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**Title:** Selection and Authorization to Execute a Contract for Accounting Services

**Resolution number:** 23-079

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

**Recommended action:** Approval of Resolution 23-079

**Budget considerations:** Fund name and code: Accounting and Auditing 1-1002-4330  
Fund budget for 2024: \$120,000

**Past Board action:** Resolution 23-051 Authorization to Issue RFP for Accounting Services

**Summary:**

Minnesota Statute 103B.227 requires watershed districts to solicit interest proposals for professional services at least every two years. At the September 14, 2023 Board meeting, the Board of Managers adopted Resolution 23-051 authorizing the solicitation of proposals for accounting services. A request for proposals was released on September 15<sup>th</sup> with a posting on the District website as well as the League of Minnesota Cities. Proposals were due on October 16, 2023.

The District received two proposal: one from the current vendor, Abdo Financial Solutions and one from Eide Bailly.

Both proposals provided a clear understanding of the District's requirements for on-going accounting services, from producing monthly vendor payments, providing monthly general ledgers and quarterly financial reports, as well as knowledgeable staff to assist in the auditing process.

Staff met with the Eide Bailly team to gain a better understanding of their organization, and how their accounting team might benefit the District. Eide Bailly staff were knowledgeable in the area of government accounting and had a number of staff participating on the call with long work histories in the public sector. That said, Eide Bailly has a number of government clients in Minnesota, however all as the vendor for audit services and none as the accounting services provider. Additionally, Eide Bailly pricing was slightly higher than that being proposed by Abdo.

As the incumbent Abdo is familiar with the District's accounting practices and requirements and can provide the appropriate knowledge and skill set for audit assistance. Additionally, Abdo has a significant presence in Minnesota with government clients, both as the accounting services provider as well as the auditing services provider.

For this contract term Abdo has separated their monthly accounting fees from their audit preparation fees rather than averaging for the calendar year. This change means a lower monthly fee for accounting services and a one-time payment for audit services. The monthly fees are capped at a not-to-exceed cost and the audit preparation services will be billed hourly. Overall, Abdo is proposing a 3.1% increase over the current contract and a 3.8% increase for 2025. These are well within industry standards for accounting service increases. The proposed rate increase does not exceed the District's 2024 budget for accounting and auditing services.

Based on the proposals received, staff recommends accepting the Abdo Financial Solutions proposal and requests authorization to execute a contract for accounting services with Abdo Financial Solutions for a term expiring on December 31, 2025.



**RESOLUTION**

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WHEREAS, Minnesota Statute 103B.227 requires watershed districts to solicit interest proposals for professional services at least every two years; and

WHEREAS, at its September 14, 2023 meeting the District Board of Managers approved Resolution 22-051 authorizing the solicitation of proposals for accounting services; and

WHEREAS, staff received two proposals, one from the incumbent firm, Abdo Financial Solutions and one from Eide Bailly; and

WHEREAS, Abdo Financial Solutions is cost competitive and proposes a minimal rate increase as well as offers a continuity of services as the incumbent provider with knowledgeable staff familiar with government accounting practices and the District in particular; and

WHEREAS, based on its review, staff recommends Abdo Financial Solutions as the District’s accounting services provider

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby selects Abdo Financial Solutions as the accounting firm for the District; and hereby authorizes the District Administrator, on advice of counsel, to execute a contract with Abdo Financial Solutions to provide accounting services through December 31, 2025.

Resolution Number 23-079 was moved by Manager \_\_\_\_\_, seconded by Manager \_\_\_\_\_. Motion to adopt the resolution \_\_\_ ayes, \_\_\_ nays, \_\_\_ abstentions. December 14, 2023

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