



1858
RAMSEY COUNTY
MINNESOTA

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WHITE BEAR TOWNSHIP, MN 55110

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Board of Supervisors
ROBERT J. KERMES, *Chair*
ED M. PRUDHON
STEVEN A. RUZEK

**AGENDA
BOARD OF AUDIT MEETING
FEBRUARY 23, 2018**

1. **11:55 a.m.** Call to order at White Bear Township Administrative Office Conference Room, 1281 Hammond Road.
2. Approval of Agenda (Additions/Deletions).
3. Approval of Minutes of February 24, 2017 Board of Audit Meeting.
4. **New Business:**
 - A. **Conduct 2017 Board of Audit** – Supervisor Selects Vouchers for Review.
5. **Town Finance Officer Items:**
 - A. **Investment Summary** – Finance Officer Report.
6. Added Agenda Items.
7. Receipt of Agenda Materials & Supplements.
8. Adjournment.



**Board of Audit Meeting
February 23, 2018**

Agenda Number: 1 - 2 - 3

Subject: Call to Order – 11:55 a.m.
Approval of February 23, 2018 Agenda
Approval of February 24, 2017 Minutes

Documentation: February 23, 2018 Agenda
February 24, 2017 Minutes

Action / Motion for Consideration:

Call meeting to order:	11:55 a.m.
Approval of Agenda:	February 23, 2018 (additions/deletions)
Approval of Minutes:	February 24, 2017 Minutes

**MINUTES
BOARD OF AUDIT MEETING
FEBRUARY 24, 2017**

The meeting was called to order at 11:45 a.m.

Present: Supervisors: Kermes, Prudhon and Ruzek; Clerk: Short; Attorneys: Patrick Kelly and Chad Lemmons; Finance Officer: Tom Kelly.

APPROVAL OF AGENDA (Additions/Deletions): Prudhon moved approval of the agenda as submitted. Ruzek seconded. Ayes all.

APPROVAL OF MINUTES OF MARCH 7, 2016 BOARD OF AUDIT MEETING: Ruzek moved approval of the Minutes of March 7, 2016, Board of Audit meeting. Prudhon seconded. Ayes all.

CONDUCT 2016 BOARD OF AUDIT: Prudhon moved to conduct the Board of Audit meeting. Ruzek seconded. Ayes all.

The following 10 vouchers were selected at random by Supervisor Ruzek:

<u>Voucher</u>	<u>Vendor</u>	<u>Amount</u>
97037	Mansfield Oil Company	\$ 1,453.02
97045	Sav A Tree	\$ 3,985.00
97078	G&K Services	\$ 211.03
97098	MK Mechanical	\$ 1,913.65
97116	Twin City Garage Door Company	\$ 697.50
97615	Greystone Construction	\$ 1,000.00
97834	Oakdale Rental	\$ 706.00
98038	JP Cooke Company	\$ 87.50
98049	Orkin Pest Control	\$ 366.01
98191	Hawkins Inc.	\$ 12,500.97

All vouchers were examined by Supervisor Ruzek and found to have backup information.

INVESTMENT SUMMARY: The Finance Officer reported that the Town had \$13,236,025 invested on December 31, 2016, with an average interest rate of 3.00% and an average yield of 2.59%. The average number of days to maturity is 3,302 days. This compares to \$13,258,244.33 invested at December 31, 2015, with an average interest rate of 2.13% and an average yield of 1.94%.

The investments as of December 31, 2016 consisted of the following instruments compared to 2015:

<u>Type</u>	<u>2015</u>	<u>2016</u>	<u>%</u>
Money Market/Checking	\$ 2,689,605.87	\$ 3,119,456.58	23.57%
Certificates of Deposit	4,186,405.27	3,106,000.00	23.46%
Government Agencies	1,677,233.19	175,568.82	1.33%
Municipal Bonds	<u>4,705,000.00</u>	<u>6,835,000.00</u>	<u>51.64%</u>
Totals	\$13,258,244.33	\$13,236,025.40	100.00%

MINUTES
BOARD OF AUDIT MEETING
FEBRUARY 24, 2017

All investments meet State investment guidelines and comply with the Town's current investment policy.

