

LIVERMORE AREA RECREATION AND PARK DISTRICT

FINANCE COMMITTEE

MINUTES

Monday, February 26, 2024

2:00 p.m.

Robert Livermore Community Center
4444 East Avenue, Livermore, CA 94550-5053
West Wing Conference Room

Committee Members Present: Chair Philip Pierpont, Director Jan Palajac

LARPD Staff Present: Mat Fuzie, Fred Haldeman, Julie Dreher, Linda VanBuskirk

Others Present: Quinn Pierpont

1. **Call to Order:** Chair Pierpont called the meeting to order at 2:03 p.m.
2. **Public Comment:** Chair Pierpont opened the public comment period. There were no speakers, and the public comment period was closed.
3. **Approval of the Minutes of the Finance Committee Meeting held on January 22, 2024;**
 - **Action:** The minutes of the Finance Committee meeting held on January 22, 2024 were approved unanimously as submitted.
4. **January 2024 Financials:**

The Committee reviewed and discussed the January 2024 Financial Results. Finance Officer (FO) Julie Dreher handed out a supplemental report (see attached) on Actual Results for the Month of January, 2024 plus Actual Results Year-to-Date through January, 2024. She reported that Total Revenues through January are relatively on budget at \$12.496 million. There was a timing issue related to the sale of District-owned vehicles, which would have brought in roughly \$428k in revenue during the month; however, the vehicles have not yet sold, so the revenue will be realized in the coming months. Salary and Benefits expenses are 3% better than budget at \$7.660 million, and Services and Supplies expenses are slightly over budget (2%) at \$5.316 million. Operating Capital continues to appear very favorable, largely due to a few projects that were budgeted in FY23-24 but will no longer be completed this fiscal year (\$150k for Robertson Park Field 3, \$200k for ESS Building Upgrades). As a result, the bottom line for FY23-24 through January is \$215k better than budget, though this will increase when the proceeds from the vehicle sales are received.

 - **Action:** This was a discussion only; no Committee action was taken.
5. **Unclaimed Property Policy:**

GM Fuzie discussed forthcoming financial policies for the Committee's review. He recommended a first reading at the committee level before going to the full board for a first reading. He asked if staff work should precede legal review, or vice versa? Input from the Board/Committee is essential in the process. The Committee emphasized the importance of legal input, especially for policies related to the board's fiduciary responsibility. FO Dreher presented a draft of the Unclaimed Property Policy and

mentioned another policy in the works relating to the disposal of surplus assets. These policies have been drafted utilizing input from our auditors and the CSDA Sample Policy Manual.

Committee Questions/Comments:

- Have we consulted legal counsel on these policies based on their expertise? [*If necessary, legal counsel will provide input. HR policies are reviewed by counsel before presenting them to the board.*]
- Legal opinion on the draft would be beneficial.
- Renne Public Law Group's strength lies in its extensive experience and knowledge database. Our current legal counsel's expertise is notable.
- Avoid redundant work if legal counsel already has relevant resources. Legal's database of best practices could be invaluable for us. [*Legal counsel will be engaged at the appropriate time.*]
- Are we following a consistent format for our policies? [*Proposed standardizing formatting with General Counsel Andrew Shen's involvement. Legal can ensure consistency of the District's voice throughout our policies.*]
- Inquire if GC Shen has resources similar to the CSDA Sample Policy Handbook. [*Confirmed GC Shen's ongoing work on the Administrative Policy Manual and readiness for discussions on priorities and compliance.*]
- Let GC Shen know our direction with financial policies.
- What is the status of the unclaimed property and its financial impact? [*The monetary value is not significant, approximately \$5k or around 40 checks mailed out which then have to be voided and reissued.*]

➤ **Action:** Staff will send the policy to General Counsel Shen for his input.

6. Finance Objectives for FY23-24:

The Committee reviewed and discussed the LARPD Finance Objectives for FY23-24 and beyond. FO Dreher highlighted the following ongoing initiatives:

- The District's Chart of Account structure will be updated tomorrow morning. Actuals will be translated to the new structure. The Chart of Accounts update will enhance financial reporting, including CIP reports.
- Certain Finance policies are being updated such as the Unclaimed Property Policy shared earlier in this meeting, Asset Disposal, and a Procurement Policy. Director Palajac suggested broadening discussions to "**Financial Policies Update**" each meeting as a standing item to discuss whichever policy staff is working on at the time.
- The FY23-24 Mid-Year Budget Process will be discussed at the upcoming Budget Workshop on March 13, 2024. Supervisors are currently working on the FY24-25 Operating and CIP Budgets, with the **Final FY24-25 Budget process coming to the Finance Committee in May for approval.**
- A Fixed Asset module will be implemented in Microsoft Dynamics Great Plains accounting environment by April 2024.
- In response to a question from Director Palajac, FO Dreher explained that the ACH origination process refers to the procedures involved in initiating and processing electronic financial transactions through the Automated Clearing House (ACH) network (U.S. Bank).

- FY23-24 interim audit is targeted for June. Auditors will be here in September, and anticipated Board approval is scheduled for the December 11, 2024 board meeting.
- ACERA is upgrading its Pension Gold software. We have successfully tested a file from our KRONOS system which will import into ACERA's website. Their plan is to go live with the upgrade on the first pay date in 2025.
- Establishing a Popular Annual Financial Report (PAFR). This is in lieu of a full annual comprehensive financial report. A **Popular Annual Financial Report (PAFR)** is a way to communicate selected financial data to a broad audience. These reports are a more concise and simplified overview that is easier for the general public and other interested parties without a background in public finance to comprehend.

GM Fuzie added that there are many other initiatives to implement in the future that are all intertwined:

- LAFCO; the City Manager implementing a new AB1600 process; collaborating with the City on the Nexus Study; potential future need for a bond or a new parcel tax, etc.

Committee consensus was that the list of LARPD Finance Objectives for FY23-23 and Beyond is a very useful tool.

➤ **Action:** This was a discussion only; no Committee action was taken.

7. Future Agenda Items / Matters Initiated / Announcements:

- a) Director Palajac suggested having the Financial Policies Update as a standing item. GM Fuzie concurred.
- b) GM Fuzie announced that he has been appointed to serve as an At-Large representative on the CAPRI Board of Directors.
- c) GM Fuzie further announced that the District will not fill the Business Services Manager position now. We are going to complete the compensation study processes to determine the actual need.

8. Adjournment: The meeting was adjourned at 2:58 p.m.

/Lvb