STEELE COUNTY BOARD OF COMMISSIONERS
WORK SESSION AGENDA

Administration Center - 630 Florence Avenue – Owatonna, MN 55060

Steele County's Mission:
Driven to deliver quality services in a respectful and fiscally responsible way.

TUESDAY, JULY 9, 2024 AT 4:00 PM
County Boardroom, Steele County Administration Center

Agenda

1. Call to Order

2. Safety Glass Correction for PT&E and Finance in Administration Building

3. Human Resource Services for MNPrairie
   Julie Johnson, HR Director
   Candi Lemarr, Finance Director
   Renae Fry, Administrator

4. MNPrairie Finance Committee update
   Candi Lemarr, Finance Director

5. Other Business

Presentations

Continuation from 6/25/24 Work Session – GFOA Conference
Candi Lemarr, Finance Director

MS-ISAC Conference Review (10 minutes)
Dave Purscell, IT Director

Adjourn

Steele County
Agenda Item

Request for Board Action

Subject: Safety Glass Correction for PT&E and Finance in Administration Building

Department: Facilities & Fleet

Committee: Internal Central Services **Committee Meeting Date:** July 3, 2024

Work Session Date: July 9, 2024 **Board Meeting Date:** July 9, 2024

Consent Agenda: ☐ Yes ☐ No **Resolution:** ☐ Yes ☐ No

Policy Committee Recommendation:

Enter the recommendation from the Committee to the Board of Commissioners. This must be filled out for all Board Meeting agenda items. If the item did not go to a committee list as "N/A" or a reason why.

Recommendation:

To approve the purchase and installation of the safety glass for the safety of the citizens and county staff. We have asked for multiple bids, but only Southern Lock & Glass has responded for a total cost of $$29,380.18. We are requesting Board approval as we have found funding through Grant funds of $5,891, Performance Measures Program Revenue of $5,429, and the savings from the courthouse generator expense saving in CIP of $18,060, so net impact to reserves would be $0.00

Background *(Including Budget Impact)*:

The current plexi is not safe for citizens as we have had citizens pound on the glass and cause the plexi to almost fall on another taxpayer and PT&E plexi actually fell out. This glass would keep everyone safe as a permanent placement.

Attachments:

Steele County Admin Impact Glass Standoff System

316 Main Court
Albert Lea, MN 56007
(507) 373-9446 phone
(507)402-1618 Keith Cell
(507)383-1336 Josh Cell
(507) 373-2650 fax

Email: southernlockandglass@gmail.com
Web: www.southernlockandglass.com
Facebook: facebook.com/southernlock

Estimate

June 24, 2024

Steele County
Attn: Jake
Re: Admin Building Impact Glass Standoff System

Furnish & Install:

1 – Standoff/Customer Separation System in Admin Building
4” Glass Overlap
2” Deep Standoffs Between Glass
1 ½” Diameter Standoffs and Caps – Brushed Stainless Finish
1 ½” x 1 ½” Channel – Brushed Stainless Finish

Two Separate Desk Sections. System to Imitate the Planning and Zoning Area.

Section 1 Consists of:
6 – Desk/Ceiling Mounted Glass - ½” OA Clear Tempered Lami Impact Glass
4 – Hanging Standoff Glass - ½” OA Clear Tempered Lami Impact Glass
3 – Divider/Privacy Glass (1/2” Satin Etched Tempered)

Section 2 Consists of:
5 – Desk/Ceiling Mounted Glass - ½” OA Clear Tempered Lami Impact Glass
4 – Hanging Standoff Glass - ½” OA Clear Tempered Lami Impact Glass
3 – Divider/Privacy Glass (1/2” Satin Etched Tempered)

Glass Lead time is 4-6 Weeks From Time of Order. I would need to install all of the channel and lay everything out prior to ordering the glass.

