

Riley-Purgatory-Bluff Creek Watershed District

Audit and Finance Committee Meeting

March 13 2024, 9:30AM

Agenda

1. 9:30 AM Call to Order

Meeting was called to order at 9:38 am.

Action

2. Approval of the agenda

Manager Duevel moved that the agenda be approved. Unanimous consent to approve the agenda.

3. Reading and approval of minutes of last meeting

Manager Duevel moved to accept the minutes of the last meeting and there was unanimous consent to approve the minutes of the last meeting.

Manager Duevel commented on the length of meeting minutes and how other watershed districts present their regular meeting minutes.

4. Old Business

4.1 **Adjust Administrator's Discretionary Spending Limits**

Administrator Jeffery met with Attorney Welch to discuss the discretionary spending limit and reported that it can be changed via resolution. Such a resolution would be brought to the board at the same time as the new manual is adopted. The committee agreed that made sense. That way if the board wants to change the discretionary spending limits, they can do so via a simple resolution. The recommendation from the last A&F meeting was thus tabled.

4.2 **Review and Edit of Financial Policies**

Administrator Jeffery shared the redlined financial policies on screen and inquired whether the committee had a chance to review. The committee moved through the suggested edits and accepted those which were merely semantics or did not materially change the substance of the policy. Changes were suggested by legal counsel were accepted. Administrator Jeffery confirmed that these redlines were from Administrator Jeffery, Attorney Smith, and Manager Koch and that the governance manual was last revised and adopted in October 2020.

Manager Duevel remarked that in general, he had no issues with the suggested changes. Manager Crafton asked for clarification on the policy regarding abandoned property and when that would be implicated.

Administrator Jeffery remarked that he wants to ask Attorney Smith whether letter of credit and Performance Bond templates should be included in the manual along with the Escrow Agreement template. The committee agreed that having those templates would be a good idea so that parties at least the requisite information needed.

There was conversation regarding the public purposes expenditures policy. The CAC was added to the included expenses and the committee accepted this change. There was conversation regarding the allowable gratuity which is currently not to exceed 15%. It was recommended to change it to not to exceed 20%.

There was discussion surrounding out of state travel as the current policy appears to limit such travel at only those events at which the District is presenting and does not include attendance at educational events. Administrator Jeffery made a comment on the draft manual to this effect.

Language was added to include volunteers in allowable expenses for recognition events. There was a question regarding whether approval of these types of events must be pre-approved by the Board. The committee recommended that a resolution be passed which could give the Administrator discretion to approve these expenses.

Regarding the fund balance policy, there was discussion that the language there is heavily accountant-based. Manager Duevel suggested tying the December 31, 2023 internal financial report to the fund balance report from the audit. Manager Crafton suggested meeting with the auditor to go over these points once the draft audit report is created. Administrator Jeffery remarked that he would appreciate a fuller understanding of this language as well and that he would reach out to the auditor, Justin Nilson to set a meeting up.

Manager Duevel inquired whether the committee is able to make changes throughout the year or only at this time. Administrator Jeffery confirmed that changes can be made so long as the review period is observed. Manager Duevel noted that after a meeting with the auditor, changes could be brought at that time.

Regarding ACH or other automatic payments, a comment was added to more clearly include these types of payments as allowable as they would not be signed by two managers.

Administrator Jeffery indicated that if the managers had more comments to send those ahead of the Friday governance meeting.

4.3 **Calendar of meetings**

Administrator Jeffery suggested a May meeting when Justin Nilson can attend. Administrator Jeffery will determine his schedule a meeting between May 1st and May 8th for this meeting to take place. As this will be a special meeting, Administrator Jeffery asked for those items the managers would want. Manager Duevel suggested including the W-2 discussion.

5.

6. **Adjournment/Continuance**

Action

6.1 The meeting was adjourned at 10:51 am.