While both the average interest rates and yields remain low, the Town's average interest rate and yield has increased slightly to 3.00% and 2.59% respectively, compared to the 2.13% and 1.94% in 2015. In 2013 the average interest rate was 2.12% with an average yield of 1.72%. The funds in the money markets are higher at year-end than other times of the year because the Town has just received the December tax settlement and \$1,130,125.00 of the funds will be used to pay the February 1st bond payments, with the balance paying for operations until the July 2017 tax settlement is received. Also \$2,256,603.49 of the listed money market funds are in the 4M plus fund, which is a government investment pool with investment in CD's and government securities at higher rates than regular money markets but with no restrictions on access to the Town's funds.

The Finance Officer provided a meaningful summary of the Town's investments as of year-end 2016.

Prudhon moved to receive the Finance Officer's Investment Summary on the 2016 Year-End Investments. Ruzek seconded. Ayes all.

RECEIPT OF AGENDA MATERIALS / SUPPLEMENTS: Ruzek moved to receive all of the agenda materials and supplements for today's meeting. Prudhon seconded. Ayes all.

Ruzek moved to adjourn the meeting at 12:05 p.m. Prudhon seconded. Ayes all.

Respectfully Submitted,

William F. Short
Clerk-Treasurer

Approved as Official Minutes

Town Board Supervisor

Date



**Board of Audit Meeting
February 23, 2018**

Agenda Number: 4A – New Business

Subject: Conduct 2017 Board of Audit – Supervisor Selects Vouchers for Review

Documentation: None

Action / Motion for Consideration:

Supervisor Selects Vouchers at Random for Audit

Minutes
Board of Audit Meeting
February 24, 2017

CONDUCT 2016 BOARD OF AUDIT: Prudhon moved to conduct the Board of Audit meeting. Ruzek seconded. Ayes all.

The following 10 vouchers were selected at random by Supervisor Ruzek:

<u>Voucher</u>	<u>Vendor</u>	<u>Amount</u>
97037	Mansfield Oil Company	\$ 1,453.02
97045	Sav A Tree	\$ 3,985.00
97078	G&K Services	\$ 211.03
97098	MK Mechanical	\$ 1,913.65
97116	Twin City Garage Door Company	\$ 697.50
97615	Greystone Construction	\$ 1,000.00
97834	Oakdale Rental	\$ 706.00
98038	JP Cooke Company	\$ 87.50
98049	Orkin Pest Control	\$ 366.01
98191	Hawkins Inc.	\$ 12,500.97

All vouchers were examined by Supervisor Ruzek and found to have backup information.



**Board of Audit Meeting
February 23, 2018**

Agenda Number: 5A

Subject: Town Finance Officer Item:
Investment Summary – Finance Officer Report

Documentation: Town Finance Officer 2017 Year-End Investment Memo w/ Attachments

Action / Motion for Consideration:

Town Finance Officer Report at Meeting / Discussion

Minutes
Board of Audit Meeting
February 24, 2017

INVESTMENT SUMMARY: The Finance Officer reported that the Town had \$13,236,025 invested on December 31, 2016, with an average interest rate of 3.00% and an average yield of 2.59%. The average number of days to maturity is 3,302 days. This compares to \$13,258,244.33 invested at December 31, 2015, with an average interest rate of 2.13% and an average yield of 1.94%. The investments as of December 31, 2016 consisted of the following instruments compared to 2015:

Type	2015	2016	%
Money Market/Checking	\$ 2,689,605.87	\$ 3,119,456.58	23.57%
Certificates of Deposit	4,186,405.27	3,106,000.00	23.46%
Government Agencies	1,677,233.19	175,568.82	1.33%
Municipal Bonds	<u>4,705,000.00</u>	<u>6,835,000.00</u>	<u>51.64%</u>
Totals	\$13,258,244.33	\$13,236,025.40	100.00%

All investments meet State investment guidelines and comply with the Town's current investment policy.

