

**SQUAW VALLEY PUBLIC SERVICE DISTRICT**

**FINANCE COMMITTEE MEETING**

**DATE: June 24, 2019**

Call to order at 3:00 P.M.

Public comment – none

**Directors Present:** Directors Fred Ilfeld and Dale Cox

**Attendees:** Jessica Asher, Board Secretary; Brandon Burks, Operations Supervisor; Danielle Grindle, Finance & Administration Manager; Allen Riley, Fire Chief.

Items reviewed by the Committee include the following:

D-1 Operating Account Check Register: Ms. Grindle reviewed the Operating Check Register numbers 47020-47107 and ACH payments. Staff reviewed payments of more than \$800 and provided an explanation of the following payments and a summary of electronic payments (ACH).

Check #	Name	Amount (\$)	Description
47023	L. N. Curtis & Sons	2,747.51	Turnout Gear Replacement- Capital Purchase and 34L Alum Calib Gas
47025	Farr West Engineering	2,282.25	General Consulting Services (1388) and TRSP (893)
47029	MassMutual Retirement Services	5,276.93	457 Payment
47032	Pershing, Attn: Cashiering	246,000.00	5-year CD purchase @ 2.70%
47034	Schneider Electric USA, Inc.	1,184.04	Clear Scada Annual Renewal
47037	A. Teichert & Son, Inc.	838.12	Asphalt Cut Back
47040	AT&T	1,091.03	All Phone Lines- 50/50 Split
47042	John Bergmann	951.85	FD- Defensible Space Notices and Prop 218 Notice- postage .27
47056	Dept of Forestry & Fire Prot.	8,253.39	3rd Qrt Actual- Dispatch Agreement
47059	Scott Halterman	1,422.55	Halterman- Rope Rescue Tech Course Reimb- Hotel, Travel, Course
47060	Hunt & Sons, Inc.	1,307.15	Diesel & Regular Fuel
47061	Jack Henry & Associates, Inc.	830.00	RemitPlus Check Scanner FY19/20 Renewal
47063	Liberty Utilities	4,267.87	May Electric All Locations
47067	National Meter & Automation	2,122.24	Water Meters
47071	Placer Co. Telecommunications	1,915.95	Capital Radio Upgrade Project
47075	Sierra Controls, LLC	1,378.68	East Booster SCADA Repairs + Remote Access SCADA Maintenance
47078	Standard Insurance Company	2,705.72	Dental Insurance
47083	Thatcher Company, Inc.	1,330.64	Caustic Soda Well #5
47084	Thomas S Archer	3,560.00	OMP (2480) Fire Deposition(1080)
47085	Truckee Tahoe Propane	3,131.37	Heating fuel- 305 & 1810 SV Rd.
47087	U.S. Bank Corp Payment System	1,568.66	Geary- 5yr Domain Renewal, Victoria

			Welcome Lunch, Parcel Quest Monthly,365
47094	USA BlueBook	3,538.22	Ice Melt 305 and 1810, Confined Space Winches- Safety, PH Prob
47097	Western Nevada Supply Co.	1,830.90	Pipe for Inventory- Replaces old and used pipe wrt
47101	ESO Solutions, Inc	1,885.00	7/27/19-7/27/20- ESO Software Subscription (Incidents, Prop, Inspection)
47102	Hydro Flow Products, Inc.	2,891.00	Hose Replacement- Capital
47103	MassMutual Retirement Services	5,276.93	457 Payment
47107	Tahoe Truckee Sierra Disposal	61,348.92	4th Qrt Trash Bill

Director Ilfeld asked about CWEA. Mr. Burks responded it is the California Water Environment Association which oversees certifications related to our sewer collection services.

Ms. Grindle reviewed exhibits D-2 through D-6:

D-2 Operations Enterprise Fund, Revenue vs. Expenditure/Balance Sheet

The statement shows 92% of the year has elapsed. Revenue is at 102% of the budget and expenditures are at 90% of the budget. When compared to the prior year at this time, the District's net surplus is \$237,000 lower.

Director Ilfeld asked if Ms. Grindle had concerns regarding the budgeting process given the budget surplus. Ms. Grindle responded that she was not concerned. There is approximately 10% of the budget year remaining which will decrease the surplus (there will be additional expenses, however most revenue is collected at the beginning of the year.) Chief Riley added that some large budget items were deferred.

Squaw Valley Ski Holdings had been delinquent in rent checks and Station 22 reimbursements at the time of publishing the report; but has since paid all accounts.

The CalPERS unfunded accrued liability (UAL) should decrease due to pre-payment and CalPERS' recent rates of return for their investments.

D-3 Fire Government Fund, Revenue vs. Expenditure/Balance Sheet

The statement shows 92% of the year has elapsed. Revenue is at 104% of the budget and expenditures are at 98% of the budget. Compared to last year at this time, the District's net surplus is \$374,000 less, primarily due to making additional payments to CalPERS.

Ms. Grindle said the Fire Department did not need the \$130,000 loan that was budgeted.

D-4 Capital Reserve Fund Balance Sheet/Income Statement

The income statement shows 92% of the year has elapsed. Revenue is at 100% and expenditures are at 92%. Revenue received year to date is primarily connection fees and tax revenue from Placer County.

Excess tax revenue will fund the Olympic Meadow Preserve project expenses and will be allocated to fixed asset replacement funds (FARFs).

D-5 Combined Revenues/Expenditures/Balance Sheet

This report is for internal use only as a tool but is not intended to be an audited financial report. The report captures the District's position as a whole including enterprise funds (Operations/Administration Dept.), governmental operations (Fire Dept.), and Capital Reserves. The statement shows 92% of the year has elapsed, revenue is at 107% and expenditures are at 94%.

