

AGENDA  
REGULAR MEETING  
BOARD OF DIRECTORS

EAST BAY REGIONAL PARK DISTRICT

Tuesday, April 5, 2016

C. BUSINESS BEFORE THE BOARD

6. CONSENT CALENDAR

- a. Finance Committee Minutes and Recommended Actions from the January 27, 2016 (Waespi)

Attendees

Board: Directors Dennis Waespi, Ayn Wieskamp, Diane Burgis

Staff: Robert E. Doyle, Debra Auker, Bill Zenoni, Deborah Spaulding, Pam Burnor, Kim Balingit, David Sumner, Meadow D'Arcy, Mimi Waluch, Jim O'Connor, Jeff Rasmussen, Carol Victor, Alicia Gonzales

Public: Rick Rickard - PAC

Committee chair Dennis Waespi began the meeting at 12:30 PM with the introduction of committee members.

**Agenda Item No. 1**

**2016 Finance Committee Work Plan and 2015 Finance Committee Accomplishments**

Acting AGM of Finance and Management Services Debra Auker presented the 2015 Finance Committee accomplishments. The Committee held ten meetings during the year, at which the committee received reports and reviewed the normal recurring Committee items. Additionally, during 2015 the Finance Committee considered and recommended for Board approval the following special items:

- Formation of Community Facilities Districts
- Banking Contract Extension
- Affordable Care Act Reporting/Monitoring Service Provider
- Proposal to Establish a Pension Trust to Pre-fund CalPERS Pension Obligations

Committee member Diane Burgis asked if the Affordable Care Act Service provider is needed on a long-term basis, or until the District is able to incorporate monitoring into its system. AGM Auker noted the District currently has a multi-year contract with the provider however, the District's One Solution software is adding the monitoring option to its core financial

software. In the future the District will not require a third party for monitoring and reporting Affordable Care Act requirements.

AGM Auker presented the 2016 Finance Committee Work Plan, which includes similar recurring items as 2015, as nothing out of the ordinary is foreseen at this point.

AGM Auker also presented the Committee (as a refresher) with responsibilities of Finance Staff and Finance Committee members as outlined in the Board Operating Guidelines.

**Recommendation: This item is for information only.**

## **Agenda Item No. 2**

### **District's 2016 Investment Policy Review and Update on Investment Strategy**

Interim CFO Bill Zenoni advised that each year the East Bay Regional Park District Board of Directors approves the District's Investment Policy for District funds. Finance staff reviews and updates the policy as required each year before it is presented to the Finance Committee. Finance staff also requested that both of the District's outside investment advisors, PFM and Insight Investments, review the 2016 policy and recommend changes. Based upon that review, two amendments to the current investment policy are recommended to reflect changes to the California Government Code. The revisions include the following:

- Page 8, section 9.12 and page 15 (Glossary of Investment Terms and Instruments) – the addition of “Supranationals” as a permitted investment. The amendment to the Government Code permits local agencies to invest in the senior debt obligations of three supranational issuers in the United States.
- Page 9, Section 12 – language pertaining to flexibility for an investment maturity beyond five years for a specific purpose if approved by the Board of Directors at least three months before the investment is made.

Committee chair Dennis Waespi inquired if Local Agency Investment Fund (LAIF) is currently using “Supranationals”, or does LAIF have to wait for the government code change. Interim CFO Zenoni advised LAIF has been investing in Supranationals for years; they are not restricted in the same way local agencies are.

Committee chair Waespi wanted to know if Supranationals yield more than other investments. Interim CFO Zenoni replied Supranationals are comparable to Treasuries.

Committee chair Waespi asked due to changing investment policy, does staff plan to invest up to 30% in any investments. Interim CFO Zenoni responded no, the District does not exceed 5%; the 30% is what new government code allows.

Interim CFO Zenoni ended his report noting the District investment strategy is to invest idle funds in a prudent manner, providing the highest yield with the maximum security of principal invested, while also meeting the daily cash flow requirements of the District.

**Recommendation: Motioned by Ayn Wieskamp and seconded by Diane Burgis that the Finance Committee recommends to the full Board of Directors for approval of the 2016 Investment Policy for District funds. Motion approved.**

**Agenda Item No. 3**

**Financial Audit Planning Memo for the Year Ended 2015**

Accounting Manager Kim Balingit advised the Committee that each year the District prepares financial statements that are audited by an independent auditor (Vavrinek, Trine, Day and Company, LLP) and the auditors have provided a standard/engagement letter for the audit year ending December 31, 2015.

Accounting Manager Balingit summarized the Audit Engagement / Planning memo as follows:

- Audit services will be provided in accordance with the proposal and contract issued in 2014 for services beginning for the 2015 calendar year.
- Auditors will perform the audit in accordance with Government Audit Standards and list all disclaimers of what they are not required to do as part of audit.
- Auditors will express an opinion as to whether the basic financial statements are fairly presented, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles.
- Auditors will comment on internal controls that could have a material effect on the financial statements.
- Auditors will comment on internal controls that relate to major federal grant programs.

Committee chair Waespi congratulated the Accounting Manager and staff for receiving the GFOA Award for Excellence in financial reporting.

**Recommendation: This item is informational only.**

**Agenda Item No. 4**

**2016 Internal Audit Work Plan and Final 2015 Internal Audit Results**

Audit Manager David Sumner provided a report of the 2015 Internal Audit Plan projects:

- Review of Contra Loma Cash Handling Procedures
- Review of Big Break Visitor Center Capital Improvement Project
- Review of Quarry Lakes Cash Handling Procedures
- Follow-up Review of Regional Parks Foundation Membership Fee Collection Procedures as it relates to the District
- Review of Don Castro Cash Handling Procedures
- Review of Garin Cash Handling Procedures
- Review of MLK, Jr. Regional Shoreline Cash Handling Procedures
- Review of Deer Valley – Roddy Ranch Land Acquisition Project 234800
- Review of Measure WW Grants

- Review of Chabot Gun Club Financial Documents
- Review of Tilden Nature Area (TNA) Petty Cash Fund
- Review of the District's Preparedness for Compliance with Affordable Care Act (ACA) Reporting Requirements
- Follow-up Review of Tilden Merry-Go-Round
- Follow-up Review of Fleet Credit Card
- Review of YMCA Camp Arroyo Concession

#### External Audit

- Peace Officer Standards and Training Program (POST) Audit

Committee member Wieskamp noted the numerous comments about the Ventex machines in the parks, asking if they can be reprogrammed to meet the District's needs. Business Service Manager Mimi Waluch advised the Park Supervisor can reprogram Ventex machines adding that Operations is currently looking into a newer version that takes credit cards, as the old version only takes cash and coins.

General Manager Doyle advised it is a budget issue, the District has the ability to modernize machines as a work project.

Committee member Diane Burgis requested more consistency throughout all the parks related to paying fees; thus a more consistent experience for visitors (visitors will know where to find information, how to pay, etc.).

AGM of Operations Jim O'Connor addressed the modernization of equipment and safety of the kiosks, along with the process of eliminating collection of cash where possible and use credit cards.

AGM Auker provided the committee with an update of the connectivity throughout the Districts' parks. The Information Technology Dept. (IT) has upgraded eight parks to date this year, improving technology where possible.

#### **2016 Internal Audit Plan**

Audit Manager Sumner advised the 2016 internal audit projects were selected based on the level of financial risk. A list of selected projects were handed out.

**Recommendation: Motioned by Diane Burgis and seconded by Ayn Wieskamp that the Finance Committee recommends to the full Board of Directors for approval of 2016 Internal Audit Plan. Motion approved.**

#### **Agenda Item No. 5**

#### **Committee Member Comments**

Committee member Burgis is looking forward to learning, contributing and getting to know District staff.

**Agenda Item No. 6**  
**Public Comment**

No Public comment.

Meeting adjourned 1:50 p.m.

Respectfully submitted,

Connie Swisher  
Confidential Secretary, Finance