While both the average interest rates and yields remain low, the Town's average interest rate and yield has increased slightly to 3.00% and 2.59% respectively, compared to the 2.13% and 1.94% in 2015. In 2013 the average interest rate was 2.12% with an average yield of 1.72%. The funds in the money markets are higher at year-end than other times of the year because the Town has just received the December tax settlement and \$1,130,125.00 of the funds will be used to pay the February 1st bond payments, with the balance paying for operations until the July 2017 tax settlement is received. Also \$2,256,603.49 of the listed money market funds are in the 4M plus fund, which is a government

investment pool with investment in CD's and government securities at higher rates than regular money markets but with no restrictions on access to the Town's funds.

The Finance Officer provided a meaningful summary of the Town's investments as of year-end 2016.

Prudhon moved to receive the Finance Officer's Investment Summary on the 2016 Year-End Investments. Ruzek seconded. Ayes all.

MEMORANDUM

Date: February 13, 2018
To: Town Board
From: Tom Kelly, Finance Officer
Re: 2017 Year-End Investments

The Town had \$10,653,843.87 invested on December 31, 2017, with an average interest rate of 2.862% and an average yield of 2.403%. The average number of days to maturity is 2,891 days. This compares to \$13,236,025.40 invested at December 31, 2016, with an average interest rate of 3.00% and an average yield of 2.59%.

The investments as of December 31, 2017 consisted of the following instruments compared to 2016:

<u>Type</u>	<u>2016</u>	<u>2017</u>	<u>%</u>
Money Market/Checking	\$3,119,456.58	\$ 868,994.14	8.16%
Certificates of Deposit	3,106,000.00	3,430,000.00	32.19%
Government Agencies	175,568.82	174,849.73	1.64%
Municipal Bonds	<u>6,835,000.00</u>	<u>6,180,000.00</u>	<u>58.01%</u>
Total	\$13,236,025.40	\$10,653,843.87	100.00%

All investments meet State investment guidelines and comply with the Town's current investment policy.

While both the average interest rates and yields remain low, the Town's average interest rate and yield has decreased slightly to 2.86% and 2.40% in 2017 respectively, compared to 3.00% and 2.59% in 2016, 2.13% and 1.94% in 2015 and 2.09% and 1.68% in 2014. In 2013, the average interest rate was 2.12% with an average yield of 1.72%. The funds in the money markets are lower at year-end than in 2016 because in 2016, \$1,130,125.00 of the funds were used to pay the Town's February 1st bond payments compared to a 2018 bond payment of \$676,842.50.

Attached is the Town's investments as of year-end 2017.

