

SQUAW VALLEY PUBLIC SERVICE DISTRICT

FINANCE COMMITTEE MEETING

DATE: December 15, 2014

Call to order at 3:00 P.M.

Public comment – none

Attendees: Directors Eric Poulsen and Brian Sheehan; Mike Geary, General Manager; Kathy Obayashi-Bartsch, Secretary to the Board; Pete Bansen, Fire Chief ;Tom Campbell, Finance and Administration Manager, Robert McClintock (McClintock Accountancy) and Kendall Galka (McClintock Accountancy).

F-1 Audit Report FY13-14:

Mr. McClintock and Ms. Galka provided a review of the audit report. The audit report is McClintock's and the financial statement is management's. The committee discussed the end of the year financial statement (year-end closing) prepared by Gibson Accounting and appropriate fund allocation, including clear and transparent reporting of these items.

Director Poulsen asked if depreciation of assets should be included in the District's budgeting. Mr. McClintock said this is a complicated issue in governmental accounting. In the District's capital planning, make the distinction between depreciation and replacement costs or capital replacement costs accordingly in rate setting efforts. It is acceptable to budget for depreciation and replacement costs as long as both figures are not used to set rates.

Ms. Galka said reconciliation of balance sheets is recommended. Mr. Campbell said cash reconciliations have been performed monthly but some accounts such as prepaid expenses were not reconciled in the past on a monthly basis. These reconciliations are being performed now and will minimize adjustments needed at the close of the fiscal year (Period 13).

Director Poulsen asked what the impact of GASB 68 will be to the District. Mr. McClintock said the pension (future liability) will move from the notes section to the Balance Sheet. This may result in many agencies operating at a deficit. Staff discussed possible best practices to adequately prepare and forecast for this accounting change to mitigate any adverse budgetary impact in the upcoming 2015-16 fiscal year. Vacation liability is an estimate by what will be used but the personnel policy has a vacation leave accrual cap to minimize excessive leave accrual.

Director Poulsen asked for clarification on the last paragraph on page 5 of the Management Discussion and Analysis, which states that revenues increased 9.1% but offset by 9.7% increase in expenditures. Mr. Campbell said this is the result of several items and not materially attributable to any single item or event.

D-1 Operating Account Check Register: Mr. Campbell reviewed the Operating Check Register numbers 42124 –42201 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:

42124 Mass Mutual Retirement – deferred compensation withholding

42132 Standard Insurance Company – dental insurance

- 42133 State Water Resources Control Board (SWRCB) – annual sanitary sewer system fee
- 42134 United States Postal Service – postage
- 42137 Bank Card Center – EMS supplies, shift calendars, network adaptor, receiver hitch, tires for Chief's vehicle, Santa event supplies
- 42139 Burtons Fire – Engine 21 repairs
- 42140 Dept of Forestry & Fire Protection – dispatch service for July-September 2014
- 42141 Donnoe & Associates – fire engineer tests
- 42160 California Special Districts – annual membership
- 42163 Angela Costamagna – cleaning services
- 42167 Hunt & Sons – unleaded & diesel fuel
- 42168 Thomas Archer – legal services
- 42169 Liberty Utilities – electricity for facilities
- 42171 McClintock Accountancy – audit services
- 42180 Silver State Elevator Company – monthly maintenance fee and elevator door repair
- 42185 Truckee Tahoe Propane – heating fuel
- 42191 City National Bank – payment for land loan – 305 Squaw Valley Road
- 42192 Farr West Engineering – progress payments for Village @ Squaw Valley sewer capacity study, water hydraulic study and master plan review, Redundant Water Supply Preferred Alternative water supply evaluation and VueWorks support
- 42194 Holdrege & Kull – Aspens Sewer realignment project earthwork observation and materials testing
- 42195 HydroMetrics WRI – Creek Aquifer Interaction Study final report
- 42197 Special District Risk – worker's compensation premium
- 42198 Tahoe Truckee Sierra Disposal – quarterly (October-December 2014) garbage service payment
- 42200 USA Blue Book – tripod with pulley and case
- 42201 Wondries Fleet Group – Ford F-150 truck (utilities dept.)

Mr. Campbell provided a revised set of finance exhibits for D-2, D-3, and D-5 including Balance Sheets. Once the report formatting is finalized, the new reports will replace old reports D-2, D-3 and D-5.

D-2 Operations Enterprise Fund: Mr. Campbell said the statement for the current fiscal year shows 41.7% of the year has elapsed and expenditures without depreciation are running at 35.9% of the annualized budget, or 5.8% favorable..

D-3 Fire Government Fund: Mr. Campbell said the Fire statement for the current fiscal year shows 41.7% of the year has elapsed and expenditures without depreciation are running at 40% of the annualized budget, or 1.7% favorable.

D-4 Fund Balance Sheet: Mr. Campbell reviewed the fund balance sheet. The Placer County Investments and Tax Revenue accounts were not reconciled, as final November statements were not provided by the deadline to complete the December financial packages resulting from the accelerated Board meeting schedule, and currently reflects the reconciled balance for October 31, 2014. Actual Interest Revenue through December from these accounts will be fully recognized in the December financial statements.

D-5 Capital Reserve Balance Sheet: Mr. Campbell reviewed the fund balances with the Committee.

Mr. Campbell provided a Consolidated Revenues & Expenditures, Consolidated Balance Sheet, and Consolidated Statement of Cash Flow reports. These reports are for internal use only as financial tracking tools.

Payments:

D-6 2nd Quarter Tahoe Truckee Sanitation District Payment: Mr. Campbell reviewed the item.

D-7 Progress Payment – HydroMetrics – Stream Aquifer Study Phase II: Mr. Campbell reviewed the item. This expense will be reimbursed by Squaw Valley Real Estate (SVRE) with a 10% administration charge.

D-8 Progress Payment – Farr West Engineering – Redundant Water Supply: Mr. Campbell reviewed the item.

D-9 Progress Payment – Farr West Engineering – VueWorks: Mr. Campbell reviewed the item.

D-10 Progress Payment – Farr West Engineering – Village @ Squaw Project – Sewer: Mr. Campbell reviewed the item. This expense will be reimbursed by Squaw Valley Real Estate (SVRE) with a 10% administration charge.

D-11 Progress Payment – Farr West Engineering – Village @ Squaw Project – Water: Mr. Campbell reviewed the item. This expense will be reimbursed by Squaw Valley Real Estate (SVRE) with a 10% administration charge.

Other Business:

F-2 Budget Amendment 2013-14

A: Annual Fixed Asset Transfers.

B: Capital Projects Budget Amendment.

Mr. Campbell reviewed the reports and said future budget adjustments could be regimented on a quarterly or semi-annual basis. A schedule will be implemented.

G-3 Administration Report:

Mr. Campbell reviewed the report including information for the bike trail snow removal project. The District has incurred \$26,102.84 in snow removal expenses, of which \$22,524.92 has been billed to the various community sponsors as of the end of November. As this is the first month of the program, no payments from the sponsors have been collected as of the date of this report.

Staff processed 39 utility statements to customers who are overdue in paying this fiscal year's water, sewer, and/or garbage service. The 39 residential accounts contain unpaid balances greater than \$50, for a total past due balance of \$54,461.58. Any unpaid balances will be forwarded to Placer County in July 2015 to be added onto the corresponding tax roll of the property.

No further business coming before the Finance Committee, the meeting was adjourned at 5:15 P.M.

By, K. Obayashi-Bartsch