

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
FINANCE COMMITTEE MEETING
DATE: November 28, 2016**

Call to order at 3:05 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; Jessica Grunst, Account Clerk II/HR Specialist ; Brandon Burks, Operations Superintendent; Kendall Galka and Bob McClintock of McClintock Accountancy.

F-2 Audit Report for Fiscal Year 2015-16.

Ms. Galka and Mr. McClintock reviewed the audit report for FY 2015-16. The firm prepared the audit report and a summary report to the Board of Directors summarizing the Financial Statements and Audit Report for the year ending June 30, 2016. They did not identify any deficiencies of internal control considered to be material weaknesses.

Ms. Galka and Mr. McClintock discussed the impact of a new accounting pronouncement; Governmental Accounting Standards Board (GASB) Statement 68. The most important impact of Statement 68 is that the employers are required to report the net pension liability in their accrual based financial statements. The provisions in Statement 68 are effective for fiscal years beginning after June 15, 2015. In the past, the pension liability was disclosed in the report notes but not in the figures presented in the report.

The adoption of GASB Statement 68 requires employers providing governmental pension plans to provide additional reporting requirements of the net pension liability on its financial statements.

Financial highlights include the following:

- Total current assets exceeded total liabilities by \$903,000. This is an increase of FY2015 current assets exceeding total liabilities by \$257,000. This is due to cash and investments increasing offset by an increase in Net Pension Liability.
- In the second year of GASB 68 implementation, the District's Net Pension liability was recorded at \$3,796,000 (\$1,979,000 for Fire and \$1,817,000 for Utility). This is an increase of \$697,000 from the prior year.
- Total net position increased by \$627,000 this year, primarily due to higher than anticipated ad valorem taxes received, reducing the balance of land and building loans, offset by an increase in our net pension liability.
- Of the total net position, \$1,099,000 is restricted and must be used only for specific purposes, \$3,982,000 is unrestricted and available for replacement of fixed assets, and \$2,185,000 is unrestricted but dedicated to future obligations.
- Water rates from FY2015 increased by 12% and sewer rates from FY2015 increased by 8%.
- Property tax revenues increased this year by \$282,000 from FY2015, or about 9%.

D-1 Operating Account Check Register: Ms. Grindle reviewed the Operating Check Register numbers 44208-44309 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 also was discussion of some payments less than \$800 that were of interest to the Committee members.

Check Payments:

44210 Alsea Geospatial –incident view software annual subscription, maps & setup for Fire Dept.
44214 Ben Hoffman – VueWorks engineering service consulting
44217 Angela Costamagna – cleaning service
44218 LN Curtis – turnout gear & wildland gloves
44220 Dept of Forestry – quarterly CalFire dispatch payment
44221 Gibson & Co – accounting service
44224 Hunt & Sons – unleaded & diesel fuel
44225 Thomas Archer – legal service for Board meeting review, lease review, PlumpJack, Resort @ Squaw Creek, Squaw Valley Real Estate
44226 Liberty Utilities – electricity for facilities, wells & pumps
44234 Stanley Trumbull – IT service
44240 Timothy Buxton/BNL Backflow – backflow testing
44245 Mass Mutual Retirement – deferred compensation withholding
44248 Standard Insurance Co – dental insurance
44251 Dale Cox – payroll & medical expense reimbursement
44252 Carl Gustafson – payroll & medical expense reimbursement
44253 Eric Poulsen – payroll & medical expense reimbursement
44256 BankCard Center – Fire Dept. credit card charges
44259 CA Special Districts – annual membership
44260 Capital Elevator – elevator repair
44263 Creekside Charter –security deposit for property lease
44266 Chris DeDeo – reimbursement for Fire house mattresses
44274 Farr West Engineering – CCTV sewer video for VueWorks
44275 First Tactical – Fire Dept. uniforms
44376 Flyers Energy – vehicle maintenance
44285 Mass Mutual Retirement – deferred compensation withholding
44286 McClintock Accountancy – financial audit service
44287 Kristopher McCollum – Fire vehicle repair & maintenance
44288 National Fire Protection Association – annual renewal of Fire Code
44298 Allen Riley – reimbursement for EMT certification and training
44301 Sierra Controls – SCADA system improvements
44307 Tahoe Truckee Propane – heating fuel for facilities
44308 Stanley Trumbull – IT service

Ms. Grindle reviewed exhibits D-2 through D-5.

D-2 Operations Enterprise Fund, Revenue vs. Expenditure

The statement shows 33.3% of the year has elapsed. Revenue is at 88.1% of the annualized budget and expenditures are at 31.6% of the budget.

D-3 Fire Government Fund, Revenue vs. Expenditure

The statement shows 33.3% of the year has elapsed. Revenue is at 39.8% of the annualized budget and expenditures are at 30.5% of the budget.

D-4 Fund Balance Statement

The statement shows the highest yielding funds are Placer County Funds (#541-003 and #541-435) at 1.45% which is lower than last month at 1.5%.

D-5 Capital Reserve Fund Balance Sheet/Income Statement

The income statement shows that 33% of the year has elapsed and expenditures are running at 32.6%.

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

- D-6 Progress Payment – McClintock Accountancy – Financial Audit
- D-7 Progress Payment – Gibson & Company – End of Year Financial Statement
- D-8 Progress Payment – Farr West Engineering – Sewer Master Plan
- D-9 Progress Payment – Interflow Hydrology – Water Management Action Plan

The Committee also reviewed the following items:

F-6 Accounting Services - Gibson & Company Additional Services Addendum (ASA) #2.
Additional work was needed to prepare the Annual Financial Statement and resulted in an additional \$2,000 charge.

F-7 Grant Contract with North Lake Tahoe Resort Association (NLTRA) for Bike Trail Snow Removal.

No further business coming before the Finance Committee, the meeting adjourned at 4:45 P.M.

By, KOB