DECEMBER INVESTMENTS										YTD				
MATURE DATE	PURCH DATE	MATURITY CALL DATE	BANK/BROKER	TYPE	NAME	LOCATION	Cusip #	YIELD	INT. RATE	# DAYS	PURCHASE AMOUNT	AS OF 12/31/2017	INTEREST RECEIVED	INTEREST DATE
12/21/17	12/21/12	12/21/17	RBC DAIN	CD	STATE BANK OF INDIA	NEW YORK	856284J21	1.200%	1.200%	0	\$245,000.00	\$0.00	\$0.00	6/21 & 12/21
12/26/17	12/26/12	12/26/17	RBC DAIN	CD	WEBSTER BANK	WATERBURY, CT	94768NJ5	1.000%	1.000%	0	\$245,000.00	\$0.00	\$0.00	6/26 & 12/26
1/4/18	1/4/13		RBC DAIN	CD	COMENITY CAPITAL BANK	SALT LAKE CITY, UT	20033AA3	1.000%	1.000%	1826	\$245,000.00	\$245,000.00	\$12,256.71	Monthly
6/15/18	1/31/11		RBC DAIN	GO BOND	DOUGLAS CNTY NEB SCH DIST NO 010	NEB	2959309V8	3.448%	4.696%	2690	\$540,295.00	\$500,000.00	\$173,044.38	6/15 & 12/15
8/1/18	4/19/13		UBS FINANCIAL	GO BOND	MISSISSIPPI STATE RFDG TAXABLE BONDS	MISSISSIPPI	6058070M5	1.202%	2.577%	1930	\$537,866.75	\$500,000.00	\$68,131.64	2/1 & 8/1
10/12/18	10/12/16		MORGAN STANLEY	CD	COMENITY BANK	MISSISSIPPI	20099ARD1	1.200%	1.200%	730	\$200,000.00	\$200,000.00	\$4,800.00	Monthly
11/27/18	11/27/15		MORGAN STANLEY	CD	ALLY BANK	MIDVALE, UT	02006LWV0	1.650%	1.650%	1096	\$204,000.00	\$204,000.00	\$10,107.22	5/27 & 11/27
8/1/19	6/8/11	3/2/17	RBC DAIN	GO BOND	GRAND FORKS ND PUB SCH DIST	ND	385478F7E	1.000%	1.000%	0	\$226,926.05	\$0.00	\$0.00	2/1 & 8/1
9/23/19	9/21/12		MORGAN STANLEY	CD	GE CAPITAL RETAIL BANK	DRAPER, UT	361570CKX4	2.000%	2.000%	2558	\$245,000.00	\$245,000.00	\$34,340.27	3/21 & 9/21
10/15/19	10/13/16		MORGAN STANLEY	CD	CAPITAL ONE BANK	MCLEAN VA	14042RCZ2	1.300%	1.300%	1087	\$120,000.00	\$120,000.00	\$4,688.55	4/13 & 10/13
11/25/19	11/25/15		MORGAN STANLEY	CD	AMERICAN EXPRESS CENTUR	SALT LAKE CITY, UT	02587DH68	2.050%	2.050%	1461	\$96,000.00	\$96,000.00	\$7,871.39	5/25 & 11/25
12/31/19	12/31/14		MORGAN STANLEY	CD	GOLDMAN SACHS	NEW YORK	38148JFY2	2.200%	2.200%	1827	\$96,000.00	\$96,000.00	\$10,571.57	6/30 & 12/30
4/1/20	7/1/16		UBS FINANCIAL	GO BOND	OREGON STATE LOTTERY REVENUE BOND	OREGON	68607VB38	1.220%	1.800%	1369	\$495,000.00	\$495,000.00	\$35,089.53	4/1 & 10/1
5/1/20	5/1/13		MORGAN STANLEY	CD	CIT BANK SLC	SALT LAKE CITY, UT	17284CDA9	1.800%	1.800%	2557	\$80,000.00	\$80,000.00	\$10,087.89	5/1 & 11/1
5/22/20	5/22/15		UBS FINANCIAL	CD	SYNCHRONY BANK	UTAH	87164XHJ8	1.950%	1.950%	1826	\$150,000.00	\$150,000.00	\$14,633.01	5/23 & 11/23
12/18/20	12/18/15	3/2/17	RBC DAIN	CD	BMW BANK OF NORTH AMERICA	SALT LAKE CITY, UT	05580ADM3	0.000%	0.000%	0	\$247,000.00	\$0.00	\$0.00	6/18 & 12/18
