

# LIVERMORE AREA RECREATION AND PARK DISTRICT

## FINANCE COMMITTEE

### DRAFT MINUTES

Monday, April 18, 2022

1:00 PM

#### *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: Philip Pierpont; (Chair James Boswell joined at 1:44 p.m.)

LARPD Staff Present: Mat Fuzie, Fred Haldeman, Jeffrey Schneider, Jill Kirk, , Julie Dreher, Linda VanBuskirk, Lynn Loucks, Pamela Healy, Robert Sanchez,

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

1. **Call to Order:** The meeting was called to order at 1:14 p.m. by Director Pierpont. Chair Boswell was not initially present, however, he joined the meeting at 1:44 p.m. after a brief recess, as noted in the minutes below.
2. **Public Comment:** There was no public comment. Director Pierpont closed the public comment period.
3. **Discussion and Possible Action Regarding Teleconference During a Proclaimed State of Emergency (Resolution 2744-a):** The Resolution was approved by Director Pierpont.
4. **Approval of the Minutes of the Finance Committee Meeting held on February 22, 2022:** This item was tabled for the May 16, 2022 Finance Committee Meeting.
5. **Proposed Extension of Audit Agreement:** Business Services Manager (BSM) Jeff Schneider asked the Committee to move this item forward so it can be presented to the full Board. The proposal as written is for a 3-year extension. James Marta, LLC is our current audit partner. This is a smaller firm, with 3 partners and over 100 clients. Our costs for audit services are in line with same costs as Hayward Area Recreation and Park District (HARD).

Director Pierpont thanked BSM Schneider, adding that staff opinion is important because staff deals directly with the auditor. As a practical matter, he defers to that recommendation, but he also understands the notion of changing audit partners periodically. He pointed out that the LARPD has also had staffing changes, giving us a fresh perspective as well. He suggested that in the future, we set our engagement plan for changing partners.

The Committee then took a brief recess at 1:31 p.m. to allow Director Boswell to join the meeting. Director Boswell joined the meeting at 1:44 p.m. and the meeting resumed. Director Pierpont gave a brief recap of the meeting discussion for Director Boswell.

Committee discussion on this topic resumed, with the following questions and comments:

- Director Boswell commented that it makes sense to keep our current partner; it is not realistic to switch at this time.
- GM Fuzie asked if the renewal term was required to be 3-year term. BSM Schneider responded that it doesn't have to be 3 years and that we could consider a shorter term.
- The Committee discussed the proposed agreement with James Marta given the District's history with the firm:
  - James Marta's first audit with the District was in FY 12-13.
  - The existing audit partner on the District's account retired in 2021 and was replaced by Jesse Deol, who led the FY20-21 audit.
  - Additional changes have occurred with Marta's engagement managers over the past 5 years.
  - A 3-year extension would bring the total duration of the District's reliance on James Marta to 13 years.
- The Committee consensus was to recommend a 2-year extension instead of 3 years. GM Fuzie suggested moving this item forward, but have the Board discuss term length.

**Action:** The Committee recommends moving this item to the Board. The Committee also recommended an RFP in 1 year with further discussion on the length of the renewal term.

**6. Financials through March 2022: (This item was discussed after item 7)**

Finance Officer Julie Dreher shared her screen for a presentation of the Actual Results for March 2022. She noted that everything looks solid: all managers are managing to budget. Revenue from Operations is \$239k favorable, primarily due to the timing of the annual \$200k grant from East Bay Regional Park District (EBRPD), which hit in March while the Budget assumed April. Under Services and Supplies, she noted that water spend has been above Budget, driven by relatively low rainfall. Parks have compensated for water over-runs this in other areas. Lastly, March results were impacted by a significant catch-up invoice for 5 months of PGE electricity services for which the District had not accrued. Overall, the District's Net Operating Contribution is \$289K favorable through March, again driven most significantly by the aforementioned timing of the EBRPD grant.

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

**7. Fixed Asset Review: (This item was discussed prior to item 6)**

Discussion on this item was tabled for the next regularly scheduled Finance Committee meeting.

BSM Schneider commented that the data in the schedule regarding categorization of assets (the break-out of assets located on LARPD-owned property vs City-owned, etc.) is accurate, however, fixed asset data for Land do not reflect current valuation (as is appropriate), while the values for buildings and fixtures are based on prior District efforts to value assets for insurance purposes. In general, the rigorous review of fixed asset

accounting and asset valuation for insurance purposes should be a priority. Finance staff will be meeting with our audit partner this week to discuss further.

**Action:** The Committee requested to table this item and to schedule a special meeting to discuss this topic prior to the next regular meeting.

8. **Directors' Reports and Announcements:** There were no discussions or announcements.
9. **Adjournment:** The meeting was adjourned by Chair Boswell at 2:23 p.m.

/ph