



1281 HAMMOND ROAD
WHITE BEAR TOWNSHIP, MN 55110

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Board of Supervisors
ED M. PRUDHON, *Chair*
STEVEN A. RUZEK
SCOTT E. MCCUNE

**AGENDA
BOARD OF AUDIT
FEBRUARY 21, 2020**

1. **10:55 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 22, 2019 Board of Audit Meeting.
4. **New Business:**
 - A. **Conduct 2019 Board of Audit** – Supervisor Selects Vouchers for Review.
5. **Town Finance Officer Items:**
 - A. **Investment Summary** – Finance Officer Report.
 - B. **2019 Top 10 Vendors** – Finance Officer Report.
6. Added Agenda Items.
7. Receipt of Agenda Materials & Supplements.
8. Adjournment.

White Bear Township's

Mission:

To provide White Bear Township residents, businesses and visitors with reliable, high quality municipal services while serving as open and responsible stewards of the public trust.





**Board of Audit Meeting
February 21, 2020**

Agenda Number: 1 - 2 - 3

Subject: Call to Order – 10:55 a.m.
Approval of February 21, 2020 Agenda
Approval of February 22, 2019 Minutes

Documentation: February 21, 2020 Agenda
February 22, 2019 Minutes

Action / Motion for Consideration:

Call meeting to order:	10:55 a.m.
Approval of Agenda:	February 21, 2020 (additions/deletions)
Approval of Minutes:	February 22, 2019 Minutes

**MINUTES
BOARD OF AUDIT MEETING
FEBRUARY 22, 2019**

The meeting was called to order at 10:55 a.m.

Present: Supervisors: Prudhon, Ruzek, McCune; Clerk: Christopherson; Attorney: Lemmons; Finance Officer: Kelly.

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

APPROVAL OF MINUTES OF FEBRUARY 23, 2018 BOARD OF AUDIT MEETING: Ruzek moved approval of the February 23, 2018 Board of Audit Meeting. Prudhon seconded. Abstain: McCune seconded.

The meeting recessed at 11:02 a.m. to allow Supervisor McCune to randomly select vouchers for review.

The meeting re-convened at 12:20 p.m.

CONDUCT 2018 BOARD OF AUDIT – SUPERVISOR SELECTS VOUCHERS FOR REVIEW:

The following 9 vouchers were selected at random by Supervisor McCune.

<u>Voucher</u>	<u>Vendor</u>	<u>Amount</u>
275	US Bank EFTPS	\$ 12,534.64
333	PERA	\$ 7,737.24
101205	Petty Cash	\$ 133.00
101268	Ramsey County	\$ 86,996.88
101456	Pete Tholen	\$ 511.87
101773	White Bear Township	\$ 12,169.82
101907	TKDA, Inc.	\$ 17,853.03
102167	US Bank Corporate Payment System	\$ 1,635.55
101749	Kelly & Lemmons	\$ 6,659.35

All vouchers were examined by Supervisor McCune and found to have all the required backup information attached.

INVESTMENT SUMMARY – FINANCE OFFICER REPORT: The Finance Officer reported the Town had \$10,555,202 invested on December 31, 2018, with an average interest rate of 2.765% and an average yield of 2.483%. The average number of days to maturity is 2,740 days. This compares to \$10,653,843.87 invested at December 31, 2017, with an average interest rate of 2.862% and an average yield of 2.403%.

Investments as of December 31, 2018 consisted of the following instruments compared to 2017:

<u>Type</u>	<u>2017</u>	<u>2018</u>	<u>%</u>
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**MINUTES
BOARD OF AUDIT MEETING
FEBRUARY 22, 2019**

Money Market/Checking	\$ 868,994.14	\$ 1,240,027.16	11.75%
Certificates of Deposit	\$ 3,430,000.00	\$ 2,778,000.00	26.32%
Government Agencies	\$ 174,849.73	\$ 1,495,175.00	14.16%
Municipal Bonds	\$ 6,180,000.00	\$ 5,042,000.00	47.77%
Totals	\$10,653,843.87	\$10,555,202.16	100.00%

The funds in the money markets are more at year-end than in 2017 because of capital projects still open and the February 1st bond payments. All investments meet State investment guidelines and comply with the Town’s current investment policy.

In response to a question who selects the different investment, the Finance Officer stated that when there is money Staff calls investment brokers and considers the best interest rates.

Ruzek moved to receive the Finance Officer’s Investment Summary on the 2018 Year-End Investments. McCune seconded. Ayes all.

