTEE

### INFORMATIONAL ITEM

May 19, 2020

FINANCE & CENTRAL SERVICES

<b>ACTION REQUESTED</b>	Consider, for informational purposes, the Investment Report for the Quarter ended March 31, 2020.
<b>BACKGROUND</b>	Attached is the March 31, 2020 investment update per the request of the Committee. The amounts shown are year-to-date for 2020.



### MEMORANDUM

---

---

**DATE:** May 19, 2020

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

**FROM:** Cory Kampf, F&CS Division Manager

**SUBJECT:** 2020 1<sup>st</sup> Quarter Investment Update

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

For the Quarter-ended March 31, 2020, the County had investments totaling \$286.89 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, 2020

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	38,399,559.70	38,655,823.01	1,476,757.59	1,201,109.03	247,041.74	(3,298.43)	243,743.31
MAGIC Fund	55,625,307.78	26,851,124.52	7,137,816.74	35,912,000.00	132,150.79	-	132,150.79
OPEB Irrevocable	79,547,622.41	64,909,242.97	379,557.54	2,297,283.88	379,557.54	-	379,557.54
US Bank - Fixed Income	161,975,910.24	152,259,506.26	23,947,111.93	33,126,632.14	(2,530.40)	(2,530.40)	840,437.08
US Bank - Liquid Assets	7,656,176.05	2,099,493.92	108,332,613.74	113,889,295.87	65,941.97	-	65,941.97
Wells Fargo - Sweep	1,611,222.07	2,115,319.68	23,711,729.02	23,207,631.41	7,003.59	-	7,003.59
Total / Average	344,815,798.25	286,890,510.36	164,985,586.56	209,633,952.33	829,165.23	(5,828.83)	1,668,834.28

### Portfolio Performance

Total investment income earned during the quarter totaled \$1.669M, with \$(5.8K) related to one time realized losses due to regular activity by our RBC Capital Asset Manager (\$3.3K) and Internal activity (\$2.5). The overall portfolio performance as of the Quarter ended March 31, 2020 is an average book yield of 2.06% compared with 2.21% at the end of 2019. We saw significant reduction in interest rates the last two weeks of March, which will affect the short-term part of our Portfolio. Also, the OPEB Trust saw an 18% reduction in its Market Value due to the financial market reactions to COVID-19.

See the chart below for a breakdown by Portfolio:

