

## 2025 FINANCE COMMITTEE RECAP

### J A N U A R Y FY 22-23 Audit Review

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Finance Officer (FO) Julie Dreher reported that as of last week the audit has been issued, presenting an unmodified opinion, much cleaner than the prior year when there had to be a restatement of the fixed assets. The auditors found no control deficiencies, significant or material weaknesses, ensuring a clean audit. Last fiscal year, the District received \$1.2 million in COVID funds earmarked for synthetic turf fields at Robertson Park Fields. Despite causing a negative balance of \$329k in Operating and Capital, the actual outcome was \$1 million better than budgeted. However, the Fund Balance decreased by \$329k as of June '22-23.

**ACTION:** The Committee recommended sending out an RFP for audit firms.

### Procurement Policy (Discussion)

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Director Palajac raised concerns about the District's outdated Procurement Policy and the need for an update.

#### **ACTION:**

- The Committee emphasized the need for ongoing discussion and vigilance on the procurement policy, and suggested it be a standing item on future agendas.
- The Committee also requested updates on milestones, particularly the Chart of Accounts, for the next meeting agenda.
- [FO Dreher confirmed a comprehensive list of ongoing Finance projects will be brought to the next Finance Committee meeting, proposing to add it as a standing item – “Update on Finance Goals & Objectives.”]

### Directors'/General Manager's Reports and Announcements

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FO Dreher explained the absence of preliminary December financials on the agenda, citing delays in obtaining crucial information on big ticket items. Despite this, she assured the committee that a report would be prepared and included in the General Manager's Monthly Update to the Board on Issues and Projects and included in the Board agenda packet.

**F** **January 2024 Financials**

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**E** The Committee reviewed and discussed the January 2024 Financial Results. Finance Officer (FO) Julie Dreher reported that Total Revenues  
**B** 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  
**R** 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  
**U** months. Salary and Benefits expenses are 3% better than budget at \$7.660 million, and Services and Supplies expenses are slightly over budget  
**A** (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  
**R** 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-  
**R** 24 through January is \$215k better than budget, though this will increase when the proceeds from the vehicle sales are received. **NO ACTION.**

**Y** **Unclaimed Property Policy**

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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.

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

## **F Finance Objectives for FY23-24**

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

**B** •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.

**R** •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.

**U** •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** •A Fixed Asset module will be implemented in Microsoft Dynamics Great Plains accounting environment by April 2024.

**R** •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.

**Y** •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.

## **Future Agenda Items / Matters Initiated / Announcements**

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•Director Palajac suggested having the Financial Policies Update as a standing item. GM Fuzie concurred.

•GM Fuzie announced that he has been appointed to serve as an At-Large representative on the CAPRI Board of Directors.

•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.

**MARCH - CANCELLED**

**A March 2024 Financials**

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**P** FO Dreher provided a handout to the Committee and reviewed the March 2024 financials. A brief recap is as follows:

- R**
- Operating Capital: purchased two mowers.
  - Services and Supplies: new legal services, purchase of sprayers, turbo vacuums and mowers.

**I**  
**L** **NO ACTION.**

**Update on Finance Goals and Objectives**

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FO Dreher provided a handout to the Committee and reviewed the FY23-24 Finance objectives. A brief recap is as follows:

- FY23-24 Mid-Year Budget Process, including a first pass at the FY24-25 Operating and CIP Budgets – Completed.
- Implement ACH origination process with U.S. Bank – Live and completed. ACH payments were sent to ACERA.
- Final FY24-25 Budget Process – Currently in progress. Core departments are adding their items.
- Virtual Payment Campaign – currently searching vendors for virtual payments.

**NO ACTION.**

**Budget Workshop Recap**

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GM Fuzie provided a brief recap of the budget workshop noting the main topics were philosophy and strategy.