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

Ruzek moved to adjourn the meeting at 12:30 p.m. McCune seconded. Ayes

Respectfully Submitted,

Patrick Christopherson
Clerk-Treasurer



**Board of Audit Meeting
February 21, 2020**

Agenda Number: 4A – New Business

Subject: Conduct 2019 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 22, 2019

CONDUCT 2018 BOARD OF AUDIT – SUPERVISOR SELECTS VOUCHERS FOR REVIEW:

The following 9 vouchers were selected at random by Supervisor McCune.

<u>Voucher</u>	<u>Vendor</u>	<u>Amount</u>
275	US Bank EFTPS	\$ 12,534.64
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All vouchers were examined by Supervisor McCune and found to have all the required backup information attached.



**Board of Audit Meeting
February 21, 2020**

Agenda Number: 5A

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

Documentation: Town Finance Officer 2019 Year-End Investment Memo
w/ Attachments

Action / Motion for Consideration:

Town Finance Officer Report at Meeting / Discussion

Minutes
Board of Audit Meeting
February 22, 2019

INVESTMENT SUMMARY – FINANCE OFFICER REPORT: The Finance Officer reported the Town had \$10,555,202 invested on December 31, 2018, with an average interest rate of 2.765% and an average yield of 2.483%. The average number of days to maturity is 2,740 days. This compares to \$10,653,843.87 invested at December 31, 2017, with an average interest rate of 2.862% and an average yield of 2.403%.

Investments as of December 31, 2018 consisted of the following instruments compared to 2017:

<u>Type</u>	<u>2017</u>	<u>2018</u>	<u>%</u>
Money Market/Checking	\$ 868,994.14	\$ 1,240,027.16	11.75%
Certificates of Deposit	\$ 3,430,000.00	\$ 2,778,000.00	26.32%
Government Agencies	\$ 174,849.73	\$ 1,495,175.00	14.16%
Municipal Bonds	<u>\$ 6,180,000.00</u>	<u>\$ 5,042,000.00</u>	<u>47.77%</u>
Totals	\$10,653,843.87	\$10,555,202.16	100.00%

The funds in the money markets are more at year-end than in 2017 because of capital projects still open and the February 1st bond payments. All investments meet State investment guidelines and comply with the Town’s current investment policy.

In response to a question who selects the different investment, the Finance Officer stated that when there is money Staff calls investment brokers and considers the best interest rates.

Ruzek moved to receive the Finance Officer's Investment Summary on the 2018 Year-End Investments. McCune seconded. Ayes all.

MEMORANDUM

Date: February 13, 2020
 To: Town Board
 From: Tom Kelly, Finance Officer
 Re: 2019 Year-End Investments

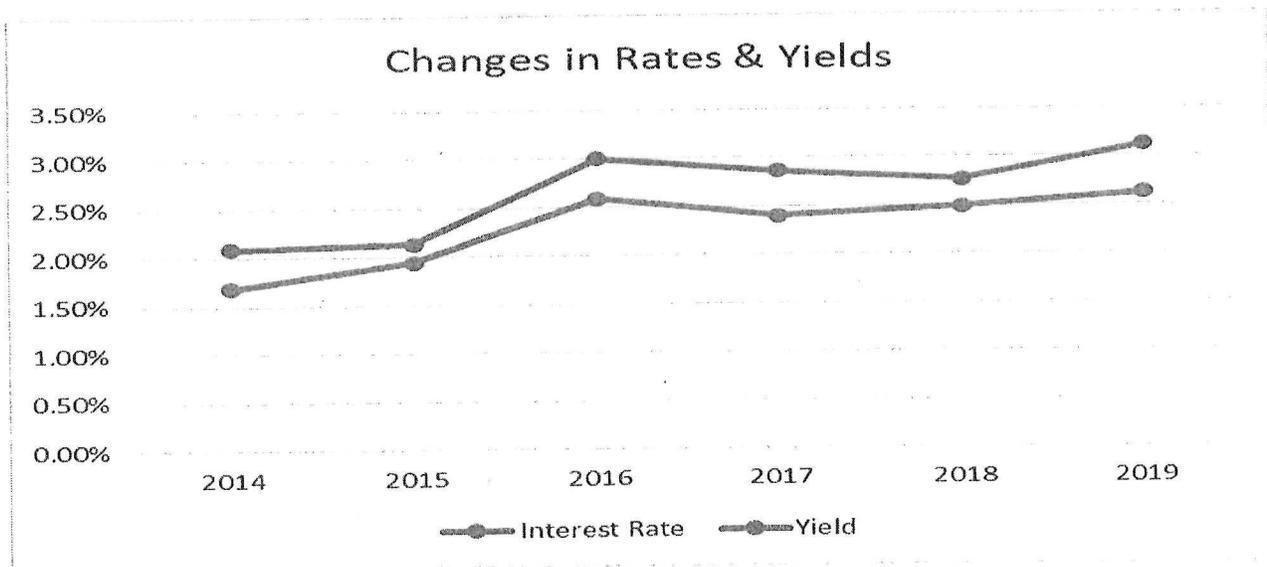
The Town had \$10,988,760.37 invested on December 31, 2019, with an average interest rate of 3.115% and an average yield of 2.617%. The average number of days to maturity is 2,998 days. This compares to \$10,555,202.16 invested at December 31, 2018, with an average interest rate of 2.765% and an average yield of 2.483%.

