



MBA Audit Committee Meeting Minutes – June 26, 2017

Audit Committee Chair Joan Campbell called to order the meeting of the MBA Audit Committee for June 26, 2017 at 1:00 p.m. MBA Board Chair Margaret Anderson Kelliher and Commissioner Paul Williams were present.

Commissioner Williams moved approval of the agenda, seconded by Chair Anderson Kelliher and approved unanimously – 3 YEAS, 0 NAYS.

APPROVED

MBA Audit Committee Approval of 2018 Operating and Capital Budget

Brenda Juneau, MBA Finance Coordinator, presented the proposed 2018 MBA General Fund budget of \$720,000, a 0.7% decrease from last year's budget. Most of this decrease is reflective of lower costs for contractual services. The budgeted cost for legal services in 2018 is proposed to be slightly higher than 2017, though other areas have seen a decreasing trend. The cost for insurance also decreased after modifications to the policy. The 2018 proposed budget request to Hennepin County shows a Capital Reserve contribution request of \$1,243,000. This amount is an increase of 1.02% from last year's budget. The Capital Reserve Fund revenue consists of investment earnings, tenant rent, and the annual capital contribution from Hennepin County, which is indexed for inflation.

Chair Anderson Kelliher moved to recommend the proposed 2018 MBA General Fund and Capital Reserve Fund Budget, as attached, to the MBA Board for approval at the July 13, 2017 meeting. Commissioner Williams seconded the motion and it was approved unanimously. – 3 YEAS, 0 NAYS.

APPROVED

MBA 2016 Audit Update

Ms. Juneau reported on the status of the 2016 Audit, noting the Audit is on track to be finished in August.

Annual Update – MBA Investment Objectives and Policies – Brenda Juneau, Finance Coordinator

Ms Juneau reviewed investment activity with the Audit Committee. The MBA's investment summary includes investment activity for 2016 through May 31, 2017. (See attached documents.)

There being no further business, Audit Committee Chair Campbell moved to adjourn. The meeting of the MBA Audit Committee for June 26, 2017 was adjourned at 1:15 p.m.

INVESTMENT CASH BALANCES

Hennepin County is the official depository for the MBA. Interest earnings are based on the MBA's monthly cash balance, as related to the entire cash balance of Hennepin County. Interest is earned and allocated separately to the MBA's three funds, the General Fund, the Capital Reserve Fund and the Capital Project Fund.

SUMMARY OF INVESTMENT EARNINGS FOR 2016

2016 Investment Earnings By Fund			
Fund	Investment Income and Realized Gains and Losses	Net Decrease in the Fair Value of Investments	Total Investment Earnings 2016
General	\$ 10,223	\$ (6,020)	\$ 4,203
Capital Reserve	151,493	(101,354)	50,139
Capital Project	85,051	(51,489)	33,562

SUMMARY OF INVESTMENT EARNINGS FOR 2017

2017 Investment Earnings By Fund for period ending 5/31/2017				
Fund	Beginning Year Cash Balance	Investment Earnings for Period Ending 5/31/2017	Inv Fee paid to Hennepin County	Net Investment Earnings 2017
General	\$ 1,080,150	\$ 5,002	\$ 824	\$ 4,178
Capital Reserve	15,006,028	75,774	12,477	63,297
Capital Project	7,305,515	37,340	6,148	31,192