

LIVERMORE AREA RECREATION AND PARK DISTRICT

FINANCE COMMITTEE DRAFT MINUTES

Wednesday, August 23, 2023
2:30 PM

Committee Members Present: Chair Pierpont, Director Boswell

LARPD Staff Present: Mat Fuzie, Jeffrey Schneider, Fred Haldeman, Pamela Healy, Julie Dreher, Linda VanBuskirk, Jill Kirk, Kendahl Hettick (via Zoom)

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

1. **Call to Order:** Chair Pierpont called the meeting to order at 2:33 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 June 20, 2023:**
Action: Director Boswell moved to approve the minutes; Chair Pierpont seconded the motion. The minutes were approved unanimously as submitted.
4. **Objectives and Major Deliverables for FY23-24:** Business Services Manager (BSM) Jeffrey Schneider shared a handout (attached) and discussed the Finance Work Plan for FY23-24.

Committee Questions/Comments:

- Regarding item 5: "Provide financial analysis in support of vendor Verde's assessment of synthetic vs. natural turf fields", does that include school district fields that we would operate? *Yes, this analysis will be relevant for any field we operate. New technology is making synthetic turf less expensive.*
- There is a negative attitude towards synthetic fields in Europe; here, the general preference is towards synthetic. Is our analysis US-centric? What are the parameters? *Verde will consider our usage patterns and capacity (available hours), one-time and on-going costs, etc.*
- This is a ton of work for a small number of people. Which of the items listed are priority items, which ones can be deferred? *Items that are shown in bold are the priorities ("major deliverables"), and the notion that the list is a good inventory of opportunities we can and should pursue was mentioned as valuable. The BSM acknowledged the need to consider the plan as perhaps overly optimistic.*
- The Finance team was acknowledged for listing both priority and aspirational items on their work plan.

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

5. **Preliminary View of FY22-23 (Unaudited):** Finance Officer (FO) Julie Dreher reviewed the budget documents (attached) with the Committee and took questions. She commented that our final FY22-23 trial balance was sent to our auditors last week which had practical implications for both FY22-23 and July 2023 results: An example being the County’s delayed reporting of a \$54k property tax revenue item that arrived in late August, after our trial balance was closed. As this item was not predictable, it was not accrued in June and thus spilled into July actuals, contributing to the favorable variance versus budget in July.

LIVERMORE AREA RECREATION AND PARK DISTRICT (LARPD)
Summary View: ACTUAL Results for FY22-23

	FY20-21	FY21-22	FY22-23		Variance:	
	Actual	Actual	Actual	Budget	\$	%
Revenue						
Taxes	\$13,242,722	\$15,079,380	\$15,053,652	\$14,835,112	\$218,541	1%
From Operations	4,214,529	6,645,867	7,918,709	7,718,351	200,359	3%
Total Revenue	\$17,457,252	\$21,725,247	\$22,972,362	\$22,553,462	\$418,899	2%
Salary and Benefits	\$11,848,622	\$11,859,789	\$12,834,474	\$13,026,450	191,976	1%
Services and Supplies	\$5,300,010	\$7,047,121	\$8,225,880	\$8,251,530	25,650	0%
Operating Capital	\$8,795	\$20,328	\$402,706	\$84,634	(318,072)	(376%)
Sub-total, Expenses	\$17,157,426	\$18,927,238	\$21,463,061	\$21,362,614	(\$100,446)	(0%)
Net Operating Results	\$299,825	\$2,798,009	\$1,509,301	\$1,190,848	\$318,453	27%

Committee Questions/Comments:

- Regarding Sycamore Grove, spending for the restroom is not yet complete and is currently \$80k under budget; is that a timing issue? *Yes, the remainder will be spent in FY23-24.*
- Do we show investment interest income in this report? *Yes, that is shown on page 4, “Revenue View: Actual Results for FY 22-23. We earned \$254k in FY22-23. Earnings are tracked by reserve funds, some of which are restricted (for example, the Buckley Trust for Ravenswood), some Committed (Debt Service, Budget Contingency, etc..) and our funds are invested in separate accounts and thus tracked/reported accordingly.*
- On page 11 of the report, “Expenses by Type View by Unit, Services and Supplies”, for Legal, there is a variance of \$53,014. Is this rolling forward? *Yes*
- What is the FY23/24 budget for Professional and Legal Services? *Professional Services will total \$947k and include IT, janitorial, landscaping, etc.), while Legal Services, which are tracked separately, are estimated at \$136k and will likely need to be revisited as we gain clarity on projects such as the MSR.*

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

6. **July Financials:** Financial Analyst (FA) Kendahl Hettick reviewed the July financials information with the Committee and took questions. At a high level, July results are very favorable versus budget, but we cannot expect such results to continue. Two items that contributed materially to the favorability in July are one-offs and are artificially inflating the July favorable result: the aforementioned \$54k of property tax adjustments, and \$45k in health benefit favorability (a result of a year-end accrual for these expenses that reversed in July, but which had not been anticipated in the Budget).

LIVERMORE AREA RECREATION AND PARK DISTRICT (LARPD)
 Summary View: ACTUAL Results Year-to-Date July, 2023

	FY21-22	FY22-23	FY23-24		Variance:	
	Actual	Actual	Actual	Budget	\$	%
Revenue						
Taxes	\$2,041	\$0	\$54,523	\$0	\$54,523	-
From Operations	609,412	775,519	896,929	790,430	106,499	13%
Total Revenue	\$611,453	\$775,519	\$951,452	\$790,430	\$161,022	20%
Salary and Benefits	\$845,155	\$844,518	\$908,335	\$923,306	14,970	2%
Services and Supplies	\$591,120	\$721,455	\$839,214	\$899,097	59,883	7%
Operating Capital	\$0	\$10,559	\$0	\$0	0	-
Sub-total, Expenses	\$1,436,275	\$1,576,531	\$1,747,549	\$1,822,402	\$74,853	4%
Net Operating Results	(\$824,822)	(\$801,012)	(\$796,097)	(\$1,031,972)	\$235,875	23%

Committee Questions/Comments:

- Are we comfortable with our budget modeling for our programs, moving forward?
Yes, it is flexible as to need.
- Community Services Manager (CSM) Jill Kirk commented, we are trying to move away from contract classes and use our own staff; that way we have more control over our programs. We pivoted a lot this summer because we were able to.
- Will the long-range financial plan include capital spend, deferred maintenance?
Yes, we are working towards that. The Nexus study will help flesh this out. Parks and Facilities Manager Fred Haldeman noted, in looking to the next 10 years, he has been evaluating all of our facilities, looking at the condition of all aspects of each facility where maintenance is needed (i.e., asphalt, grounds, buildings, equipment etc.). Needs are being prioritized; he plans to apply industry standards to costs and project out. He is about halfway done.

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

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

- None

8. Adjournment: The meeting was adjourned by Chair Pierpont at 4:08 p.m.

/ph