**NO ACTION.**

**Future Agenda Items / Matters Initiated / Announcements**

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- Chair Pierpont asked about the cost of the Cayetano Park turf replacement. [FO Dreher explained how the Cayetano Park cost is being paid out of the General Fund without touching the reserves. PFM Haldeman noted that turf was initially built with low-cost products. The current price is around \$992k.]
- Director Palajac questioned the auditor’s contract and how far in advance we need to begin the Request for Proposals process. [GM Fuzie: Discussions should begin once the budget is passed, perhaps in July, with RFPs to be reviewed in the summer.]
- Chair Pierpont asked for an update on the status of Springtown discussions. [GM Fuzie explained that there is one more staff-to-staff meeting planned. Subsequently, the city intends to present its plan to the Board around June. The plan entails the city constructing the facilities and then transferring their management to the park district (with Board approval). The city is considering a budget of \$7.5 million, which they currently lack, thus they are seeking alternative funding sources. They have assured that all our projects in the pipeline are still intact and will retain their funding].

## **M FY24-25 Operating & CIP Budgets**

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**A** FO Dreher and FA Hettick presented the FY24-25 Operating & CIP Budget. A brief highlight is as follows:

- Y**
- The Net Operating Budget for FY24-25 is \$136,893, or \$907,839 below the FY23-24 budget as updated at midyear. Factors contributing to the decrease net operating results were as follows:
    - oAn additional \$200,000 for election expenses.
    - oAn additional pay period in FY24-25 accounts for \$460,000 in salary expenses.
    - oIncreases in general liability insurance estimated at \$160,000.
  - CIP Budget Highlights:
    - oBill Clark, Ida Holm, and Jack Williams Park Playground Equipment Replacement to be completed in FY23-24 using a combination of Restricted and Reserve Funds.
    - oCayetano Synthetic Turf Replacement to be completed in the FY23-24 year, funded by the General Fund.
    - oIn FY24-25, we will complete Tex Spruiell and Mocho Park Playground Equipment Replacement using Reserve Funds. Lastly, complete the Sycamore Picnic Area Restrooms and, Amphitheater and the Sunken Gardens Bike Pump Track.
  - Provided FY24-25 Salary and Benefit Assumptions
  - Gave additional details and process on Reserves Trend through June 2025

### **ACTION:**

- a) The Committee agreed to remove the Patterson Ranch Trail line item from the Capital Improvement Projects Calendar.
- b) If Board Members are interested, they can meet with GM Fuzie to review the budget.

## **Future Agenda Items / Matters Initiated / Announcements**

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GM Fuzie announced the hiring of Marc Roberts as a Land Agent to assist the District with land matters and issues.

## **J May Financials**

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**U** FO Dreher went over the May 2024 Financials. The following is a quick summary:

- N**
- Actual Results Year-to-Date May, 2024
  - Actual Results for the Month of May, 2024
  - Expenses by Type View by Unit: Actual Results Year-to-Date May, 2024
  - May reflects a negative total revenue due to zero vehicle sales
  - Legal expense numbers are due to two months delay on invoice content

**NO ACTION.**

**J Audit and Policy Related to Selection of Auditors**

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**U** Committee Chair Pierpoint introduced the item on audit and policy related to selection of auditors for discussion.

**N**  
**E ACTION:** The Committee agreed to bring the matter at a future Board meeting to hear recommendations from Legal Counsel.

**Financial Policies Update (Standing Item)**

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FO Dreher provided a brief update regarding the status of the financial policy templates from Legal Counsel.

**Future Agenda Items / Matters Initiated / Announcements**

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- Director Boswell discussed the possibility of establishing a policy for asset acquisition.
- GM Fuzie reported that Ida Holm, Bill Clark, and Cayetano Parks playground replacements have been completed.

**JULY - CANCELLED**

**A Fiscal Year 2023-2024 Preliminary Results**

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**U** FO Dreher reported the FY23-24 Preliminary Results. The Net Operating Results for FY23-24 is \$79,409 which is a favorable bottom line. One factor to note was the Cayetano Turf Replacement Project was completed a year early.

**G**  
**U NO ACTION.**

**S July Financials (Standing Item)**

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**T** FO Dreher gave an update on the July Financials which were included in the meeting packet, to the Committee. The preliminary financial results through the month of July 2024 are as follows: Total revenues: 4% better at \$1.107 million; Salary and benefits expenses: 3% better than budget at \$990k; Services and supplies expenses: \$107k over budget which were the result of timing issues with when invoices were received versus when the related expenses were budgeted.

**NO ACTION.**

**Financial Policies Update (Standing Item)**

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FO Dreher provided an update regarding Financial Policies model templates. She noted Legal Counsel is continuing their research and review of policy templates.

**A Potential Transition from Great Plains Accounting System (Information Only)**

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**U** FO Dreher gave a verbal update to the Committee regarding the transition from the Great Plains Accounting System.

**G** Committee Comments/Questions:

- U** a) GM Fuzie asked if the IT Team looked into the new system. [CSS Weisberger – No, not yet].
- S** b) Director Pierpont asked the cost difference. [FO Dreher – mentioned they removed a few licenses which brought the cost down from cost \$9,000 to \$6,000].
- T** c) Director Pierpoint inquired how the District compares with our needs to other entities. [GM Fuzie – We haven’t compared the District with other districts. We will have IT look into comparisons/similarities].

**NO ACTION.**

**Budget Tool Implementation Update (Informational Only)**

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GM Fuzie announced the District signed an agreement for its new budgeting software, Vena. The new budget tool provides more efficient and robust tools to build future budgets. The Finance team will have their introduction meeting this Thursday and will be working on data review/transfer in the coming weeks. The implementation process will take about 12 weeks, and the team expects to go live with the software before the FY24-25 mid-year budget process.

Committee Comments/Questions:

- a) GM Fuzie noted there was a software demonstration for the core staff. The presentation provided powerful features to simplify and enhance tasks for core and Finance staff. He also noted the first year of the implementation would be to build the system.
- b) Director Palajac asked if the Board can attend a software demonstration to get a better understanding of the system. [GM Fuzie – a demonstration to the Board will be presented along with goals and expectations].
- c) Director Palajac questioned if Finance currently has a budget tool. [FO Dreher – No, we are using Microsoft Excel].

**NO ACTION.**

**Future Agenda Items / Matters Initiated / Announcements**

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GM Fuzie shared his meeting of the new school district Superintendent.

**S Fiscal Year 2023-2024 Audit Status**

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**E** FO Dreher reported that the District’s audit firm, James Marta & Company, completed the fiscal year 2023-2024 unaltered assessment of the preliminary audit report and was ready to present to the Finance Committee and full Board earlier than expected.

**P** **NO ACTION.**

**T**

**S Budget Implementation Update (Informational Item Only)**

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**E** FA Hettick updated the Committee on the new budget tool, Vena. The Finance team is currently reviewing files and providing data to the Vena team  
**P** for designing budget models for the District. Next, Finance will review and approve the designs so Vena can begin building the models and reports.  
**T** Vena is expected to go live in early to mid-November. The Committee expressed enthusiasm for the potential benefits of the budget models and  
**E** looks forward to the demonstration.

**NO ACTION.**

**M**  
**B August 2024 Financials**

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**E** FO Dreher provided an update regarding the preliminary August 2024 Financials. The preliminary financial results through the month of August  
**R** 2024 are as follows: Total revenues: 6% better than budgeted at \$2.035 million; Salary and benefits expenses: 1% better than budgeted at \$2.804 million; Services and supplies expenses: \$327k over budgeted, which were the result of timing issues with when invoices and taxes were received versus when the related expenses were budgeted. However, this is expected to even out over the next few months.

In addition, water and legal expenses have exceeded budgeted numbers in July and August but are expected to come back down to budgeted levels. The District has not yet had any operating capital spend this fiscal year, but due to the current overage on services and supplies expenses, the bottom line through August is \$124k over budget.

**NO ACTION.**

**Financial Policies Update (Standing Item)**

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FO Dreher noted the Unclaimed Property Policy is pending review from Legal Counsel.

**Future Agenda Items / Matters Initiated / Announcements**

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Director Boswell asked the Finance Committee to consider allocating funds for property investments.

**O Fiscal Year 2023-2024 Audit Review**

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**C** FO Dreher reported that the District's audit firm, James Marta & Company, completed the fiscal year 2023-2024 audit and issued an unmodified  
**T** opinion, which is the best an organization can get. The auditors and Finance Team were praised for their hard work and collaboration. The Committee approved the report to be presented to the Board of Directors.

**ACTION:** The Finance Committee approved the unaltered Fiscal year 2023-2023 audit to be presented at the next Board meeting.

