

SQUAW VALLEY PUBLIC SERVICE DISTRICT

FINANCE COMMITTEE MEETING

DATE: May 26, 2016

Call to order at 3:15 P.M.

Public comment – none

Attendees: Director Eric Poulsen; Director Bill Hudson; Mike Geary, General Manager; Kathy Obayashi-Bartsch, Secretary to the Board; Pete Bansen, Fire Chief; Danielle Grindle, Finance & Administration Manager and David Stepner.

B-8 Squaw Valley Mutual Water Company: David Stepner provided a review of proposed rates and rate structures for the Squaw Valley Mutual Water Company. This structure is to go into effect starting January 1st, 2017. There is a discrepancy between the water produced from the wells and what is being used by the property owners, so there is a leak in the system that is being tracked.

D-1 Operating Account Check Register: Ms. Grindle reviewed the Operating Check Register numbers 43656 - 43742 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). There was also discussion of some payments less than \$800 that were of interest to the Committee members.

Check Payments:

- 43657 Mass Mutual Retirement – deferred compensation withholding
- 43662 Dept of Forestry & Fire Protection – dispatch contract for January- March
- 43663 ESO Solutions – renew patient care reporting software subscription
- 43671 Angela Costamagna – cleaning service
- 43572 Thomas Archer – legal service including Board meeting packet, Resort @ Squaw Creek, Fire MOU, easements & SVRE
- 43574 AT&T – office phone service & internet
- 43676 Bank Card Center – lunches, park reservation fee for retirement event, Office 365 subscription, domain name registration, notary training & commission renewal, accounting webinar
- 43678 Courson Equipment – shore wacker & carburetor
- 43681 Hunt & Sons – unleaded & diesel fuel
- 43682 Liberty Utilities – electricity for all facilities, wells & pumps
- 43691 Standard Insurance – dental insurance
- 43692 Stanley Trumbull – IT service
- 43712 Farr West Engineering – modify tasks & as-builts for VueWorks
- 43716 Hartford – long term disability insurance
- 43717 Hunt & Sons – vehicle fuel
- 43718 HydroMetrics – QRR report, data collection & Maximum Water Supply Analyses
- 43722 Mark Bechdolt – 2016 Sewer TV Inspection
- 43726 Schneider Electric – annual SCADA service & support
- 43727 Sierra Chemical – caustic soda
- 43732 Truckee Tahoe Propane – heating fuel
- 43734 USPS – postage for meter

Mr. Geary said there will be a reimbursement from Sierra Chemical due to a delivery of caustic soda which was the wrong concentration. To correct the problem, there were staff expenses and Sierra Chemical agreed to reimburse the District for this costs.

Ms. Grindle reviewed exhibits D-2 through D-10.

D-2 Operations Enterprise Fund

The statement shows 83% of the year has elapsed. Expenditures are running at 84.9% of the annualized budget. Although expenditures are over budget, year to date revenues are greater than anticipated. This will allow for a greater contribution to our FARFs at year end.

D-3 Fire Government Fund

The statement shows 83% of the year has elapsed. Expenditures are running at 85.4% of the annualized budget. Although expenditures are over budget, year to date revenues are greater than anticipated. The District has been fully reimbursed for strike team expenses.

D-4 Fund Balance Statement

The statement shows the highest yielding funds are Placer County Funds (#541-003 and #541-435) at 1.32% which is lower than last month's yield at 1.44%. This is where we keep the majority of our fund balances.

D-5 Capital Reserve Fund Balance Sheet/Income Statement

The income statement shows 83% of the year has elapsed. Expenditures are running at 84.5%. March, 2015 was the first time we starting allocating revenue to the Fire Department making the year over year comparison more accurate. We received our 2nd tax revenue payment in April which increased our income compared to prior month. This was offset by a transfer to our operating funds to cover daily operating needs.

D-6 Bike Trail Snow Removal Expenditure vs. Revenue

The statement shows that 100% of the budget year has elapsed. Total expenditures are at 43% which includes the snow blower payment for the year. The anticipated remaining balance is \$18,881 which will increase reserves to \$52,831. The goal is to have one year of operating expenses on hand in the reserves account, or approximately \$102,000. Squaw Valley Resort contributed an additional \$5,000 after the allocations were complete so these funds were put into the reserve account. We still need a few years to determine what a normal snow year will be in terms of the snow removal project, as such, the budget will be set similarly next year.

Payments: Mr. Geary reviewed the following payments with the Committee:

- D-7 City National Bank – Loan Payment for Administrative/Fire Station Property
- D-8 Progress Payment – Mountain Pipeline – Sewer TVI Project
- D-9 Progress Payment – HydroMetrics WRI – OVGMP Quinquennial Review/Report
- D-10 Progress Payment – HydroMetrics WRI – Maximum Water Supply Analyses

Other items reviewed by the Committee included:

- F-1 1st Public Hearing to Review FY16-17 Budget, Rates and Charges

Ms. Grindle reviewed the item. The proposed rates to support this budget include a 10% increase to water, 8% increase to sewer and a 2% increase to garbage. The Committee determined that the budget and rates should be based on a 10% increase to water, 6% increase to sewer, and a 2% increase to garbage.

Director Poulsen expressed concern with the increase to the consulting budget. Mr. Geary said historically studies such as Master Plans were capitalized but the auditor advised these expenses should be expensed unless it results in a tangible asset. There was also concern that 1/3 of the administration salaries are now being recorded to the Fire Department. We discussed that this allocation was to more accurately reflect salary expenses across each department where Administration spends their time, not for purposes of rate setting.

F-2 Introduce Ordinance 2016-01 Adopting Rates & Charges and Revised District Codes

Ms. Grindle reviewed the item. This item will be updated to reflect rates including a 10% increase to water, 6% increase to sewer and a 2% increase to garbage.

F-3 PUBLIC HEARING to Establish Appropriation Limits for Funds #541-003 and #541-435

Ms. Grindle reviewed the item.

- A. Adopt Resolution 2016-05, establishing an Appropriations Limit for Fund #541-003 for FY 2016-17 in the amount of \$1,430,899.
- B. Adopt Resolution 2016-06, establishing an Appropriations Limit for Fund #541-435 for FY 2016-17 in the amount of \$4,665,988.

F-8 Board Member Benefits

Mr. Geary reviewed the item. The Committee reviewed the item and recommended approval to the full Board that each Board member is entitled to out-of-pocket medical reimbursements up to \$6,000 per year.

F-12 McClintock Accountancy – Auditing Services – Additional Services Addendum #1 (ASA)

Mr. Geary reviewed the item and recommended approval to the full Board that our contract for auditing services will be renewed for one more year.

F-13 Gibson & Company – Accounting Services – Additional Services Addendum #1 (ASA)

Mr. Geary reviewed the item and recommended approval to the full Board that we approve the overages from our fiscal year 2015 financial compilation due to GASB 68 as well as staff turn-over. He also recommended approval that our contract for services be renewed for one more year with the intention that the Finance Manager will take over compiling the financials starting in FY2017.

No further business coming before the Finance Committee, the meeting was adjourned at 6:15 P.M.

By, K.O. Bartsch