

Agenda

**Lower Minnesota River Watershed District
Board of Manager's Finance Committee
7:00 p.m., Wednesday, March 5, 2025
Small meeting room – Savage Public Library
13090 Alabama Avenue S. Savage, MN**

The Finance Committee is a standing committee of the Board of Managers that meets on the first Wednesday of each month. It comprises the Board President and Board Treasurer, with support from the district administrator and other consultants.

The committee reviews financial policies and develops an annual budget to recommend to the Board of Managers. All meetings of the committee are noticed and open to the public as required by the Open Meeting Law.

Agenda:

1. Approval of March 5, 2025, Finance Committee meeting agenda
2. Approve Finance Committee meeting minutes
 - Wednesday, February 5, 2025
3. Reviewing the cost of administrative functions within the District
4. Assessing available financial resources in the budget for administrative functions
5. Examining budget-to-actual figures for January and February related to administrative costs
6. Forecasting administrative costs through June

Next Finance Committee meeting is scheduled for 7:00 PM, Wednesday, April 2, 2025 at the Savage Public Library.

Lower Minnesota River Watershed District
Board of Manager's Finance Committee
7:00 p.m., Wednesday, February 5, 2025
Small meeting room – Savage Public Library
13090 Alabama Avenue South, Savage, MN
Approved _____, 2025

In attendance: In-person: Manager Apollo Lammers; and Linda Loomis, LMRWD Administrator.
Virtual attendance: President Joseph Barisonzi.

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Agenda:

1. Update status of Financial Audits

Administrator Loomis updated the Committee of the status of the FY 2022 Audit.

DUE OUTS:

- *Check with PLSL WD to see who audits for them*
- *Ask Accounting consultant to assist with finding an auditor for FY 2023*
- *Consider a multi-year contract to catch up on audits*
- *Discuss options with State Auditor for managing difficulty in contracting auditors for small organizations*
- *Check for partners to engage in a process to make finding auditors for small organizations easier*

2. Develop an internal control policy/financial controls

A draft internal controls policy was shared with the committee prior to the meeting. Committee members submitted comments and suggestions to the Administrator. It was suggested that a meeting with the LMRWD accounting consultant be set-up to discuss potential efficiencies and improvement in reporting and logging information. Items that were suggested at the meeting that should be added to an internal control policy include:

- *Consider pre-approving payments for recurring expenses like the copier lease and rent*
- *Align Internal Control policy with MN Statute*
- *Clarify Manager Bonding requirement within internal control policies*
- *Include references to relevant MN Statutes in internal Control Policies such as Manager Compensation, tax levy process and fund categories*
- *Implement a policy allowing budget re-allocations by Administrator and Treasurer up to 10% with Board notification, rather than requiring full board approval for all re-allocations*
- *Include an audit review process in Internal Control Policy*
- *Change language referencing financial management to a "qualified financial professional" instead of mandating a CPA.*
- *Prohibit cash transaction*

- *Include a statement in the Internal Control policy about carrying industry-appropriate insurance coverage and conducting regular reviews*
- *Create a basic chart of responsibilities*
- *Review financial reporting methods*
- *Adjust administrative cost allocation across LMRWD funds and activities*

3. Develop a fund balance policy

Time did not allow for discussion of a fund balance policy. This will be added to the March agenda.

4. Develop a policy for more efficient & timely payment of claims

More efficient payment of recurring expenses was discussed and it was determined that it could become part of the Internal Controls policy. Recurring expenses like payments on the copier lease, when the Board approved the lease agreement, should not have to come before the Board every month for authorization. The Committee directed that such payments come before the Board at an upcoming Board meeting for authorization through the end of the year. This item will be on the March Board agenda.

5. Budget process, timeline, and flowchart

Time did not allow for discussion of a fund balance policy. This will be added to the March agenda.

6. Developing a cost benefit analysis

Manager Lammers asked that this item be placed on the Finance Committee agenda. Time did not allow for discussion of a fund balance policy. This will be added to the March agenda.

7. Discuss potential financial impact to LMRWD due to Rapidan Dam failure

Manager Lammers asked that this item be placed on the Finance Committee agenda. Time did not allow for discussion of a fund balance policy. This will be added to the March agenda.

8. Identify 2025 Budget funding for Executive Compensation

President Barisonzi asked that this item be placed on the Finance Committee agenda. The committee asked that the following be considered:

- *Identify Compensation components:*
 - *Separate direct & indirect compensation related to the executive position.*
- *Evaluate skill sets for new administrator:*
 - *Assess the skill sets required for the new administrator, including whether certain functions like bookkeeping should remain contracted out for control purposes.*
- *Review administrative budget holistically:*
 - *Assess the entire administrative budget, not just the compensation for the watershed administrator, to explore different staffing options.*
- *Consider splitting the administrator role:*
 - *Evaluate the possibility of dividing the administrator role into smaller positions with different job descriptions.*
- *Identify responsibilities for an in-house bookkeeper:*
 - *Determine additional responsibilities for an in-house bookkeeper to justify the position, such as meeting preparation and administrative tasks.*
- *Evaluate the need for separate accounting:*

- *Discuss the necessity of keeping accounting functions separate for financial controls and consider the implication of hiring an in-house accountant.*
- *Assess time spent on meeting preparation:*
 - *Estimate time spent on meeting preparation and identify tasks that could be transitioned to an administrative assistant.*
- *Explore compensation adjustments:*
 - *Look into increasing compensation to attract more applicants for the administrator position.*

9. Adjourn

The meeting adjourned at 8:00 PM

Next Finance Committee: The next meeting of the Finance Committee is scheduled for 7:00 PM, Wednesday, March 5, 2025 at the Savage Public Library.