

ANOKA COUNTY FINANCE AND CAPITAL IMPROVEMENTS COMMITTEE AGENDA

and Meeting of the Anoka County Board of Commissioners**

Commissioners Look (Chair), Braastad, Schulte, Gamache

February 3, 2022 - 1:00 P.M.

Anoka County Government Center – Room 710

2100 3rd Avenue N

Anoka, MN 55303

1. Public comments: Public comments are welcome at this time. In consideration of others wishing to speak, please limit comments to 2 minutes. Questions directed to the committee will not be answered immediately; however, whenever possible, all appropriate questions will be responded to in a timely and effective manner by county staff.
2. Consider for information purposes, the committee approve the third Tuesday of the month be established as regular Finance and Capital Improvements Committee meeting days for 2022 with the exception:
 - February 15, which meeting will be held on February 3, 2022
 - December 20, which meeting will be held on December 8, 2022
3. Consider for information purposes, the purchase and installation of an Intelligent Locker System, which includes 5 years of maintenance. The total cost of the project is not to exceed \$43,367 – **See attached** information sheet.
4. Consider for information purposes, a planned shift in secure armored services from armored car pickup to Metro Courier, a secure courier for low-volume and seasonal locations and smart safes serviced by Loomis, an armored car vendor for our high-volume locations – **See attached** information sheet.
5. Consider for information purposes, the Investment Report for the quarter ended December 31, 2021- **See attached** information sheet.

*** 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.*



FINANCE & CAPITAL IMPROVEMENTS COMMITTEE

INFORMATIONAL ITEM

February 3, 2022

FINANCE & CENTRAL SERVICES

ACTION REQUESTED	Consider for informational purposes, the purchase and installation of an Intelligent Locker System, which also includes 5 years of maintenance. The total cost of the project is not to exceed \$43,367.
BACKGROUND	<p>The COVID-19 pandemic has Anoka County re-evaluating business processes and how services are provided to the community and our employees. Many employees are working remote however they still need supplies to do their jobs. The Government Center continues to receive numerous packages daily. The current process is that an individual receives an email stating that a package was delivered to the Government Center for them and that it will be delivered that day. An employee from the FCS General Operations Team delivers the package to the individual's department. With many staff working remote, a package can sit in a department for days.</p> <p>The benefits of the Locker System are:</p> <ul style="list-style-type: none">• Reduce strain and time of delivering packages for the General Operations Team• Increase safety by reducing the number of touches to a package through contactless delivery• Increase package security by storing in a locked box until individual is available to pick up the package.• Provide complete reporting of Chain of Custody• Ease of use
FUNDING	We are recommending that the funding be provided through the 2021 Carryforward Budget process.



FINANCE & CAPITAL IMPROVEMENTS COMMITTEE

INFORMATIONAL ITEM

February 3, 2022

FINANCE & CENTRAL SERVICES

ACTION REQUESTED	Consider for informational purposes, a planned shift in secure armored services from armored car pickup to Metro Courier, a secure courier for low-volume and seasonal locations and smart safes serviced by Loomis, an armored car vendor for our high-volume locations.
BACKGROUND	<p>Over the past 10 years Anoka County has been using armored car services to securely transport funds from our cash-based locations to the bank for deposit into our accounts.</p> <p>Service levels with Brinks, our current vendor, have been consistently declining over the last few years, with the decline significantly accelerating in the last few months. The service level decline is to the point where an armored car pickup has become an exception rather than the norm. This presents challenges to our high-volume locations, particularly in locations where they may be operating with a reduced staffing level, in getting funds to the bank in a timely manner.</p> <p>For our high-volume locations, we are looking to switch services from armored car pickup to Smart Safes, serviced by Loomis. This will provide us with numerous benefits including:</p> <ol style="list-style-type: none">1. Faster Access to Working Capital2. Improved Cash Visibility and Accountability3. More Efficient Use of Labor4. Improved Security5. Improved Accuracy and Automation <p>For low volume and seasonal locations, we are looking to use Metro Courier, a secure courier service used by other counties, that will be able to meet our service level needs on a consistent basis.</p>
FUNDING	<p>The contract with Loomis is planned to be a five-year contract with an estimated monthly cost of around \$3,500. The contract is currently under review with attorney's and may change slightly.</p> <p>We are still in the early stages of beginning the contract process with Metro Courier, however estimated monthly costs will be approximately \$900 during non-seasonal times, and around \$2,000 during seasonal times.</p> <p>By contracting for both services there will be a slight increase in the annual cost (previous annual cost = \$45,000, new annual cost estimated to be \$67,000. We are looking to enter into a five-year contract for Smart Safes and a separate contract for secure courier services. Funding for the shift in services will be covered by existing budget with our current armored car vendor.</p>



FINANCE & CAPITAL IMPROVEMENTS COMMITTEE

INFORMATIONAL ITEM

February 3, 2022

FINANCE & CENTRAL SERVICES

ACTION REQUESTED	Consider for informational purposes, the Investment Report for the quarter ended December 31, 2021.
BACKGROUND	Attached is the December 31, 2021 investment update per the request of the Committee. The amounts shown are year-to-date for 2021.



Anoka County

FINANCE & CENTRAL SERVICES DIVISION

Respectful, Innovative, Fiscally Responsible

MEMORANDUM

DATE: February 3, 2022

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

FROM: Cory Kampf, F&CS Division Manager

SUBJECT: 2021 4th Quarter Investment Update

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

For the year ended December 31, 2021, the County had investments totaling \$511.77 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. The OPEB Irrevocable Trust represents Pension Assets and are invested in an Index Fund that includes equities.

Anoka County Summary of Investments by Portfolio – December 31, 2021

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	39,313,149.34	40,301,433.28	12,124,576.09	11,162,898.72	872,444.94	25,834.87	898,279.81
MAGIC Fund	84,772,733.16	55,779,661.09	156,251,927.93	185,245,000.00	51,226.41	-	51,226.41
OPEB Irrevocable	84,810,760.80	104,704,515.54	29,905,806.02	(2,700,553.20)	1,359,776.45	-	1,359,776.45
US Bank - Fixed Income	208,134,234.16	274,488,991.49	159,914,966.93	87,965,717.28	4,168,323.96	(1,005,656.78)	3,162,667.18
US Bank - Liquid Assets	6,552,341.03	32,202,554.33	1,623,160,215.32	1,597,510,002.02	12,337.83	-	12,337.83
Wells Fargo - Sweep	2,024,559.26	4,287,573.78	114,538,925.66	112,275,911.14	341.10	-	341.10
Total / Average	425,607,777.75	511,764,729.51	2,095,896,417.95	1,991,458,975.96	6,464,450.69	(979,821.91)	5,484,628.78

GASB YE Market Value Change		(9,501,422.14)
Less OPEB Investment Income		(1,359,776.45)
Less Interest allocated to Other Funds		(473,000.00)
Net Investment Income YTD	% of Budget as of 12.31.2021	99%
2021 Investment Income Budget		3,651,852.33
Investment Income (deficit) surplus YTD		3,675,000.00
		(23,147.67)

Portfolio Performance

Total investment income earned for the year ended totaled just over \$6.4M, with \$(979.2)K related realized (losses) due to regular activity one time realized gains by our RBC Capital Asset Manager \$25.8K and one time realized losses in our Internal activity (\$1.0M). The overall portfolio performance for the year ended December 31, 2021 is an average book yield of 1.08% compared with 1.61% at the end of 2020. The OPEB Trust saw a modest market value gain due to the market movements throughout 2021, posting a 23.5% increase or \$19.9 million gain (unrealized).

See chart below for a breakdown by Portfolio:

