

AGENDA
REGULAR MEETING
BOARD OF DIRECTORS

EAST BAY REGIONAL PARK DISTRICT

Tuesday, April 18, 2017

D. BUSINESS BEFORE THE BOARD

6. COMMITTEE REPORTS

- a. Finance Committee Minutes and Recommended Actions from the Meeting of March 22, 2017 (Wieskamp)

Attendees

Board: Directors Ayn Wieskamp, Whitney Dotson and Colin Coffey

Staff: Debra Auker, Ana M. Alvarez, Deborah Spaulding, Pam Burnor, Kim Balingit, David Sumner, Michelle Strawson-O'Hara, Paul Ferrario, Ana Fong, Carol Victor, Rachel Sater, Kristina Kelchner, Janet Lan, Becky Pheng

Public: Rick Rickard

Committee Chair Ayn Wieskamp began the meeting at 1:05 PM with the introduction of committee members.

Agenda Item No. 1
2017 Risk Management Annual Report

District Counsel Carol Victor introduced the Risk Staff to committee members.

Administrative Analyst Anna Fong and Health and Safety Coordinator Paul Ferrario provided an overview on the District's Workers' Compensation, and Health and Safety programs and advised the Finance Committee that the District is continuing to experience low claim frequency and low claim severity in the areas of workers' compensation and general liability. Claim frequency was slightly down from the prior year at 110 reported claims.

The challenge to the District's Worker's Compensation Program is controlling exposure to escalating medical costs. The Risk Management Department continues to control costs with close oversight of the program and assistance from its third-party claims administrator, Athens Administrators perform medical bill review, utilization review, and nurse case management.

The District's General Liability Claims have been generally decreasing in number and total cost over the past five years. This is due to proactive training provided to District staff, as well as due to careful management of potential claims by Risk Staff, who immediately notify any potential claimant that the District is protected under California law by the Trail and Hazardous Recreation Immunities.

Unemployment claims filed have also continued a general decrease since 2012. This reduction is due to coordination with the Operations Department, to ensure that furloughed 9-month Park Rangers are transitioned re-assigned to work during their furlough period, as well as transitioning these 9-month positions to 12-month positions.

The District participates in several insurance programs in order to minimize the financial impact associated with excessive or unanticipated losses. Insurance costs are trending upward, with the overall costs for July 2017 through June 2018 policy up \$128,804 (10% from current rates). The primary insurer for the District is CSAC, a member-directed public entity insurance pool. Excess insurance, however is getting increasingly more expensive.

Deputy General Manager Dr. Ana M. Alvarez inquired if the District participates in the Department of Motor Vehicle Employer Pull Notice Program. District Council Victor responded yes.

Deputy GM Alvarez explained to the committee the Pull Program is a DMV program that notifies the District when employees have citations under their driver's license number.

Recommendation: Motioned by Whitney Dotson and seconded by Colin Coffey that the Finance Committee recommend to the full Board of Directors renewal of the existing insurance program of workers' compensation excess insurance at \$474,000, property insurance at \$456,942, general liability insurance at \$367,000, watercraft insurance at \$2,700, aviation insurance at \$100,000, crime insurance at \$4,200 and cyber liability coverage at \$2,300. Motioned Approved.

Agenda Item No. 2

2017 Internal Audit Work Plan and Finance 2016 Internal Audit Results

Audit Manager David Sumner provided a report of the 2016 Internal Audit projects:

- Review of Skyline Ranch Stables
- Review of Pleasanton Ridge Robertson Property Land Acquisition
- Review of Briones Regional Park Cash Handling Procedures
- Review of Sales and Use Tax Compliance
- Review of Reservations Active Net Cash Handling Procedures
- Review of Measure WW Grants
- Special Review of Shadow Cliffs Regional Recreation Area Cash Handling Activities
- Review of the IRS reported problems with Forms 2099-MISC filed in 2015

External Audit

- CalPERS Public Agency Review

Committee member Colin Coffey asked about the Sales and Use Tax Compliance audit, what types of purchases were causing the District to owe additional state sales tax. Audit Manager Sumner explained the majority of issue arises when staff orders items on-line and assume that the purchase is exempt from tax, where in reality a “Use Tax” is owed. The District’s financial system has been upgraded to calculate the taxes owed on such purchases.

2017 Internal Audit Plan

Audit Manager Sumner advised the 2017 internal audit projects were selected based on the level of financial risk. A list of selected projects were handed out.

Recommendation: Motioned by Whitney Dotson and seconded by Colin Coffey that the Finance Committee recommends to the full Board of Directors for approval of 2017 Internal Audit Plan. Motion approved.

Agenda Item No. 3

Update on District-side Banking Contract with Wells Fargo Bank and Intention to Commence Procurement Process for Banking Services

Assistant Finance Officer Deborah Spaulding updated the Finance Committee on issuing a Request for Proposal (RFP) for District-wide banking services that would facilitate the District ability to receive deposits of cash and checks from park locations, payroll disbursements, and facilitate disbursement of funds to vendors. The District’s current bank, Wells Fargo Bank, contract will expire June 30, 2017. Interviews of the top scoring proposers will be scheduled for May. The selection of the bank will be brought to the Board Finance Committee for recommendation to the full Board of Directors.

Recommendation: This item is informational only.

Agenda Item No. 4

Request November 22, 2017 meeting moved to November 20, 2017

Assistant General Manager/Chief Finance Officer Debra Auker requested date change of November Finance Committee meeting from November 22, 2017 to November 20, 2017. Finance committee members agreed to change date.

Agenda Item No. 5

Open Forum for Public Comment

No Public comment

Agenda Item No. 6
Committee Comments

No Committee comment

Meeting adjourned at 2:10 p.m.

Next meeting scheduled for April 26, 2017

Respectfully submitted,

Connie Swisher
Confidential Secretary, Finance