Investments as of December 31, 2019 consisted of the following instruments compared to 2018:

Type	2018	2019	%
Money Market/Checking	\$1,240,027.16	\$2,522,760.37	22.96%
Certificates of Deposit	2,778,000.00	2,423,000.00	22.05%
Government Agencies	1,495,175.00	1,083,000.00	9.85%
Municipal Bonds	5,042,000.00	4,960,000.00	45.14%
Total	\$10,555,202.16	\$10,988,760.37	100.00%

The funds in the money markets are more at year-end than in 2018 because of capital projects still open and the February 1st bond payments. 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 has decreased but the yield has increased slightly to 3.115% and 2.617% in 2019.



Attached is the Town's investments as of year-end 2019.

DECEMBER 2019 INVESTMENTS											YTD			
MATURE DATE	PURCH DATE	MATURITY CALL DATE	BANK/BROKER	TYPE	NAME	LOCATION	Cusip #	YIELD	INT. RATE	# DAYS	PURCHASE AMOUNT	AS OF 12/31/2019	INTEREST RECEIVED	INTEREST DATE
					PRIME INVESTMENT FUND		801-10410				\$0.00	\$0.00	\$0.00	Monthly
			WELLS FARGO		GOVERNMENT FUND SAVINGS		801-10411		0.030%	31	\$0.00	\$0.00	\$0.00	Monthly
			MORGAN STANLEY		MONEY MARKET SWEEP		801-10413		0.010%	31	\$0.00	\$25,244.58	\$1.74	Monthly
			UBS FINANCIAL		MONEY MARKET SWEEP		801-10415		0.020%	31	\$0.00	\$20,600.21	\$1.14	Monthly
			RBC DAIN RAUSCHER		4M FUND		999-10100		0.050%	31	\$0.00	\$471,022.92	\$8.00	Monthly
			PIMA FINANCIAL		4M FUND - PLUS		801-10414		0.050%	31	\$0.00	\$2,065,892.66	\$85.18	Monthly
					OREGON STATE LOTTERY REVENUE BOND	OREGON	68607V338	1.220%	1.890%	1369	\$495,000.00	\$495,000.00	\$35,089.53	4/1 & 10/1
4/1/20	7/1/16		UBS FINANCIAL	GO BOND	SYNCHRONY BANK	UTAH	87164XJH8	1.950%	1.980%	1826	\$150,000.00	\$150,000.00	\$2,925.01	5/23 & 11/23
5/22/20	5/22/15		UBS FINANCIAL	GO BOND	COMMERCE CAL COMM DEV TAX BOND	COMMERCE, CA	20056UAV6	2.313%	3.000%	2927	\$825,000.00	\$825,000.00	\$198,474.66	2/1 & 8/1
8/1/24	7/25/16		UBS FINANCIAL	GO BOND	IMPLS MIN SCH DIST CONST BONDS		6037897D4	3.500%	5.125%	5439	\$589,825.00	\$589,825.00	\$190,923.80	6/15 & 12/15
12/15/25	1/17/11	2/21/18	RBC DAIN	GO BOND	LAKEVILLE MIN SCH DIST 194		51246ZVS8	3.653%	5.050%	5111	\$576,780.00	\$500,000.00	\$353,569.18	6/15 & 12/15
6/1/26	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	\$32,200.00	6/1 & 12/1
12/1/26	10/26/16		RBC DAIN	GO BOND	HAWAII STATE GO BONDS	HAWAII	419791YU6	2.444%	5.430%	3751	\$249,973.59	\$195,000.00	\$108,814.97	2/1 & 8/1
2/1/21	10/20/16		RBC DAIN	GO BOND	ATHENS PA AREA SCHOOL BOND TAXABLE	PA	407253LM9	3.614%	3.950%	4402	\$209,400.78	\$200,000.00	\$95,276.16	4/15 & 10/15
4/15/28	2/25/16		RBC DAIN	CD	HSCB BANK STEP UP		40434AUA5	3.245%	2.250%	4747	\$248,000.00	\$248,000.00	\$72,570.58	Quarterly
