

MEETING DATE: July 25, 2019

TITLE: Selection and Authorization to Sign Contract for Accounting Services

RESOLUTION NUMBER: 19-070

PREPARED BY: Cathy Reynolds

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TELEPHONE: 952-641-4503

REVIEWED BY: Administrator Counsel Program Mgr. (Name): _____
 Board Committee Engineer Other:

WORKSHOP ACTION:

<input type="checkbox"/> Advance to Board mtg. Consent Agenda.	<input type="checkbox"/> Advance to Board meeting for discussion prior to action.
<input type="checkbox"/> Refer to a future workshop (date): _____	<input type="checkbox"/> Refer to taskforce or committee (date): _____
<input type="checkbox"/> Return to staff for additional work.	<input type="checkbox"/> No further action requested.
<input checked="" type="checkbox"/> Other (specify): Final Action on July 25, 2019	

PURPOSE or ACTION REQUESTED:

Staff seeks Board approval of the vendor for accounting services and authorization to sign an accounting contract with the proposed vendor.

PROJECT/PROGRAM COST:

Fund name and number: 100-1002

Current Budget: \$ 85,000 (Accounting and Audit Budget)

Expenditures to date: \$ 53,398.60 (Accounting and Audit expenditures)

Requested amount of funding: \$ 27,650

Is a budget amendment requested? No, at this time it is estimated that we can complete the transition within the current budget.

PAST BOARD ACTIONS:

November 15, 2018: While selecting the Audit vendor the Board passed a motion directing staff to develop an RFP for accounting services looking to separate the provision of accounting and audit services.

June 13, 2019: The Board approved the release of the RFP for accounting services.

SUMMARY:

Minnesota Statute 103B.227 requires a watershed district to solicit interest proposals for professional services at least every two years. In accordance with this provision the District solicited proposals for accounting and auditing services in 2018.

The District signed a contract with Redpath and Company (Redpath) in September 2018 to provide accounting and payroll services for the District. In March 2019 the contract was amended removing payroll services. The accounting contract is effective until August 31, 2020 but may be terminated earlier with written notice.

In November 2018 the District signed a contract with Redpath to provide audit services to the District for 2018 and 2019.

During the course of discussion on the audit contract the Board discussed the value in separating the auditing and accounting service providers to provide a greater level of independence for the provision of audit services. A motion was made and passed at the November 15, 2018 meeting directing staff to develop a request for proposals to separate the accounting services from the same vendor as the audit services.

In June 2019 the Board approved the release of the RFP for accounting services. The RFP was posted and sent directly to vendors with experience in government accounting. Four vendors submitted proposals in response to the request for proposals. Staff evaluated the responses, conducted interviews, and contacted references for the vendors.

Vendors were reviewed based on their independence, experience, approach to the accounting scope of services and price. Based on the proposals and interviews, staff recommends the selection of Abdo Eick & Meyers, LLP (AEM) as the accounting firm.

The scope of services for the accounting contract includes:

- Monthly/Quarterly Reporting: financial reports, grant reporting, quarterly reports, monthly budget to actuals, payroll and journal entry review
- General Accounting Services: including accounts payable, accounts receivable and grant accounting, bank reconciliation
- Annual Reporting: State Auditor Financial Report, Report of Indebtedness, Government Lobbying Report
- Audit Preparation: work papers and support for audit, financial statements
- Assistance with Annual Budget Preparation: assist staff with trend analysis, fund summaries, and spending forecasts to utilize as they build budgets to meet the policy direction and goals set by the Board
- Other accounting services: oversight of general accounting, update on new accounting standards, implement accounts receivable and grant accounting, prepare 1099's and year end required documents, cash flow forecasts

AEM proposes to provide accounting services in accordance with the scope of services for a monthly rate of \$5,170 in 2019, \$5,325 in 2020 and \$5,400 in 2021. This is a flat monthly rate and includes all annual requirements without additional billing. This is a different billing structure than our current contract which includes a monthly rate for standard monthly work and all other work is billed at an hourly rate.

RESOLUTION

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TITLE: **Selection and Authorization to Sign Contract for Accounting Services**

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

WHEREAS, the District contracted with Redpath and Company to provide accounting services in September 2018; and

WHEREAS, the District further contracted with Redpath and Company to provide audit services in November 2018; and

WHEREAS, at the November 15, 2018 Board of Managers meeting the Board directed the staff to develop a request for proposals for accounting services to separate the provision of accounting services from the vendor providing audit services; and

WHEREAS, staff has determined that the accounting contract with Redpath and Company can be terminated upon written notice; and

WHEREAS, on June 13, 2019 the Board approved the release of the Request for Proposals for Accounting Services; and

WHEREAS, staff received four proposals for accounting services; and

WHEREAS, staff evaluated all proposals based on independence, experience, approach to the accounting scope of services and price, interviewed potential vendors, and contacted vendor references; and

WHEREAS, based on staffs evaluations of the proposals, staff recommends the selection of Abdo Eick & Meyers, LLP as the accounting firm for the District, and

WHEREAS, Abdo Eick & Meyers proposes to provide accounting services in accordance with the scope of work for a monthly rate of \$5,170 in 2019, \$5,325 in 2020 and \$5,400 in 2021.

NOW, THEREFORE, BE IT RESOLVED, the Minnehaha Creek Watershed District, Board of Managers hereby selects Abdo Eick & Meyers as the accountant for the District; and

BE IT FURTHER RESOLVED, the Minnehaha Creek Watershed District Board of Managers hereby authorizes the District Administrator to execute a contract, on advice of counsel and with any non-material changes, with Abdo Eick & Meyers to provide accounting service services for a monthly rate not to exceed \$5,170 in 2019, \$5,325 in 2020 and \$5,400 in 2021.

Resolution Number 19-070 was moved by Manager _____, seconded by Manager _____.
Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: _____.

Secretary Date: _____