



Title: Authorization to Execute a Contract for Accounting Services

Resolution number: 21-073

Prepared by: Name: Deb Johnson
Phone: 952.641.4500
djohnson @minnehahacreek.org

Reviewed by: Name/Title: James Wisker, District Administrator

Recommended action: Approve Resolution 21-073 – Authorizing execution of a contract for accounting services

Budget considerations: Fund name and code: Accounting and Auditing - 4330
Fund budget: 2021 total fund budget = \$92,000
Expenditures to date: through 9/30/2021 Auditing = \$ 27,000 and Accounting = \$52,510
Requested amount of funding: 2022 total budget \$99,500

Past Board action: Res #: 21-043 – Authorization to Issue RFP for Accounting Services

Summary:

Minnesota Statute 103B.227 requires watershed districts to solicit interest proposals for professional services at least every two years. Accordingly, the Minnehaha Creek Watershed District (MCWD or District) solicited proposals for accounting services in June 2021.

In August 2019, following a request for proposals (RFP), the Board selected Abdo Eick and Meyers Financial Solutions (AEM) as the District's accounting firm, retaining Redpath and Company as the District's auditor.

At the June 24, 2021 Board meeting, in accordance with MN Statutes 103B.227, the Board of Managers adopted Resolution 21-043 authorizing the solicitation of proposals for accounting services. A request for proposals was released on June 25 with proposals due on July 16. A single proposal was received, from AEM. This proposal was reviewed by the Operations staff and the District Administrator.

The AEM proposal increases monthly rates by approximately 17%. After receiving the proposal staff have engaged AEM leadership to review the drivers behind the proposed cost increase, review historic billing, and to explore opportunities within the scope of services and monthly workflow to implement cost control measures that would reduce the proposed fee increase. However, that effort was unsuccessful.

Staff recommends that the Board, on advice of counsel, authorize the extension of the AEM services contract, consistent with the submitted proposal. Staff recommends, as well, that it return to the Board in 2022 with a proposal to obtain accounting services in the most cost-effective manner.

Supporting documents (list attachments):

Resolution



RESOLUTION

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- WHEREAS, Minnesota Statute 103B.227 requires watershed districts to solicit interest proposals for professional services at least every two years; and
- WHEREAS, following a competitive proposal process, Abdo, Eick and Meyers Financial Services (AEM) was selected and approved as the District’s accounting services vendor in 2019; and
- WHEREAS, at its June 24, 2021 meeting the District Board of Managers approved Resolution 21-043 authorizing the solicitation of proposals for accounting services; and
- WHEREAS, staff received a single proposal from AEM Financial Services proposing a measurable increase in annual fees; and
- WHEREAS, AEM and District staff thereafter reviewed options for controlling proposed cost increases, however, could not mutually identify suitable adjustments; and
- WHEREAS, staff recommends that the Board authorize an extension of the AEM accounting services agreement consistent with the AEM proposal, and that staff return to the Board in 2022 with a proposal to explore means of meeting the District’s accounting services needs in the most cost-effective manner.

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby selects AEM Financial Services as the accounting firm for the District; and hereby authorizes the District Administrator, on advice of counsel, to execute a contract with AEM Financial Services to provide accounting services not to exceed \$6,500 per month in November and December of 2021, \$6,700 in 2022 and \$6,895 in 2023.

Resolution Number 21- 073 was moved by Manager _____, seconded by Manager _____. Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. November 4, 2021

Secretary Date: _____