4/27/28	4/27/15		RBC DAIN	GO BOND	PENNSYLVANIA STATE BOND	PENNSYLVANIA	70914PNE8	4.101%	5.350%	4995	\$44,007.50	\$300,000.00	\$219,050.00	5/1 & 11/1
5/1/30	9/25/16		RBC DAIN	GO BOND	UNIVERSITY OF HAWAII	HAWAII	91428LFS0	4.450%	5.834%	5312	\$158,421.83	\$135,000.00	\$114,621.32	4/1 & 10/1
10/1/30	3/14/16		RBC DAIN	GO BOND	BELMONT-REDWOOD SHORES BOND	CA	080495DX9	4.198%	5.573%	6762	\$147,362.65	\$125,000.00	\$120,563.84	2/1 & 8/1
10/1/34	3/24/16		RBC DAIN	GO BOND	NEW YORK NY TAXABLE BOND	NY	63165TCY9	4.666%	6.676%	7666	\$260,370.00	\$105,153.73	\$5,676.00	4/1 & 10/1
4/1/37	3/31/16		RBC DAIN	GO BOND	MASSAU COUNTY NY IMPROVEMENT BOND	NY	1404208Y1	2.500%	2.500%	1825	\$118,000.00	\$118,000.00	\$309,580.38	4/1 & 10/1
12/1/32	12/13/17		UBS FINANCIAL	CD	CAPITAL ONE BANK U VA US	VA	64763FTK5	4.666%	6.050%	7665	\$361,409.24	\$305,000.00	\$387,502.50	6/1 & 12/1
12/1/38	12/5/17		RBC DAIN	GO BOND	NEW ORLEANS PUB IMPRT BOND 2014A	LA	70914PME9	3.148%	4.650%	3285	\$291,845.67	\$260,000.00	\$108,810.00	2/15 & 8/15
2/15/26	12/7/17		RBC DAIN	GO BOND	COMMONWEALTH OF PA	PA	70914PP08	4.850%	1.939%	4197.5	\$438,560.00	\$400,000.00	\$89,194.00	1/15 & 7/15
7/15/30	2/7/18		RBC DAIN	GO BOND	FHLMC MED TERM NTS	PA	31346BGGQ9	3.116%	4.040%	240	\$446,175.00	\$450,000.00	\$11,953.97	04/27/19
4/27/21	7/18/18		UBS FINANCIAL	CD	CIT BANK SLC	SALT LAKE CITY, UT	17284CDA9	1.800%	1.800%	2557	\$80,000.00	\$80,000.00	\$10,087.88	5/1 & 11/1
5/1/20	10/19/18		UBS FINANCIAL	AGENCY	FHLC BOND STEP UP	UTAH	3134GALW2	2.147%	1.250%	2555	\$164,000.00	\$164,000.00	\$12,090.00	3/30 & 9/30
9/30/24	10/19/18		UBS FINANCIAL	AGENCY	FHLC BOND STEP UP	UTAH	3130AF2B2	3.569%	3.570%	2555	\$365,000.00	\$365,000.00	\$91,213.50	5/15 & 11/15
10/9/25	10/9/18		UBS FINANCIAL	AGENCY	DISCOVER BK GREENWOOD	DEL	254673WV4	3.200%	3.200%	1095	\$248,000.00	\$248,000.00	\$7,936.00	
11/15/21	11/15/18		RBC DAIN	CD	GOLDMAN SACHS	NY	38149P2R7	3.600%	3.600%	1825	\$149,000.00	\$149,000.00	\$5,364.00	
12/15/23	12/15/18		UBS FINANCIAL	CD	FEDERAL FARM CREDIT BANK	NY	3133EGQH1	2.140%	3.212%	2555	\$97,467.59	\$104,000.00	\$23,383.36	2/10, 8/10
8/10/26	1/9/19		RBC DAIN	AGENCY	COMENITY CAP BK UT US	UTAH	20033AJ38	2.800%	2.800%	1825	\$100,000.00	\$100,000.00	\$14,000.00	\$0.00
4/15/24	4/15/19		UBS FINANCIAL	CD	GREAT SOUTHN BK FSB	SPRINGFIELD, MO	93120VSK1	2.000%	2.000%	1095	\$200,000.00	\$200,000.00	\$12,000.00	\$0.00
12/28/22	6/28/19		RBC DAIN	CD	JP MORGAN CHASE BANK	COLUMBUS, OH	48128H6R4	3.000%	3.000%	3650	\$50,000.00	\$50,000.00	\$15,000.00	\$0.00
12/20/29	9/20/19		RBC DAIN	CD	WELLS FARGO BANK	SILOUX FALLS, SD	949763K54	2.150%	2.150%	1825	\$248,000.00	\$248,000.00	\$26,660.00	\$0.00