Total $29,380.18

****Quote is valid for 30 Days****
****1/2 Down Required On All Special Order Items****

Quoted By: Josh Flatness

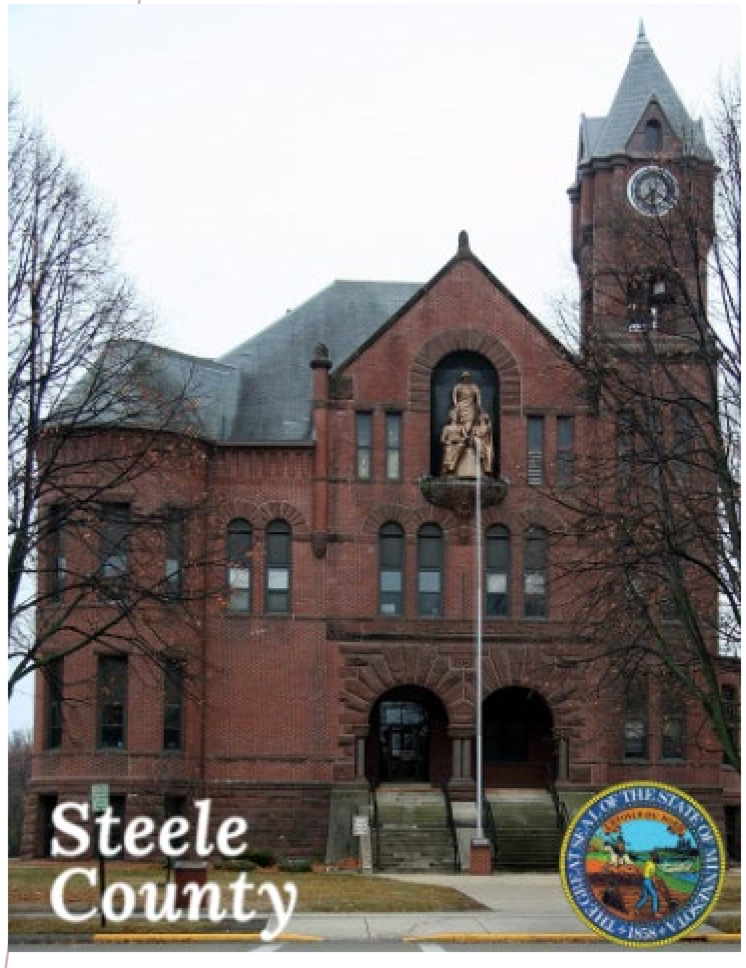
NATIONAL GFOA CONFERENCE

CANDI LEMARR & ERIN EDEL

DEBT MANAGEMENT

DEBT MANAGEMENT

- Ensuring debt policies are updated annually
- When to issue for Capital Projects
- Finance team is fully engaged in the process
- What the method of sale will be
- Different type of debt instruments
- Why credit ratings are important



- Debt Policy Best Practices

1. Review the policy annually and follow it
2. Ensure the policy provides a guideline and structure of issuing debt
3. Commitment to long-term planning
4. Ensure there is strong internal management
5. Identify the legal authority to issue debt which includes types of debt and the debt structure

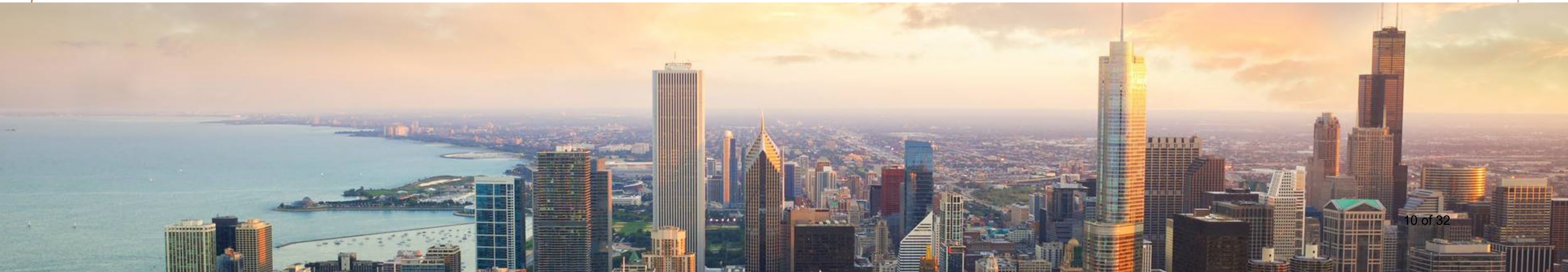
- When to issue debt for Capital Projects

1. What is the project?
   a) Is it a short term or long-term project?
   b) Multiple projects or a single project?
2. What is the financing strategy?
   a) Are their grants?
   b) Will this be General Obligation debt?
3. What is the legal debt capacity (how much can you borrow)?
4. What are your financial limits based on your revenue?
5. What are the Internal policy limits?
6. What is the overlapping debt?
   a) Schools, City, County, State?

- Financing Team

1. Governing bodies to follow
    a) Federal Securities Law
    b) Federal Tax Law-Private Use
    c) State Law
    d) Local Ordinances
2. Use a Municipal Advisor for Issuance
3. Establish a Bond Counsel
    a) Private use requires Special Counsel
4. Use an Underwriter

FEDERAL SINGLE AUDIT



FEDERAL SINGLE AUDIT

- October 1, 2024 – effective threshold going up to **$1,000,000** federal funds expended in a single fiscal year, the **$750,000** threshold will still be in place for 12/31/2024 year end
- Indirect Cost Rate going from 10% to 15%
- Single audit needs to be completed nine months after year-end (Sept).
- ACFR is a different deadline.
- In kind report for grants
  - must support goal and objective of grants
  - document how in kind is valued
- If received advanced grant fund, make sure tracking interest

STRONGER FINANCIAL POLICIES

FINANCIAL POLICIES

- Policies should be **goal oriented** and point to a mission statement
  - Everything we do should point to your mission (hiring, financials, etc.)
- Policies are more like guidelines unlike checklist
- Don’t get procedures in your policies
- Policies:
  - Meet the mission
  - Prevent error
- Protect employees
  - Provide checks and balances
  - Establish standards (expectations)
  - Ensure compliance
  - Preserve integrity
  - Secure assets

FINANCIAL POLICIES CHARACTERISTICS

- Clear & Specific, Current, Circulated, Comprehensive (not procedure)
- Develop a lifecycle and a timeline for review: recommended to review every 2 years.
- Policies must exist in written form and be available to the stakeholders in several different ways.
- GFOA recommended policies:
  - General Fund Balance
  - Debt
  - Operating Budget
  - Economic Development
  - Revenues
  - Reserve in other funds
  - Risk Management
- Communicate and train the employees on the policies.

BUDGETING

OUTCOME BASED-STRATEGIES

RETHINKING BUDGETING TECHNIQUES

Outcome-Based Budgeting

- Breaks down the silos within departments
- Community and Tax-payer involvement which leads to acceptance of the programs
- Fund the Top and impactful programs
- Measure the results by outcomes
- Cross-functional teams from various departments working together for common goals
- Better outcomes year over year

What does Success look like?

- Must have trust across the various stakeholders
- Facts are not enough-must be consensus on what the priorities should be for the County
- Input from all stakeholders, both from the community, the non-profits, Commissioners, and the County Departments
- Be willing to make changes to support Top Initiatives

RESERVE FUND BALANCES

WHAT IS THE RIGHT FUND BALANCE BASED OFF?

