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**Title:** Selection of Vendor and Authorization to Execute a Contract for Audit Services  
**Resolution number:** 24-058

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**Reviewed by:** Name/Title: Tessa Vacek, Administrative Services Manager

**Recommended action:** Selection of audit vendor and authorization for District Administrator to enter into a contract for audit services for the fiscal years of 2024 and 2025

**Budget considerations:** Fund name and code: Accounting & Auditing 1-1002-4330  
Fund budget: 2025 - \$125,000  
Requested amount of funding: as stated in proposal

**Past Board action:** Res #: 24-049 Title: Authorization to Release RFP for Audit Services  
September 12, 2024

### Summary

Minnesota Statute 103B.227, subdivision 5, requires a watershed district to solicit interest proposals for professional services, including audit services, at least every two years. Pursuant to Resolution 24-049 the District solicited proposals for audit services, which included a posting on the District website, and on the League of Minnesota Cities website. The District received one response from Redpath and Company. Under the Minnesota Data Practices Act, proposals are non-public data until the District has entered into an agreement with the selected vendor. Accordingly, the Redpath proposal is being transmitted to the Board Managers via a separate email.

### Analysis

Staff reviewed the Redpath proposal in coordination with the District's accounting consultant, Abdo Financial Solutions, evaluating qualifications, experience (including watershed experience), methods, proposal clarity, total cost, and timeline.

### Total Cost

Proposed pricing for each of the audit years is provided in Redpath's proposal (transmitted separately to the Board Managers.) The proposed cost of the 2024 fiscal year audit is 5% greater than that of the 2023 fiscal year audit; and the proposed cost of the 2025 fiscal year audit is also 5% greater than the previous year's audit cost. (For comparison purposes, the MCWD compensation rate structure from 2024 to 2025 budget cycles reflects a 4.9% increase based on the most recently available employment cost index for wages and salaries. For this reason staff does not believe a 5% year-over-year increase in audit service fees is excessive.)

### Methodology

Redpath employs a multi-step audit process, including an audit planning phase, executing field work and finally a presentation to the Board of Managers. They use sampling techniques, interviews of key staff and a paperless workflow software to gather their information.

### Firm Qualifications

Redpath is qualified to provide audit services and has experience as an independent auditor for public agencies, including cities, watershed districts and other units of government.

Redpath has experience working with governmental entities including two municipalities within the MCWD with populations over 15,000, and a history of previous work with a number of metro area watershed districts.

#### Team Qualifications

Redpath has a qualified staff that include a partner and manager, both of which are familiar with the MCWD having performed previous audit services for the District. Redpath's partner has been with the firm 23 years, performing government audits each of those years. The Manager, who will work closely with the MCWD staff, has been employed with Redpath since 2016 and has been the District primary contact for audit services the last four audits.

#### Clarity of Approach and Timeline

The Redpath proposal is clear and presents an understandable approach. It breaks down the phases of work and estimates the level of staff and hours assigned, in addition to providing a monthly timeline of tasks.

#### **Recommendation**

Redpath has served as MCWD's auditor for 23 years. During that time, while maintaining a rigorous third-party objectivity, Redpath has built a deep familiarity with MCWD's approach to watershed management and its projects, programs and grant priorities which span multiple years. This understanding generally reduces the level of time that program and project staff need to invest in support of the audit process. Redpath can seamlessly carry forward their knowledge and information on construction projects, understanding of the District's outstanding debt and associated agreements and payment schedules, and trend analysis for revenues and expenditures.

Based on methods, firm qualifications, watershed experience, team qualifications, clarity of approach and timeline, analysis of staff audit support and total proposal cost, staff recommends that the Board of Managers authorize the selection of Redpath and Company and direct the District Administrator to enter into a contract for audit services for fiscal years 2024-2025 at a price not to exceed that stated in the proposal.



**RESOLUTION**

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**Resolution number:** 24-058

**Title:** Selection of Vendor and Authorization to Enter into a Contract for Audit Services

WHEREAS, Pursuant to Minnesota Statutes 103B.227 at least every two years watershed districts are required to solicit interest proposals for professional or technical consultant services before retaining the services of a consultant or extending an annual services agreement;

WHEREAS, The Board authorized the solicitation of proposals for audit services on September 12, 2024;

WHEREAS, The District solicited proposals and received responses from one provider of audit services;

WHEREAS, District staff and the District accountant, Abdo Financial Solutions, reviewed the proposal based on methods, firm qualifications, watershed experience, team qualifications, clarity of approach and timeline, analysis of staff audit support, and total proposal costs;

WHEREAS, Based on this evaluation, staff recommends the selection of Redpath and Company as the audit services provider; and

WHEREAS, The Board has reviewed the submitted proposals and concurs with the recommendation of staff.

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby authorizes the District Administrator to enter into an audit contract for fiscal years 2024-2025 with Redpath and Company, at a price not to exceed the amount stated in its proposal, on advice of legal counsel.

Resolution Number 24-058 was moved by Manager \_\_\_\_\_, seconded by Manager \_\_\_\_\_.  
 Motion to adopt the resolution \_\_\_ ayes, \_\_\_ nays, \_\_\_ abstentions. Date: 11/7/2024

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 Secretary Date: \_\_\_\_\_