**O September 2024 Financials (Standing Item)**

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**C** FO Dreher provided an update regarding the preliminary September 2024 Financials. The preliminary financial results through the month of  
**T** September 2024 are as follows: Total revenues: 5% better than budgeted at \$3.274 million; Salary and benefits expenses: 1% better than budgeted  
**O** at \$3.925 million; Services and supplies expenses: \$254k over budgeted, which were the result of timing issues with when invoices were received  
**B** versus when the related expenses were budgeted. However, the number is down from the \$327k overage from the prior month's report and is  
**E** expected to continue to decline over the next few months; Operating Capital: no expenses yet for this fiscal year, which leaves the bottom line  
**R** through September at \$30k better than budgeted.

**NO ACTION.**

**Financial Policies Update (Standing Item)**

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FO Dreher noted the Unclaimed Property, Disposition of Surplus Assets, and Procurement policies are pending review from Legal Counsel.

**Future Agenda Items / Matters Initiated / Announcements**

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GM Fuzie noted the District submitted a grant for State and Local Cybersecurity Grant Program to assist in addressing risks and threats to information systems owned and or operated by, or on behalf of, state, local, or tribal governments. The grant awarding is scheduled for the first week of December.

**N Budget Tool Update**

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**O** FA Hettick reported that the Finance Team and Vena are finalizing the workforce planning template and workflow. Staff training sessions on the  
**V** software will begin in early December.

**NO ACTION.**

**M Preliminary October 2024 Financials (Standing Item)**

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**B** FO Dreher provided an update regarding the preliminary October 2024 Financials. The preliminary financial results through the month of October  
**E** 2024 are as follows: Total revenues: 5% better than budgeted at \$3.899 million; Salary and benefits expenses: 1% better than budgeted at \$5.051  
**R** million; Services and supplies expenses: \$263k over budgeted, partially the result of timing issues with when invoices were received but also due to increased revenue, which has resulted in increased expenditures; Operating Capital: no expenses yet for this fiscal year, which leaves the bottom line through October at almost \$38k better than budget.

**NO ACTION.**

**N Financial Policies Update: a) Draft Unclaimed Property Policy**

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**O** The Finance Committee reviewed and discussed the draft Unclaimed Property and Disposition of Surplus Assets Policies.

**V** a) Draft Unclaimed Property Policy

**E** i. Keep “Purpose” and “Policy” paragraphs and omit the rest.

**M** ii. Use the same context voice as the state code 50050-50056.

**B Financial Policies Update: b) Draft Disposition of Surplus Assets Policy**

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**E** The Finance Committee reviewed and discussed the draft Unclaimed Property and Disposition of Surplus Assets Policies.

**R** b) Draft Disposition of Surplus Assets Policy

i. Try to limit and/or in paragraphs

**Future Agenda Items / Matters Initiated / Announcements**

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GM Fuzie announced the completion of the Patterson Ranch Trail. Staff are awaiting final approval from the Zone 7 Water Agency.

**D Budget Tool Demonstration**

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**E** FA Hettick gave a demonstration on the new Excel-based budget tool, Vena. She noted the new budget tool will assist staff in easily creating budget planning scenarios in one platform versus the past practice of back-and-forth staff corrections and updates.

**C** **NO ACTION.**

**E**

**M Preliminary November 2024 Financials (Standing Item)**

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**B** FO Dreher provided an update regarding the preliminary November 2024 Financials. The preliminary financial results through the month of November 2024 are as follows: Total revenues: 5% better than budgeted at \$4.517 million; Salary and Benefits expenses: 1% better than budgeted at \$6.183 million; Services and Supplies expenses: \$333k over budget due to timing discrepancies between invoice receipt budgeted expense periods. Operating Capital: No expenses incurred this fiscal year, resulting in a bottom line improvement of approximately \$19k compared to the budget as of November.

**R** **NO ACTION.**

**Financial Policies Update (Standing Item)**

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Are there upcoming financial policies ready for review? [No. The Finance Team is waiting to transition from Great Plains to Business Central accounting systems. The Procurement policy should be ready for review in July/August of next year].

**NO ACTION.**

## **Future Agenda Items / Matters Initiated / Announcements**

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GM Fuzie made the following announcements/comments:

- The budget tool (Vena) demonstration will be presented to the Board of Directors in January/February and will be ready for the Budget Workshop in March.
- The District will have a new Parks & Facilities Supervisor who will start next year.