

MEETING DATE: April 11, 2019

TITLE: Authorization to Establish ACH Transactions for Recurring Payments

RESOLUTION NUMBER: 19-043

PREPARED BY: Cathy Reynolds

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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 type="checkbox"/> Other (specify): Board action on April 11, 2019	

PURPOSE or ACTION REQUESTED:

The Staff is requesting Board approval on the establishment of ACH payments for recurring vendor payments.

PROJECT/PROGRAM COST:

There are no costs associated with this.

PAST BOARD ACTIONS:

The Board has not acted on this item previously.

SUMMARY:

There are a number of Operations department vendors that are currently paid via ACH payments. Staff would like to add additional vendors to this list that are currently paid on a monthly basis via check. This will not only cut down on the time and effort associated with cutting checks but will in fact save costs for reasons including: 1) staff prep time including verification of past payments which are often paid late; 2) avoidance of recurring late fees and late payments for multiple vendors; 3) reduction in cost associated with paper checks, envelopes and postage.

Over the course of the last three months alone the District has incurred a number of late fees totaling approximately \$150. The time between when invoices are due and when the District cuts checks routinely leaves us vulnerable to late fees with certain vendors. We work with vendors on a regular basis to request that late fees be waived, or in some instance that services not be discontinued due to late payments. Some vendors will waive these fees when requested, but this is done on an invoice by invoice basis occupying staff time to request. Other vendors will not waive late fees regardless of our multiple attempts to have them do so.

There are also a number of vendors that receive multiple checks each month and/or receive one payment via check and another payment via a recurring ACH payment. This authorization will allow these payments to be streamlined with timely payments being made going forward. Vendors we wish to move to ACH payments include:

Vendor	Description Services	Justification
City of Minnetonka	Office sewer and water	Monthly payment, paid late, no fees
TDS	Office phones	Monthly payment, often late, some late fees
Xcel Energy (2 accounts)	R&M equipment, Grays Bay Dam	(3 rd account is office energy and currently paid via ACH
Verizon (3 accounts)	Manager iPads, District Cell Phones, R&M equipment	Monthly payments 2 accounts paid late monthly
Mail Finance	Postage machine lease	Quarterly payment, paid late, late fees
NeoFunds	Postage funds	As needed to fill postage machine, paid late, late fees
Metro Sales	Copier lease	Paid late

Placing these accounts into an automated ACH payment will ensure that vendors are paid in a timely manner and reduce late fees and staff time verifying payment of late invoices. Invoices for these payments would be provided to the Board on a monthly basis with the current ACH invoices. In addition the payments would be added to the monthly check register under the ACH section for Board approval.

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WHEREAS, The District makes regular monthly payments to several vendors to support District operations; and

WHEREAS, the District's monthly check run cycle does not match certain vendor's invoice cycles; and

WHEREAS, this discrepancy between cycles causes District payments to be made late incurring late fees and additional staff time to verify past payments; and

WHEREAS, establishing ACH payments for these regular vendor payments will allow the District to make timely payments and save money on late fees; and

WHEREAS the Board of Managers will still be able to review, question and approve all invoice payments; and

WHEREAS all ACH payments made by the District are added to the check register approved monthly by the Board of Managers.

NOW, THEREFORE, BE IT RESOLVED, the Minnehaha Creek Watershed District, Board of Managers hereby approves the establishment of ACH payments for the following vendors:

Vendor	Description Services
City of Minnetonka	Office sewer and water
TDS	Office phones
Xcel Energy (2 accounts)	R&M equipment, Grays Bay Dam
Verizon (3 accounts)	Manager iPads, District Cell Phones, R&M equipment
Mail Finance	Postage machine lease
NeoFunds	Postage funds
Metro Sales	Copier lease

Resolution Number 19-043 was moved by Manager _____, seconded by Manager _____.
Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: _____.

Secretary Date: _____