4/30/21	4/30/15		MORGAN STANLEY	CD	J.P. MORGAN CHASE	COLUMBUS, OH	48121YAW4	2.188%	1.400%	2192	\$50,000.00	\$50,000.00	\$4,203.84	4/30 & 10/30
1/15/22	3/18/92		RBC DAIN	AGENCY	GOV NATL MORT ASSOC OKLA	OKLAHOMA	36223WTL8	7.700%	7.500%	10532	\$10,849.73	\$10,849.73	\$23,490.00	Monthly
4/14/22	4/14/12	6/20/17	RBC DAIN	CD	GOLDMAN SACHS	WISCONSIN	38143ANZ4	2.900%	2.900%	3650	\$150,000.00	\$0.00	\$0.00	4/4 & 10/4
4/28/23	4/30/13		UBS FINANCIAL	GO BOND	HIAWATHA NATIONAL BANK STEP UP	WISCONSIN	428548AD3	2.147%	1.250%	3650	\$240,000.00	\$240,000.00	\$4,172.46	4/4 & 10/4
8/1/24	7/25/16		UBS FINANCIAL	GO BOND	COMMERCE CAL COMM. DEV. TAX BOND	COMMERCIAL, CA	20056JAV6	2.313%	3.000%	2927	\$825,000.00	\$825,000.00	\$198,474.66	2/1 & 8/1
9/30/24	9/30/16		MORGAN STANLEY	AGENCY	FHLC BOND STEP UP	FLORIDA	3134GALW2	2.147%	1.250%	2555	\$164,000.00	\$164,000.00	\$14,350.00	3/30 & 9/30
12/15/25	11/7/11		RBC DAIN	GO BOND	MPLS MN SCH DIST CONST BONDS	MINNESOTA	603789704	3.500%	5.125%	5439	\$589,825.00	\$500,000.00	\$381,847.60	5/15 & 12/15
2/15/26	3/8/16	9/26/17	RBC DAIN	GO BOND	COMMONWEALTH OF PA	PA	70914PME9	3.093%	4.650%	3630	\$488,183.66	\$0.00	\$0.00	6/15 & 12/15
6/1/26	3/21/12		UBS FINANCIAL	GO BOND	LAKEVILLE MN SCH DIST 194	MINNESOTA	512462V58	3.653%	5.050%	5111	\$576,780.00	\$500,000.00	\$353,569.18	2/15 & 8/15
12/1/26	10/26/16		RBC DAIN	GO BOND	WOODLAND PARK SCHOOL DIST BONDS	COLORADO	97966YAK9	3.041%	3.200%	3686	\$101,375.00	\$100,000.00	\$32,315.62	6/1 & 12/1
2/1/27	10/20/16		RBC DAIN	GO BOND	HAWAII STATE GO BONDS	HAWAII	419791YJ6	2.444%	4.375%	3751	\$249,973.59	\$195,000.00	\$108,814.97	2/1 & 8/1
4/15/28	2/25/16		RBC DAIN	GO BOND	ATHENS PA AREA SCHOOL BOND TAXABLE	PA	40434AAU5	3.614%	3.950%	4402	\$209,400.78	\$200,000.00	\$95,276.16	4/15 & 10/15
4/27/28	4/27/15		RBC DAIN	CD	HSBC BANK STEP UP	NEW YORK	40434AAU5	3.245%	2.250%	4747	\$248,000.00	\$248,000.00	\$72,570.58	4/1 & 10/1
10/1/28	9/7/16	9/21/17	RBC DAIN	GO BOND	NASSAU COUNTY NY IMPROVEMENT BOND	NY	31615TFU4	4.717%	6.900%	4404	\$67,595.55	\$0.00	\$0.00	4/1 & 10/1
12/1/28	11/2/15	9/21/17	RBC DAIN	GO BOND	VILLAGE OF HOFFMAN ESTATES IL	ILLINOIS	434452PKU1	3.990%	4.375%	4777	\$519,208.06	\$0.00	\$0.00	6/1 & 12/1
10/1/29	4/19/16	5/18/17	RBC DAIN	GO BOND	CONNECTICUT STATE BOND	CONNECTICUT	20772JAA0	3.250%	5.295%	4911	\$110,163.38	\$0.00	\$0.00	4/1 & 10/1
5/1/30	8/25/16		RBC DAIN	GO BOND	PENNSYLVANIA STATE BOND	PENNSYLVANIA	70914PNE8	4.101%	5.350%	4995	\$344,007.50	\$300,000.00	\$219,643.15	5/1 & 11/1
8/1/30	1/7/16	6/20/17	RBC DAIN	GO BOND	NYE COUNTY, NV	NEVADA	670675BK2	4.745%	6.050%	5318	\$267,330.53	\$0.00	\$0.00	2/1 & 8/1