1. Minimum of 2 months of Reserves
2. Risk Based Approach based on
   a. Budget Constraints
   b. Economic Downturns
   c. **Debt Management**
   d. **Aging Infrastructure**
   e. **Tech Infrastructure**
      1) Cyber Risks
   f. **Natural Disasters**
      1) Flooding
   g. **Environmental Risks**
      1) Landfill

Risk based continued

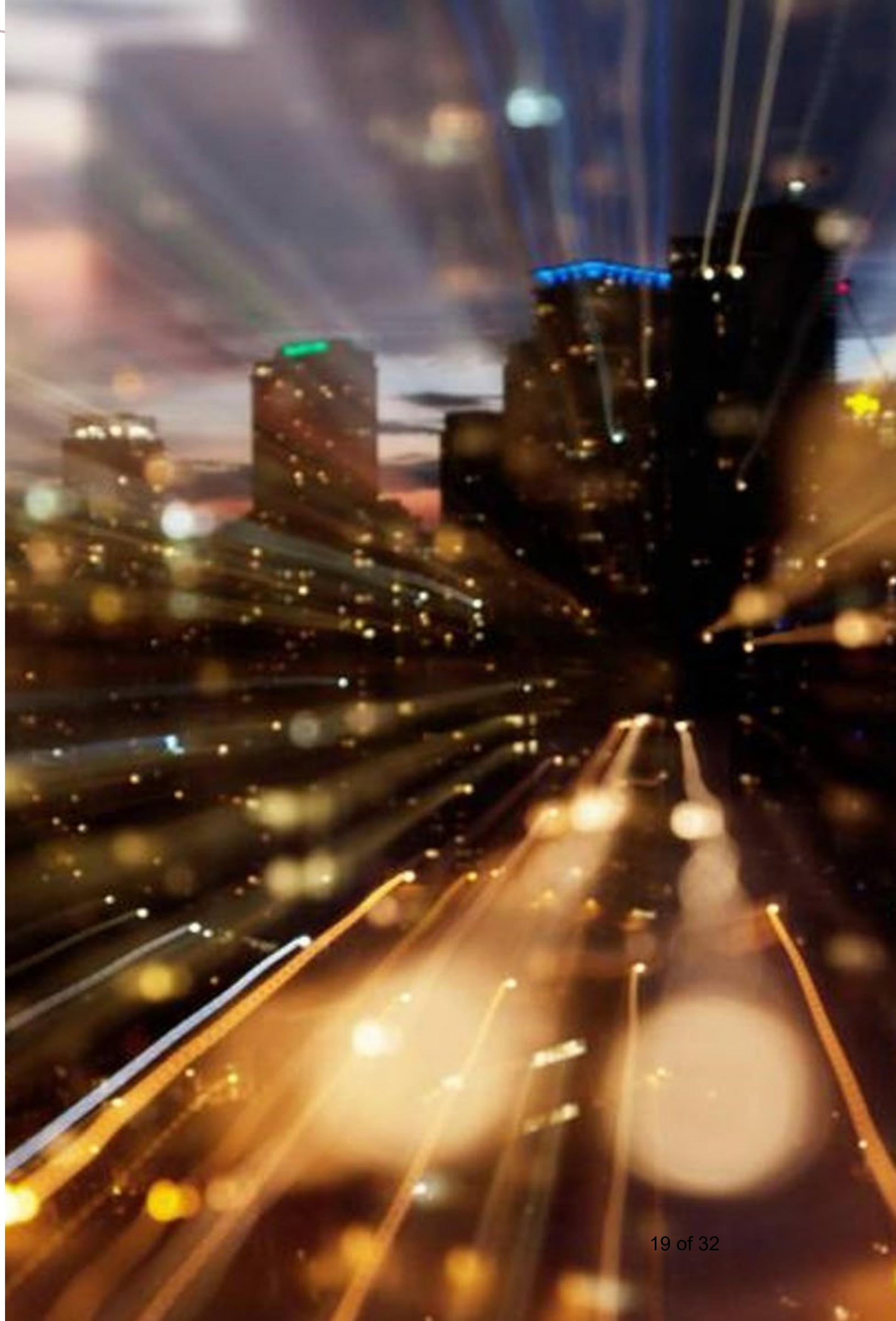
   h. Social changes
   i. Social unrest
   j. **Workforce Challenges**
   k. **Succession Planning**
   l. **Ethical & Legal Compliance**
   m. **Transparency & Accountability**
   n. Intergovernmental Relations
   o. **Public-Private Partnerships**

