

LIVERMORE AREA RECREATION AND PARK DISTRICT

FINANCE COMMITTEE

MINUTES

Monday, September 19, 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: Chair Boswell, Director Pierpont

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

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

- 1. Call to Order:**
The meeting was called to order at 1:01 p.m. by Chair Boswell. Director Pierpont joined the meeting at 1:02 p.m.
- 2. Public Comment:**
There was no public comment. Chair Boswell closed the public comment period.
- 3. Discussion and Possible Action Regarding Teleconference During a Proclaimed State of Emergency (Resolution 2761-c):**
Resolution No. 2761-c was approved unanimously.
- 4. Approval of the Minutes of the Finance Committee Meeting held on August 15, 2022:**
The minutes were approved unanimously, as written.
- 5. Fixed Asset Audit (Update):**
Business Services Manager (BSM) Jeff Schneider shared that the Finance team has initially focused its attention on land assets, but the team will also review buildings and fixtures. Staff have done significant research to validate land ownership and fixed asset cost data, with much work still to be done. Some assets booked prior to 2016 as land should not have been booked as such, and preliminary work suggests a financial restatement of roughly \$20million will be required to reduce Land asset values. Finance Officer (FO) Julie Dreher shared her screen to review further detail on the process she has used to update information on LARPD and Non-LARPD owned properties. She has located agreements and related documentation and through publicly available information has confirmed and documented Assessor's Parcel Numbers (APN) as well as maps related to them. She shared her desktop to walk the Committee through an example of her work to date for Bothwell Park and Robertson Park.

Committee Questions and Comments:

- We knew some of these issues would come up when we began this audit. Staff have been doing an outstanding job attacking the problem.
- This will be scrutinized by our audit partner this year. They have a vested interest in this.
- We are on the right track.

Action: Staff will continue to update the Committee each month on this item.

6. Annual Audit (Update):

BSM Schneider reported we are on target with the time frame for the upcoming field visit by the auditors. We are prepared for it.

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

- 7. Cash Investments and Forecast (Update):** BSM Schneider thanked staff for being up to date on this information through weekly cash review sessions. We have a good partner at US Bank's money center; together we have reviewed ideas for investing in the near term. He has discussed ideas for investments for the District's reserves with GM Fuzie. The current plan is to invest \$3.5 million in short-term CD's (3 months) as longer terms are not attractive given the likelihood of further interest rate hikes from the Federal Reserve. An additional \$1 million will be invested with CAMP, a joint powers authority that will allow for same-day liquidity. The current trajectory of interest rates is upward, making this a good time to move forward. Also proposed is reinvestment in December when rates are expected to be higher still following anticipated actions by the Fed in November.

Committee Comments and Questions: Some of our liquid assets are currently in zero interest accounts at US Bank, so this is a good way to address this.

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

8. August 2022 Preliminary Financials:

BSM Schneider shared his screen and provided a summary review of YTD actual results through August 2022. The District's Net Operating Result through August is \$693k favorable versus Budget. We are \$334k favorable in total Revenue, \$189k favorable in salary and benefits, and (\$197k) favorable in Services, Supplies, and (\$27k) negative in Capital Equipment (included grooming machine spend).

He commented on the significant impact on the Net Operating Result driven by program revenue and expense control in the Community Services group. Community Services Manager (CSM) Jill Kirk noted that this was in part due to staff learning how to pivot: recreation camps enrolled early, so were better able to project staffing need.

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

9. Directors' Reports and Announcements:

- Director Pierpont shared that earlier today he went to the LARPD website for a copy of the agenda for today's meeting and was unable to find it. The search bar

Livermore Area Recreation and Park District
Minutes: Finance Committee Meeting – September 19, 2022

on our website brought back an unsorted list that was difficult to navigate. He requested that staff review the LARPD website and make changes as necessary to make information for Committee meetings easier to get to.

➤ **Action:** Staff were asked to investigate this issue for resolution.

- BSM Schneider shared that the City of Livermore (COL) shared their feedback on the Master Property Agreement. Revised pricing for water was the only material item that was questioned by the City; what we hope to confirm is that we pay what the City pays for water that is used on their properties that we maintain and where water is provided by the City. We will meet with City staff on 9/29 to move to complete a draft that will be reviewed with GM Fuzie and then the City Manager. We continue to wait for the City's reply to our redlined Sunken Gardens lease. Re: the Pump Track project, the CEQA exemption has been submitted; next steps will be for the Board to approve the signing of the construction contract with Spohn Ranch and for O'Dell Engineering to complete construction design work.

10. Adjournment: The meeting was adjourned by Chair Boswell at 2:05 p.m.

/ph