8/15/30	10/12/16		RBC DAIN	GO BOND	HAMDEN, CONN	CONNECTICUT	406792223	3.663%	4.926%	5052	\$337,444.45	\$295,000.00	\$201,134.65	2/15 & 8/15
10/1/30	3/14/16		RBC DAIN	GO BOND	UNIVERSITY OF HAWAII	HAWAII	91428LF50	4.450%	5.834%	5312	\$158,421.83	\$135,000.00	\$114,621.32	4/1 & 10/1
8/1/33	4/12/16		RBC DAIN	GO BOND	BELMONT-REDWOOD SHORES BOND	CA	080495DX9	4.198%	5.573%	6317	\$147,362.65	\$125,000.00	\$120,563.84	2/1 & 8/1
6/15/34	8/2/16		RBC DAIN	GO BOND	NEW YORK STATE ENVIRONMENTAL REV	NY	64986HMT4	4.666%	5.676%	6762	\$409,879.55	\$325,000.00	\$290,407.53	6/15 & 12/15
10/1/34	3/24/16		RBC DAIN	GO BOND	WELLS FARGO BANK STEP UP	CA	94986TTB3	3.724%	3.000%	7302	\$245,000.00	\$245,000.00	\$147,040.27	4/1 & 10/1
3/19/35	3/18/15		RBC DAIN	GO BOND	NASSAU COUNTY NY IMPROVEMENT BOND	NY	631651CY9	5.488%	6.700%	7666	\$260,370.00	\$220,000.00	\$309,580.38	3/18 & 9/18
4/1/37	3/31/16		UBS FINANCIAL	CD	CAPITAL ONE BANK U VA US	VA	140420Y61	2.500%	2.500%	1825	\$118,000.00	\$118,000.00	\$14,750.00	4/1 & 10/1
12/1/32	12/13/17		RBC DAIN	GO BOND	NEW ORLEANS PUB IMPT BOND 2014A	LA	64763TK5	4.666%	6.050%	7665	\$361,409.24	\$305,000.00	\$459,170.44	\$0.00
3/8/18	12/5/17		RBC DAIN	CD	BANK BARODA NEW YORK	NY	06062RQC9	1.350%	1.350%	90	\$248,000.00	\$248,000.00	\$825.53	6/1 & 12/1
11/6/18	12/5/17		RBC DAIN	CD	COMMUNITY BK CHESAPEAKE	VA	20350ADAE6	1.090%	1.100%	30	\$200,000.00	\$200,000.00	\$180.82	01/16/18
2/15/26	12/7/17		RBC DAIN	GO BOND	COMMONWEALTH OF PA	PA	70914PME9	3.148%	4.650%	3285	\$291,845.67	\$260,000.00	\$122,137.41	\$0.00
1/10/18	12/7/17		RBC DAIN	CD	WILMINGTON SVGS FD SOC FSB	VA	971785PB9	1.000%	1.000%	30	\$200,000.00	\$200,000.00	\$164.38	2/1 & 8/15
12/27/18	12/7/17		RBC DAIN	CD	SAFRA NATL BANK NEW YORK	NY	78556QY49	1.600%	1.600%	365	\$200,000.00	\$200,000.00	\$3,200.00	01/10/18
12/1/20	12/26/17		RBC DAIN	GO BOND	FEDERAL HOME LOAN BANK	NY	3130ACU36	2.000%	2.000%	1095	\$300,266.67	\$300,000.00	\$18,016.00	12/27/18
1/2/19	12/26/17		RBC DAIN	CD	ZIONS FIRST NATL BK UTAH CD	UTAH	98878BMC9	1.750%	1.750%	730	\$245,000.00	\$245,000.00	\$8,575.00	6/11 & 12/11
								2.403%	2.862%	2,891	\$13,024,321.72	\$9,784,849.73	\$3,835,695.26	01/02/19
												\$10,653,843.87	\$458,607.81	



**Board of Audit Meeting
February 23, 2018**

Agenda Number: 6 – 7- 8

Subject: Added Agenda Items
Receipt of Agenda Materials / Supplements
Adjournment

Action / Motion for Consideration:

Receive Added Agenda Items

Receive All Agenda Materials & Supplements for Today's Meeting

Adjourn Meeting