

## **ANOKA COUNTY FINANCE AND CAPITAL IMPROVEMENTS COMMITTEE AGENDA**

and Meeting of the Anoka County Board of Commissioners\*\*

Commissioners Look (Chair), Braastad, Schulte, Gamache

October 18, 2022 - 1:00 P.M.

Anoka County Government Center – Room 710

2100 3<sup>rd</sup> 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 recommending the Finance and Capital Improvements Committee approve automatic debit transactions from ADP to facilitate payroll, garnishment, Federal, and State tax payments – **see attached** action sheet.
3. Consider for information purposes, an intention to proceed with contract negotiations with an implementor and software company for the purpose of a new Finance and Procurement System(s) – **See attached** information sheet.
4. Consider for information purposes, the Investment Report for the quarter ended September 30, 2022 – **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

### ACTION ITEM

October 18, 2022

Finance & Central Services

ACTION REQUESTED	Consider recommending the Finance and Capital Improvements Committee approve automatic debit transactions from ADP to facilitate payroll, garnishment, Federal, and State tax payments.
BACKGROUND	<p>With the move to processing Payroll through ADP along with the transition to the new HRMS system the deadlines for funding requirements have been accelerated.</p> <p>We have tried the direct wire option, however the timing and funding requirements for the bank to process and have the funds available and settled with ADP are a full day prior to the completion of the payroll processing cycle.</p> <p>In order to provide a seamless and efficient process we would like to have ADP direct debit a dedicated bank account(s) which requires the approval by the Finance Committee per the Financial Disbursement Policy (Policy I, page 32, 8.f)</p>
SOLUTIONS	Open a dedicated bank account separate from our main operating account that would allow ADP to direct debit the amounts for funding payroll, garnishments, and State and Federal taxes. Direct debits would only occur during a payroll process.
RECOMMENDATIONS	Approve the automatic debit transactions from ADP to facilitate payroll, garnishment, Federal, and State tax payments.



# FINANCE & CAPITAL IMPROVEMENTS COMMITTEE

## INFORMATIONAL ITEM

October 18, 2022

Finance and Central Services

ACTION REQUESTED	Consider, for informational purposes, an intention to proceed with contract negotiations with an implementor and software company for the purpose of a new Finance and Procurement system(s).
BACKGROUND	<p>April 2020 - Anoka County engaged with Plante Moran to assess the state of the existing financial system.</p> <p>June 16, 2020 – Contract approval to engage with Civic Initiatives for Gap Assessment</p> <p>March 16, 2021 – Contract approval with Plante Moran to assist with redesign of Chart of Accounts.</p> <p>June 8, 2021 – Contract approval to engage with Plante Moran and Civic Initiatives to gather requirements to develop an RFP</p> <p>March 4, 2022 – RFP issued</p> <p>Three potential vendors demonstrated their software in June 2022. Based on those demos, two vendors were asked to participate in onsite demonstrations in September 2022.</p>
SOLUTIONS	Based on staff review and discussion following the demonstrations, a vendor was selected to proceed with contract negotiations.



## FINANCE & CAPITAL IMPROVEMENTS COMMITTEE

### INFORMATIONAL ITEM

October 18, 2022

FINANCE & CENTRAL SERVICES

<b>ACTION REQUESTED</b>	Consider for informational purposes, the Investment Report for the quarter ended September 30, 2022.
<b>BACKGROUND</b>	Attached is the September 30, 2022, investment update per the request of the Committee. The amounts shown are year-to-date for 2022.



### MEMORANDUM

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**DATE:** October 18, 2022

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

**FROM:** Cory Kampf, F&CS Division Manager

**SUBJECT:** 2022 3<sup>rd</sup> Quarter Investment Update

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

For the Quarter-ended September 30, 2022, the County had investments totaling \$516.34 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.

## Anoka County Summary of Investments by Portfolio – September 30, 2022

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	40,301,433.28	41,128,845.97	9,106,820.95	8,404,656.64	667,016.49	(35,605.04)	631,411.45
MAGIC Fund	55,779,661.09	83,601,430.14	285,505,768.05	257,683,999.00	772,816.86	-	772,816.86
OPEB Irrevocable	104,704,515.54	79,710,856.73	11,801,159.69	(37,163,037.79)	1,101,007.15	-	1,101,007.15
US Bank - Fixed Income	274,488,991.49	282,611,230.75	57,131,934.05	48,812,711.98	3,037,549.15	(449,883.54)	2,587,665.61
US Bank - Liquid Assets	32,202,554.33	27,064,440.10	1,019,640,431.70	1,024,778,545.93	148,073.31	-	148,073.31
Wells Fargo - Sweep	4,287,610.86	2,227,659.28	67,211,119.59	69,271,071.17	17,295.50	-	17,295.50
Total / Average	511,764,766.59	516,344,462.97	1,450,397,234.03	1,371,787,946.93	5,743,758.46	(485,488.58)	5,258,269.88

Less OPEB Investment Income							(1,101,007.15)
Net Investment Income YTD				% of Budget as of 9.30.2022		105%	4,157,262.73
2022 Investment Income Budget							3,975,000.00
Investment Income (deficit) surplus YTD							182,262.73

### Portfolio Performance

Total investment income earned year to date as of September 30<sup>th</sup> totaled \$5.26M, with (\$486.5K) related to one time realized gain/(losses) due to regular activity by our RBC Capital Asset Manager (\$35.61K) and Internal activity (\$449.89K). The overall portfolio performance as of the Quarter ended September 30, 2022, is an average book yield of 1.30% compared with 1.19% on June 30, 2022, and 1.08% at the end of 2021. Short-term interest rates continue to rise significantly due to the Federal Reserve actions that are designed to help dampen inflation and the interest rate inversion along the yield curve remains, which is a little concerning. The OPEB Trust has seen a year-to-date 23.9% decrease in its Market Value due to the continued volatility in the equity markets.

See the chart below for a breakdown by Portfolio:

