

LIVERMORE AREA RECREATION AND PARK DISTRICT

FINANCE COMMITTEE MINUTES

Monday, April 17, 2023
1:00 PM

Committee Members Present: Chair Pierpont, Director Boswell

LARPD Staff Present: Mat Fuzie, Jill Kirk, Julie Dreher, Fred Haldeman, Jeffrey Schneider, Pamela Healy

Others Present: There were no members of the public present.

1. **Call to Order:** Chair Pierpont called the meeting to order at 1:02 p.m.
2. **Public Comment:** There were no members of the public present. There was no public comment. Chair Pierpont closed the public comment period.
3. **Approval of the Minutes of the Finance Committee Meeting held on February 13, 2023:** Committee members were provided with an updated draft version of the minutes from the February 13, 2023 Finance Committee meeting for review. The updated draft is attached to these minutes.

Action: The minutes were approved unanimously, with no further changes.

4. **Preliminary March Financials:** Finance Officer (FO) Julie Dreher provided and reviewed a handout that included a Summary View of Actual Results, as well as Year-to-Date Results for the Month of March 2023. A copy is attached to the Minutes.

Highlights discussed were as follows:

- Recreation and Ranger programs continue to meet/exceed budget - a great job.
- We continue to realize savings with our water costs due to the recent rains.
- We had an unplanned purchase of an additional large mower, as repair parts for the existing large mower have been very difficult to obtain.
- Parks and Facilities Manager (PFM) Haldeman we are near completion of work taken on at the behest of the Alameda County Office of Emergency Services (OES), who contacted us with an opportunity to enable the use of a portable generator that they would provide. OES reimbursed us for the cost of the connection that we've installed (\$61k).
 - We are currently waiting to do the final hookup – ETA early June.
 - These generators would only be used in an OES declared emergency.

Committee Questions/Comments:

- What is the forecast for the end of year? *We do not have a formal forecast yet, but we expect to continue to be better than Budget as our operating results, excluding unplanned but necessary capital spend, are consistently better than Budget and should continue as such. Next week we will receive our April property and parcel tax revenues which will better inform us and are obviously critically important to our annual results given their magnitude.*

- What is our breakdown for how much tree work we do? *We estimate between \$75-100k for contracted work. We try to do everything we can safely do ourselves on the ground before using contract services.*
- Who will remove the tree immediately adjacent to the Cal Water tank in Sunset Park? *Cal Water will try to do what they can to remove it. Once it is on the ground, they will contact us.*
- Trees, in particular eucalyptus, represent a real liability, and we have many large trees at our parks.
- Do we have a way to track, submit or gather internal ideas for generating potential revenue or cost savings ideas (such as photos at community-driven events like Muffins with Bunny)? *Staff contribute, discuss, and evaluate such ideas frequently and many are already in place for our programs. Social Media has also proven to be an effective means of collecting public feedback.*

Action: This was a discussion only and no committee action was taken.

- 5. CIP vs. Operating Capital vs. Deferred Maintenance (Definitions Established):** Business Services Manager (BSM) Jeff Schneider discussed differentiation between ongoing maintenance vs operating capital (equipment) and CIP. The District will now utilize specific criteria to differentiate between Operating Capital and CIP, which includes a dollar threshold that relies on the California Uniform Public Construction Cost Accounting (CUPCCA) act that prescribes when a project required a formal bid process (currently set at \$200k). CUPCCA is a voluntary program that the District agreed to comply with decades ago as it allows for less cumbersome bid practices for “smaller” projects.

Committee Questions/Comments:

- Will this information be incorporated into an operations (standard practices) manual? *We are currently updating various operations manuals and the CIP vs Operating Capital criteria will be added to the Finance operating guidelines. We also have an existing flowchart that outlines our project management processes, that begins with our Project Evaluation Forms (PEF).*
- BSM Schneider commented that an updated Investment policy will be provided to the Board as promised (we already have an operating policy that staff are following and which was previously vetted by the GM and Finance Committee).

Action: This was for information only; no Committee action was taken.

6. Directors’/General Manager’s Reports and Announcements:

- GM Fuzie shared; the new City of Livermore (COL) City Manager is not of the opinion that AB1600 funds belong to us. She believes they belong to the COL. He explained the history of our AB1600 fund management, including input from the prior City Manager, and indicated that we will provide the COL with historical information that reflects the correct process when we finish compiling it.
- Director Boswell requested to add the topic of sports fields to the next agenda. GM Fuzie noted, this item is already on the April 26th Board meeting agenda.
- BSM Schneider noted that the FY23-24 Budget will be discussed at the next Finance Committee meeting as a preview of what will be presented at the May 31, 2023 Board Budget Workshop.

- Action: The Committee members asked GM Fuzie to add the AB1600 funding process to the next Finance Committee agenda for further review and discussion.

7. **Adjournment:** The meeting was adjourned by Chair Pierpont at 1:58 p.m.

/ph

LIVERMORE AREA RECREATION AND PARK DISTRICT

FINANCE COMMITTEE

MINUTES

Monday, February 13, 2023

1:00 PM

***These Draft Minutes were corrected to re-number the listed items, beginning with item 3.**

NOTICE: Coronavirus COVID-19

In accordance with Governor Newsom's Executive Orders, members of the Livermore Area Recreation and Park District Finance Committee and staff participated in this meeting via Zoom teleconference. In the interest of maintaining appropriate social distancing, members of the public also participated in this meeting electronically.

