

SQUAW VALLEY PUBLIC SERVICE DISTRICT

FINANCE COMMITTEE MEETING

DATE: June 26, 2018

Call to order at 3:30 P.M.

Public comment – none

Attendees: Directors Eric Poulsen and Fred Ilfeld, Kathryn Obayashi-Bartsch, Secretary to the Board; Danielle Grindle, Finance & Administration Manager; Jessica Grunst, Account Clerk II/HR Specialist; Brandon Burks, Operations Superintendent; Allen Riley, Fire Chief, David Stepner and John Johnson.

Public Comment –

David Stepner said according to the budget narrative, a portion of property tax that the District receives goes to offset water operations and rates. The taxes are borne by all property owners including the Mutual Water Company customers and in my mind this is unfair. Mutual Water Company customers pay taxes but the Mutual Water Company does not receive any of this tax revenue. The Mutual Water Company may also seek tax revenues for their operations which may be a consideration for the District. Suggestions include a return of a proportional amount, allocate to Parks & Recreation operations or to offset the current contract for operations and maintenance.

Director Poulsen said he has discussed this issue with Mr. Geary and there is the potential that funds may be used to fund a Fixed Asset Fund. Parks and Recreation is a new area of discussion for the Board and there are currently no definitive plans for providing Parks and Recreation. There is also the option of using the taxes for sewer operations and rates which all Mutual Water Company customers are subject to.

Mr. Burks said there are aquifer studies and state requirements that benefit all property owners.

Items reviewed by the Committee include the following:

D-1 Operating Account Check Register: Ms. Grunst reviewed the Operating Check Register numbers 45962-46070 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:

45962 Alfred & Susanne Detwiler – dba Truckee Automotive, Ford F250 truck repair

45963 Andregg – Truckee River Siphon project

45965 Bank Card Center – AutoCAD renewal, accounting/audit class registration, Microsoft 365 subscription, LCW training lunch

45966 Bank Card Center –hand tools, drill set, eye wash kit, CWEA training parking & lunch

45971 LN Curtis – turnout replacements and freight for fire foam

45973 David Weyand – dba DNS Customer Covers, hose bed flaps

45974 Farr West Engineering – general services, CAD training, Sewer Manhole inspection & Truckee River Siphon

45975 Hunt & Sons – diesel & unleaded fuel

45977 Liberty Utilities – electricity for all facilities, pumps, wells

45980 Mass Mutual Retirement – deferred compensation withholding

- 45988 Purcell Tire – R21 valve stems, tires & mount
- 45991 Stantec Consulting – Truckee River Siphon
- 45994 Tahoe City Electric – light replacements and ballasts at 305 Squaw Valley Rd. facility
- 45995 Thatcher Company – caustic soda
- 45999 Mike Wright – mileage reimbursement for the District’s newest full-time Firefighter
- 46000 Squaw Valley Property Owners Association – refund of bike trail reserve fund
- 46001 Accela – accounting software renewal
- 46011 Kurt Gooding – reimbursement for rope rescue class, hotels & meals
- 46013 Hartline Construction – fire department kitchen work for new oven
- 46014 Jack Henry & Associates – check scanner annual subscription
- 46016 Thomas Archer – general legal services & billable work for Resort @ Squaw Creek & PlumpJack Well
- 46017 Mass Mutual Retirement – deferred compensation withholding
- 46025 Special District Risk – annual payment for worker’s compensation, property & liability insurance
- 46027 Standard Insurance – dental insurance
- 46028 Tahoe Forest Health – health & fitness testing for some Operations staff and Junior Engineer
- 46031 Truckee Tahoe Propane –heating fuel
- 46037 Bank Card Center – household items, IPAD case, Ford Explorer tire change & staff meeting snacks & supplies
- 46047 DCS Testing & Equipment – fire hose testing
- 46050 Hunt & Sons – diesel & unleaded fuel
- 46051 KME Fire Apparatus – E-21 windshield replacement
- 46053 Liberty Utilities – electricity for all facilities, wells, pumps
- 46054 Life Assist – EMS supplies
- 46055 Mass Mutual Retirement – deferred compensation withholding
- 46062 Resort @ Squaw Creek – refund of bike trail reserve fund
- 46065 Squaw Valley Business Association – refund of bike trail reserve fund
- 46066 Squaw Valley Resort – refund of bike trail reserve fund
- 46068 Tahoe Forest Health – part-time firefighters fitness testing
- 46069 Tahoe Truckee Community Foundation – Mountain Housing Council annual installment

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

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

The statement shows 91.7% of the year has elapsed. Revenue is at 100% of the budget and expenditures are at 85.6% of the budget. When compared to the prior year at this time, the District’s net surplus is \$175,000 greater. Revenue is at \$3.7 million, which is an increase from the prior year by \$235,000 due primarily to rate increases offset by less tax revenue allocated to the water department.

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

The statement shows 91.7% of the year has elapsed. Revenue is at 104.3% of the budget and expenditures are at 98.8% of the budget. Compared to last year at this time, the District’s net surplus is \$91,000 greater.

D-4 Capital Reserve Fund Balance Sheet/Income Statement

The income statement shows 91.7% of the year has elapsed. Revenue is at 96.5% and expenditures are at 91.5%.

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.) and governmental operations (Fire Dept.). The statement shows 91.7% of the year has elapsed and expenditures are at 92.4%.

D-6 Fund Balance Statement

The statement shows the highest yielding funds are ProEquities Certificate of Deposit #2 at 3.10% and the ProEquities Certificate of Deposit #1 is at 2.40%. The Placer County Funds (#541-003 and #541-435) are at 2.01% which is greater than last month's rate of 1.92%.

Payments: Ms. Grindle and Mr. Burks reviewed the following payments with the Committee:

- D-7 TTSD Quarterly Garbage Payment
- D-8 CalPERS Annual Lump Sum Payment for Classic member plans
- D-9 Progress Payment – Farr West Engineering – Truckee River Siphon
- D-10 Progress Payment – Farr West Engineering – Sewer Manhole Assessment
- D-11 Progress Payment – Andregg – Truckee River Siphon

Ms. Grindle reviewed item F-1, F1A and F1B. Item F-1 is the 2nd PUBLIC HEARING to Approve FY 2018-2019 Budget, FY 2018-2019 Rates and Charges and Employee Salary Schedules. Item F-1A includes adoption of Resolution 2018-11, approving the budget and rates and charges for FY 2018-2019 and item F-1B included adoption of Resolution 2018-12 approving salary schedules for FY 2018-2019.

Item F-1 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) with funds from the Sewer Fixed Asset Replacement Fund (FARF). For FY 2018-2019, a loan of \$135,000 is factored into the budget.

The District receives two property tax allocations from Placer County. The FY 2018-2019 budget is based on a 0.96% increase in ad valorem tax revenue, which is approximately \$3,530,000. This is considered to be conservative and uses the FY 2017-2018 Placer County assessed property tax multiplied by the FY 2018-2019 California Consumer Price Index, 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 estimated for FY 2018-2019.

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 property tax distributions. This year there will be a focus with ad valorem revenue to replenish the Fire fixed asset replacement funds, whose balances need to be increased after the purchase of a new Type I and a new Type III engine, as well as support replacement of other aging assets and to pay off the CalPERS unfunded accrued liability.

In response to the Rate Study and the five-year Proposition 218 notice, staff is proposing rate increases as a funding mechanism for the FARFs. This equates to a four percent increase in rates for water, five percent increase in rates for sewer, and two percent increase in rates for garbage. The Proposition 218

notice allowed for a three percent increase in garbage rates. Total rate revenue is budgeted to be \$3,465,000. The only changes to the budget from the last budget draft include Mr. Geary's salary which was not finalized until last month with his employment contract and the addition of a \$10,000 project to update the Personnel Manual.

Ms. Grindle reviewed item F-2, 1st PUBLIC HEARING to Introduce Ordinance 2018-02 – Adopting Rates & Charges and Revised District Codes. This item will codify the rates, charges and relevant District Codes by adoption of Ordinance 2018-02.

Ms. Grindle reviewed item F-3, Public Hearing to Request Placer County to Collect Delinquent Charges by adoption of Resolution 2018-13. At the time of the meeting we have 18 delinquent accounts amounting to \$26,894.

No further business coming before the Finance Committee, the meeting was adjourned at 5:10 P.M.

By, KOB/DG