9/30/24	9/20/19		RBC DAIN	CD	CAPITAL ONE NATIONAL ASSOCIATION VA	VA	14042RNS6	1.900%	1.900%	1825	\$120,000.00	\$120,000.00	\$11,400.00	\$0.00
9/5/24	9/5/19		UBS FINANCIAL	CD	CAPITAL ONE NATIONAL ASSOCIATION VA	VA	14042TCP0	1.900%	1.900%	1825	\$125,000.00	\$125,000.00	\$11,875.00	\$0.00
9/5/24	9/5/19		UBS FINANCIAL	CD	SALLIE MAE BANK UT US	UTAH	7954504W2	1.900%	1.900%	1825	\$243,000.00	\$243,000.00	\$23,085.00	6/30 & 12/30
10/23/24	10/23/19		UBS FINANCIAL	CD	TOYOTA FINL SVGS BK HEND NV	HEND NV	89235JMJ7	2.700%	2.700%	5475	\$248,000.00	\$100,440.00	\$100,440.00	5/23, 11/23
11/29/24	1/14/19		RBC DAIN	GO BOND	LOS ANGELES CALF UNI SCHO DISTR BOND	LOS ANGELES CA	544646XZ0	3.104%	5.750%	5355	\$133,175.00	\$100,000.00	\$84,359.59	1/1, 7/1
7/1/24	1/12/19		RBC DAIN	GO BOND	INY CITY TRANSITIONAL FIN AUTH TAX BND	INY CITY	64971WTD2	1.852%	2.322%	1856	\$91,718.54	\$85,000.00	\$10,036.13	2/1, 8/1
2/1/25	1/12/19		RBC DAIN	GO BOND	BROOKS CNTY TEX INDPY SCH DIST TX BD	BROOKS CNTY TX	114385FS1	1.950%	2.286%	1400	\$339,581.40	\$365,000.00	\$32,004.00	08/15/23
11/26/20	11/26/19		UBS FINANCIAL	GO BOND	BROOKS CNTY TEX INDPY SCH DIST TX BD	BROOKS CNTY TX	38149MLW1	2.100%	2.100%	182	\$96,000.00	\$96,000.00	\$1,005.24	6/30 & 12/30
6/26/20	12/26/19		UBS FINANCIAL	CD	GOLDMAN SACHS BANK NY	NY		2.617%	3.115%	2,998	\$9,224,606.41	\$8,456,000.00	\$3,114,968.11	\$220,028.27
											\$10,988,760.37			



**Board of Audit Meeting
February 21, 2020**

Agenda Number: 5B

Subject: Town Finance Officer Item:
B. **2019 Top 10 Vendors** – Finance Officer Report

Documentation: Report

Action / Motion for Consideration:

Town Finance Officer Report at Meeting / Discussion



MEMORANDUM

Date: February 14, 2020
To: Town Board
From: Tom Kelly, Finance Officer
Re: 2019 Top Ten Vendors

Last year the Town Board requested a list of the Town’s top vendors. Staff presented this list to the Board and stated as part of the Board of Audit staff would supply the Board with the list of top vendor from the previous year.

2019 Top Vendors	
T. A. Schifsky & Sons	925,139.86
Metropolitan Council Environmental Services	904,466.72
Core & Main	880,576.34
Ramsey County	878,867.68
TKDA Inc	697,603.89
M K Painting	583,965.00
City of White Bear Lake	311,406.66
Penn Contracting	300,751.15
Lametti & Sons	184,140.90
Xcel Energy	173,202.88

Of the top ten vendors, 5 of the vendors are contractors who worked on Town projects in which they were awarded the project based on the low bid. The other 5 vendors are service providers to the Town.



**Board of Audit Meeting
February 21, 2020**

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