Committee Members Present: Chair Pierpont, Director Boswell

LARPD Staff Present: Mat Fuzie, Jill Kirk, Fred Haldeman, Jeffrey Schneider, Pamela Healy, Michelle Kleman, Lynn Loucks

Others Present: There were no members of the public present.

1. **Call to Order:** Chair Pierpont called the meeting to order at 1:01 p.m.
2. **Public Comment:** There was no public comment. Chair Pierpont closed the public comment period.
3. **[*In the original draft of these minutes, this information was included as part of item 2 in error. It has been corrected to have its own item number (item 3) and begins the renumbering for the remaining items listed]** **Discussion and Possible Action Regarding Teleconference During a Proclaimed State of Emergency (Resolution 2774-a):** Committee members discussed the fact that this is the last remote meeting allowed per AB361 and that as of March 1, 2023, all future meetings will be held in person. Director Pierpont commented that future meeting dates and times may be subject to change due to scheduling conflicts.

Actions:

- Resolution No. 2774-a was approved unanimously.
 - Chair Pierpont will follow up with staff to discuss any needed changes to future Committee meeting dates/times.
4. **Approval of the Minutes of the Finance Committee Meeting held on December 19, 2022:**
Action: The minutes were approved unanimously, as written.
 5. **2022 Finance Committee Recap:** A copy of this information was included in the agenda packet. The consensus was that it does not need to be approved by the full Board, as it is only a summary of actions already documented in the official minutes of each meeting.
Action: This was a discussion only, and no committee action was taken.

6. **FY 22-23 Mid-Year Operating and CIP Budget Proposal:** Business Services Manager (BSM) Jeff Schneider shared his screen to review the 18 Month Financial Planning Calendar through FY 23-24, with a specific focus on the FY 23-24 Operating and CIP Budget review meeting dates. The budget will be finalized in March. We are on target for these dates.

Committee Questions and Comments:

- We are in good shape.

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

7. **Preliminary Review of Personnel-Related Budget Assumptions - FY23-24:** GM Fuzie commented that we are prepared for the upcoming March 8th Budget Workshop discussion with the Board, based on placeholder budget assumptions. BSM Schneider shared his screen to review the staff report.

Specific topics covered included: Salaries, Workers' Comp, ACERA, 457 Plan for Benefitted, Non-Pensioned Staff and Health Dental and Other Benefits. There will be additional assumptions brought forward for Services, Supplies and Capital spend.

Committee Questions and Comments:

- With regard to health coverage (dental) expenses, is Delta increasing costs or is this a placeholder? Human Resources Officer (HRO) Kleman indicated that our available information suggests a 5% increase is warranted.
- ACERA is unknown at this time, but based on what we know, which is limited to the poor investment performance through December, 2022, we are currently planning a 10% increase in the District's pension contribution rates for each of our three pension tiers.
- Committee members agreed that our bottom line is better informed through service-based budgeting; we are doing a good job of assessing fair value to providing our services.

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

8. **Preliminary View of the FY 21-22 Financial Audit:** BSM Schneider reviewed the staff report. He commented that the most important component of the audit is the prior period adjustment to address previous accounting for the District's land assets. BSM Schneider complimented the efforts of the Finance Officer (FO) Dreher on the work she did to document property ownership and indicated the District's auditors have reviewed our work and are comfortable with the adjustments that we have proposed. Otherwise, the District received a favorable review by the auditors on all of our processes.

Other items of significance included growth in the General Fund of almost \$2 million. Overall, a very telling set of numbers and a great story operationally: we experienced a 2% reduction in overall operating expense while program revenues grew by 92%. Planning and management were very effective as we emerged from Covid.

Committee Questions and Comments:

- Overall, this is a very positive message.
- We are moving forward and doing things the right way.

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

9. **Virtual Payment Program Results:** GM Fuzie requested to move this item to a future meeting, as FO Dreher was not available to present the information today.

Action: This item will be presented at a future Finance Committee meeting.

10. **Directors'/General Manager's Reports and Announcements:**

- GM Fuzie shared that the January 2023 storms have caused approximately \$500k damage to our infrastructure. Funding of the repairs will come partly from FEMA dollars, some out of our own budget. Staff have been working with City of Livermore (COL) engineers to calculate expenses. We experienced record rainfall, record water releases from Del Valle. Director Boswell noted there are potential grants available that are fire related and some for flood and disaster relief. GM Fuzie indicated the fire grant was voted on last week; we should have funding for prescribed burns and other fire management this summer.
- BSM Schneider added a comment about his contribution to the Audit Report, the Management Discussion and Analysis (MD&A), that the Board will see as a component of the FY21-22 Audit Report that the Board will be asked to accept at its February 22, 2023 meeting. The MD&A is intended to provide an overview of the key elements of the overall Audit findings presented by audit partner Marta.

11. **Adjournment:** The meeting was adjourned by Chair Pierpont at 1:54 p.m.

/ph