RESERVE USAGE

- Multiple reserves can be identified for Emergency Situations

1. **Fleet**
2. Protests
3. **Taxing**
4. **Financing Debt Service**
5. Economic Incentives
6. **Workers Compensation/Benefits**
7. **Capital Rehabilitation**

RESERVE POLICIES ARE CRITICAL



HOW TO DETERMINE RESERVES

1. Quantitative with a Single Number
    1. Recession Risks
    2. History to Analyze Estimate
2. Qualitative Chance Based
    1. Used by Insurance Companies
    2. Not a single number

BUSINESS PROCESS IMPROVEMENT

THE BASICS

- Streamlining annual processes
- Identify issues in existing process and workload, create a space for change and improvement between departments, apply sustainable actions
- Time management
- Paper process to electronic
- Applying Ownership across departments
- Department ownership from start to finish, cross collaboration between departments
- Increase transparency and collaboration
- Keep the end user in mind – Listen to suggestions-Be flexible with your own process-evaluate your process annually = business process improvement

PROCUREMENT FUNCTION

BUILDING THE FUNCTION

- Engage people and add oversight internally and externally
- Small steps to Best Practices
- Show why and how the Procurement function can save the county resources
- Compliance
- Identify the risks of not having a Procurement function
- Cost of 1 FTE vs Cost of hiring a Consultant for each RFP
- Procurement can streamline the process by building trust with the Commissioners and be part of the Consent agenda
- Engagement with the Departments
    - Quarterly meetings to understand Procurement needs
- Building Cohesive Collaboration
- Cooperative Purchasing
- Promotion of SBA programs "Buy Local"
- Strong Contracting with Attorney approvals
- Utilize a software package to reduce costs and build efficiencies
- Vendor Management Performance
- Avoid Protests and Lawsuits

PROCUREMENT FOLLOW-ONS

- Check OIG for suspension or debarment of Contractors
    - Check the online website [Search the Exclusions Database | Office of Inspector General (hhs.gov)]
    - Maintain documentation of search for audit requests
- Confirm all grant expenses are reported properly against grants
- Confirmation prepaid expenses are identified and not reported on SEFA
- Note for Schedule of Expenditures of Federal Award (SEFA):
    - Basis of presentation – Modified Accrual or Cash Basis
    - Summary of significant accounting policies
    - Indirect cost rate
    - Make sure accounting system is tracking expenditures properly
- Major Federal Program(s) (Control and Compliance):
    - Risk based approach
    - Based on current and prior audit experience
    - Inherent Risk
    - Oversight by Federal and pass through Entities

CASHFLOW FORECASTING

WHY THE CASH MATTERS

- Ensure liquidity to pay bills
- Preparation for Unique inflows/outflows
- Optimize Strategic Investments maximizing returns to provide more resources to the County Citizens
- Knowing How much Cash is on hand, When you need Cash, How long it is Available
- Ensure Cash Management aligns with Investment Policies

DISASTER MANAGEMENT

DISASTER MANAGEMENT

- Resilient systems and records
- Planning and budgeting pre-disaster
- Public investment and asset management
- Budget management, control, and reporting during disaster
- Disaster-response procurement
- Disaster – responsive oversight
- Understand procurement rules
- Involve other partners in the community, Cooperative agreements are very helpful, make sure we all have the same play book!

COMPENSATED ABSENCES

GASB101 COMP ABSENCES

- Uniform model for absences of all leave types for Financial Statement Reporting
- Will start Fiscal years beginning 12/15/23
  - RESTATE all prior years
  - RESTATE Cumulative
  - DISCLOSE nature of the change (accounting policy change)
- Need to identify “more likely than not” how much leave will be used before an employee terminates
  - Ensure employment policy is updated
  - Must be on the balance sheet date and with current rate
  - Pooled leave accounts will use the estimated pay rate of eligible participants

THANK YOU