D-6 Fund Balance Statement

The statement shows the highest yielding funds are Pro Equities Certificate of Deposit #2 at 3.10% and the Pro Equities Certificate of Deposit #1 is at 2.40%.

Director Cox asked if any checking accounts make interest. Ms. Grindle said she isn't aware of any but could confirm, Director Cox replied that wasn't necessary. Director Cox asked if the District could pay any more of the fund balance towards CalPERS. Ms. Grindle responded the District is paying the UAL as much as possible while balancing the need to fund capital projects and meet the District's reserve policy.

Ms. Grindle reviewed the following payments:

D-7 Tahoe Truckee Sierra Disposal Company (TTSD) Payment – 4<sup>th</sup> Quarter

The fourth quarter payment to TTSD is based on current records there are 986 residential dwelling units amounting to payment of \$61,348.92 for the period of April – June 2019. The 986 residents (some with multiple units on the property) do not include commercial properties or other housing units that contract with TTSD directly.

D-8 CalPERS Annual Lump Sum Payment of the Employer Unfunded Liability

The 2019-2020 Employer Unfunded Liability Payment for the safety plan is \$187,899. The payment for the miscellaneous plan is \$165,302.

Ms. Grindle reviewed the following progress payment:

D-9 Progress Payment – CPS HR Consulting – Personnel Policies

Mr. Burks reviewed the following progress payments:

D-10 Progress Payment – Farr West Engineering – Truckee River Siphon Inspection

D-11 Progress Payment – Farr West Engineering – Truckee River Siphon Inspection

D-12 Progress Payment – Farr West Engineering – Resort at Squaw Creek - Phase II Inspection

D-13 Progress Payment – Stantec – Truckee River Siphon

F-2 FY 2019-2020 Budget and FY 2019-2020 Rates & Charges and Employee Salary Schedules

Ms. Grindle reviewed the item F-2, F2A and F2B. Item F-2 is the 2<sup>nd</sup> PUBLIC HEARING to Approve FY 2019-2020 Budget, FY 2019-2020 Rates and Charges and Employee Salary Schedules. Item F-2A includes adoption of Resolution 2019-14, approving the budget and rates and charges for FY 2019-2020 and item F-2B included adoption of Resolution 2019-15 approving salary schedules for FY 2019-2020.

Item F-2 includes District financial policies, a budget narrative, general and departmental budgets, cost of service analysis and capital improvement fund. The proposed budget was prepared with a focus on

establishing adequate reserves of the District's Fixed Asset Replacement Funds (FARFs) and incorporates paying down the District's Safety Group's CalPERS' unfunded accrued pension liability (UAL).

The District receives two property tax allocations from Placer County. The FY19-20 budget is anticipating a 0.93% increase in ad valorem tax revenue, which is approximately \$3,561,000. This is considered to be conservative and uses the 2018-19 Placer County assessed property tax multiplied by the 2019-20 California CPI, and then multiplied again by the Adjusted Gross Levy percentage of each of our funds. In September, Placer County will issue a letter estimating the ad valorem tax revenues for FY19-20.

All tax revenue is placed into the General Fund and distributed into operating and capital accounts as necessary. The Fire Department is mostly sustained by these property taxes. Ad valorem tax revenue not initially distributed to the Fire Department is allocated to support utility and fire operations, pay off debt, and fund fixed asset replacements. This year, funding the Fire FARF is necessary due to the recent purchases of new Type I and Type III engines, replacement of aging assets, and paying down the CalPERS unfunded accrued liability. A minimal amount will be allocated to the Utility Department to provide initial support for Parks services. These expenses will be reimbursed to the General Fund if the proposed bond measure is approved by voters in November 2019.

In FY16-17 the District issued a 5-year Proposition 218 notice. For the FY19-20 year a Prop 218 notice was not reissued, and the budget is set for a 4% increase to water rates, 5% increase to sewer rates, and 3% increase for garbage rates. Total rate revenue is budgeted to be \$3,702,000

Ms. Grindle reviewed the changes from the first public hearing regarding the budget, including: allocation of \$20,000 of tax revenue to the Parks Department, finalizing salaries, and increasing the Truckee River Siphon project budget due to rising construction costs. The budget to replace two equipment items with non-compliant emissions however, the District will try to defer replacement due to very limited use of the equipment. Funds were also added for design and permitting of the PlumpJack well, construction would likely occur in FY 2020-2021. Other major projects and consulting fees include updating the five-year strategic plan, the personnel policy, and the District's accounting software. Chief Riley reviewed the Fire Department's capital improvement plan. Mr. Burks reviewed the Operations Department's capital improvement plan.

Ms. Grindle stated that the reserve balance is low and as required by the District's reserve policy a memo was filed internally.

Salaries were revised based the Cost-of-Living-Adjustment (COLA) and/or a salary survey depending on department resulting in an additional \$3,500 cost per month. Mr. Burks noted that there were no applicants for the Operations 1/Trainee position from other Districts. Chief Riley added that if Truckee removes part-time fire fighters as anticipated, Squaw Valley will be the only remaining Department with part-timer fire fighters.

### F-3 Ordinance 2019-01 – Revise District Codes by Adoption of Rates and Charges

Ms. Grindle reviewed the item which will codify the rates and charges by adoption of Ordinance 2019-01. There are no changes to connection fees.

F-4 PUBLIC HEARING: Request Placer County to Collect Delinquent Charges.

Ms. Grindle reviewed the item. At the time of the meeting there were 22 delinquent accounts amounting to \$33,979.30.

No further business coming before the Finance Committee, the meeting was adjourned at 4:48 P.M.

By, JA/DG