

**SQUAW VALLEY PUBLIC SERVICE DISTRICT  
FINANCE COMMITTEE MEETING  
DATE: May 23, 2018**

Call to order at 2:30 P.M.  
Public comment – none

**Attendees:** Directors Eric Poulsen and Dale Cox; Mike Geary, General Manager; 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.

Items reviewed by the Committee include the following:

D-1 Operating Account Check Register: Ms. Grunst reviewed the Operating Check Register numbers 45916 – 45960 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:

45916 Wesley Beyer – aka WT Graphics for Fire Dept. sweatpants & sweatshirts  
45920 Dept. of Forestry & Fire Protection – dispatch service  
45921 National Meter & Automation – water meter repair & replacement project  
45926 ProEquities – Certificate of Deposit purchase  
45928 Standard Insurance – dental insurance  
45930 Tahoe Forest Health – health & fitness testing – Operations Dept. & Fire Dept.  
45939 LN Curtis & Sons – Fire Dept. turnout gear, foam, CAM & groove adaptor  
45940 Donnoe & Associates – Fire Dept. testing books  
45941 Thomas Archer – legal services including PlumpJack Well, Truckee River Siphon, general legal & Resort @ Squaw Creek (billable)  
45948 SnoQuip – push frame for trackless snow blower  
45950 Truckee Tahoe Propane – heating fuel  
45955 Robert Cuenin – toilet rebate for two fixtures  
45956 ESO Solutions – annual patient care reporting renewal  
45957 Mass Mutual Retirement – deferred compensation withholding  
45958 National Meter & Automation – water meter repair & replacement project  
45959 Dale Cox – payroll & medical reimbursement

Ms. Grindle reviewed exhibits D-2 through D-9:

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

The statement shows 83.3% of the year has elapsed. Revenue is at 99.4% of the budget and expenditures are at 77.4% of the budget. When compared to the prior year at this time, the District's net surplus is \$202,000 greater. Revenue is at 3.7 million, which is an increase from the prior year by \$249,000 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 83.3% of the year has elapsed. Revenue is at 96% of the budget and expenditures are at 89.9% of the budget. Compared to last year at this time, the District's net surplus is \$97,000 greater.

D-4 Capital Reserve Fund Balance Sheet/Income Statement

The income statement shows 83.3% of the year has elapsed. Revenue is at 94.7% and expenditures are running at 83.3%.

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 83.3% of the year has elapsed and expenditures are running at 84%.

D-6 Fund Balance Statement

The statement shows the highest yielding funds are ProEquities Certificate of Deposit #2 at 3.1% and the ProEquities Certificate of Deposit #1 is at 2.4%. The Placer County Funds (#541-003 and #541-435) are at 1.92 % which is greater than last month's rate of 1.66%.

D-7 Bike Trail Snow Removal, Revenue to Expense

This statement shows 100% of the budgeted year has elapsed and expenses are at 79% of the budget. Since the issuing of the board packet report, we have received our first payment from Placer County which covers our services through March. We are now only waiting for April reimbursement. Currently there is \$73,534 in reserves from prior year contributions.

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

- D-8 Progress Payment – Farr West Engineering – Truckee River Siphon
- D-9 Progress Payment – Farr West Engineering – Sewer Manhole Assessment
- D-10 Progress Payment – Andregg Psomas – Truckee River Siphon
- D-11 Progress Payment – Stantec – Truckee River Siphon

This agenda item was taken out of order.

Mr. Geary reviewed item F-9, CalPERS Unfunded Accrued Liability – Intra-Agency Loan.

The District can save a considerable amount of money in interest payments by paying off the District's UAL early. The UAL for the Miscellaneous Group (Operations and Administration Departments) is currently estimated to be 2.7 million dollars and is estimated to be 71 percent funded. The UAL for the Safety Group (Fire Department) is a little over three million dollars and is 74 percent funded.

CalPERS is proposing that the UAL be paid down over a thirty-year period. The total interest payment under this payback period is estimated to be 6.5 million dollars. Staff prepared a schedule to accelerate the pay down and reduce the overall amount of interest paid. The savings in interest by paying down the UAL earlier is estimated to be 5.12 million dollars. In order to accelerate the payments, the Fire Department will have to borrow some funds from the Sewer FARF.

Staff recommends that the Board adopt Resolution 2018-09 authorizing staff to pay 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 required to reach the first year's pay payment.

Ms. Grindle reviewed item F-1, 1st PUBLIC HEARING to Review FY 2018-2019 Budget and FY 2018-2019 Rates & Charges which includes District financial policies, a budget narrative, general & 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 \$3,443,000.

Ms. Grindle reviewed item F-2, 1<sup>st</sup> 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.

Ms. Grindle reviewed item F-3, PUBLIC HEARING to Establish Appropriation Limits for Funds #541-003 and #541-435 including Resolution 2018-04, establishing an Appropriations Limit for Fund #541-003 for FY 2018-2019 in the amount of \$1,557,128 and Resolution 2018-05, establishing an Appropriations Limit for Fund #541-435 for FY 2018-2019 in the amount of \$5,077,606.

No further business coming before the Finance Committee, the meeting was adjourned at 4:30 P.M.

By, KOB/DG