

AGENDA
REGULAR MEETING
BOARD OF DIRECTORS
EAST BAY REGIONAL PARK DISTRICT

Tuesday, May 1, 2018

C. BUSINESS BEFORE THE BOARD

7. COMMITTEE REPORTS

- a. Finance Committee Minutes and Recommended Actions from the Meeting of March 28, 2018 (Rosario)

Attendees

Board: Directors Dee Rosario, Colin Coffey and Whitney Dotson

Staff: Robert E. Doyle, Debra Auker, Deborah Spaulding, Michelle Strawson O'Hara, Pam Burnor, Kim Balingit, David Sumner, Connie Swisher

Speakers: None

Public: Rick Rickard

Committee member Dee Rosario began the meeting at 12:40 PM with the introduction of Committee members.

Agenda Item No. 1
Overview of District Capital Bond Program

Budget Manager Pam Burnor presented an update of the District's Capital Bond Programs available interest and principal for each of the bond proceeds funds: Measure AA, Measure WW and 2012 Promissory Notes. Staff will provide the full Board with the details of the bond allocations and status of spending during the Capital Finance Board Workshop on April 27, 2018.

Fund	Description	12/31/2017 Unaudited Interest Earned	Total Interest - Inception to 12/31/2017	Previously Appropriated Interest	Unappropriated Interest	Unappropriated Principal
335	Measure AA Project Funds	\$ 91,047	\$ 27,420,452	\$ 27,320,810	\$ 99,642	\$ 9,488,821
337	Measure WW Project Funds	115,124	1,247,506	200,000	1,047,506	279,068,693
338	2012 Promissory Note Funds	108,804	1,103,748	297,331	806,417	-

Bond interest represents investing earnings from the unspent bond proceeds. Interest earnings vary based on market conditions, and the amount invested.

- Measure AA earned interest of \$91,047 during 2017. Total unappropriated interest is \$99,642. Due to the bond requirements, interest is allocated with 75% available for acquisitions and 25% available for development projects. Any project that receives interest funding must meet Measure AA appropriation requirements.
- Measure WW earned \$115,124 in 2017. This amount is added to earnings from prior years for a total of \$1,247,506. Board members reviewed metro population changes and determined that Measure WW interest will be allocated to balance the population changes in the metros. The first \$4.1 million in interest earned must be allocated to areas within the Diablo metro.
- The 2012 Promissory Note Fund earned \$108,804 in 2017. The fund has interest of \$806,417 available for appropriation.

Recommendation: This item is for information only.

Agenda Item No. 2

Accounting Adjustment to Record Pension Trust

Assistant Finance Officer Michelle Strawson O'Hara requested approval for an accounting adjustment to record the District's Pension Trust. To comply with new Governmental Accounting Standard Board (GASB) Statement 73 (Accounting and Financial Reporting for Pensions and Related Assets), the District will be recording pension trust's assets and the corresponding restricted fund balance in the General Fund rather than the Employee Benefits Internal Service Fund.

Staff will be recording the \$3.5 million contribution to the Pension Trust as a restricted asset within the General Fund. The Board of Directors is asked to approve the transfer of the \$3.5 million from Employee Benefits Fund back to the General Fund as restricted fund balance.

Recommendation: Motioned by Whitney Dotson and seconded by Colin Coffey that the Finance Committee recommends to the full Board of Directors for approval of the proposed accounting adjustment to record Pension Trust contributions as required by GASB Statement 73. Motion Approved.

Agenda Item No. 3

Contract for Actuarial Services

AFO Spaulding reported the District's contract with Bartel Associates expired in late 2017, and per the District's purchasing requirements, a formal Request for Proposal (RFP) was conducted. Six actuarial firms were evaluated and the written proposals were scored by staff from the Finance Department.

The actuarial firm proposals were evaluated based upon experience with government entities, understanding of the District's pension and OPEB (retiree medical benefit) reporting needs and knowledge of PERS and GASB reporting structure. Based upon the review, staff selected Van Iwaarden Associates. The new contract is not to exceed \$135,000 over the five-year period.

Committee member Dee Rosario asked if Van Iwaarden Associates will provide recommendation if OPEB does not perform well. Assistant General Manager/Chief Finance Officer Debra Auker replied the actuarial service recommends what the annual contribution rate should be to fund benefits to the retirees, as well as financial recommendations of what funding the District should put aside. AGM/CFO Auker also advised the committee members that the California Employers Retiree Benefit Trust (CERBT) manages the District's OPEB investments.

Recommendation: Motioned by Whitney Dotson and second by Colin Coffey that the Finance Committee recommends to the full Board of Directors approval of a five-year agreement with Van Iwaarden Associates for actuarial services. Motion approved.

Agenda Item No. 4

Deferred Compensation Advisory Committee Update

AFO Spaulding gave an update on the Deferred Compensation Advisory Committee. This committee was created to provide additional oversight to the District's ICMA 457(b) Plan, which is available to all permanent employees.

The Advisory Committee proposed implementing the following in the coming year:

- An additional option to contribute to a Roth IRA – Employees can contribute up to \$5,500 (\$6,500 if over age 50) to a Roth IRA through a payroll deduction, in addition to their maximum 457 contributions. The Roth IRA has income cap restrictions, as set by the IRS.
- An additional Roth option to the 457 Plan – Employees can contribute a portion or up to the entire annual maximum allowable for the 457 Plan to a Roth, through payroll deduction.
- An option for an in-service distribution – this allows employees to roll other qualified plan assets (401k, 403b, IRAs) from a previous employee into the District's DC Plan with the ability to withdraw those funds without penalty before separating from the District prior to reaching age 59 ½.

AFO Spaulding noted the advisory committee will send out a survey to gather information on how to encourage staff and retirees to take advantage of the existing deferred compensation options.

Committee member Rosario inquired if the Roth 457 is part of the existing 457 Plan or an additional plan. AFO Spaulding confirmed the Roth 457 is within the 457 Plan, and so is subject to those maximum contribution limits. The Roth IRA is an additional option, in addition to the 457 Plan.

AGM/CFO Auker added there is no cost to the District or employees for the added benefits.

Recommendation: This is an information item only.

Agenda Item No. 5
Open Forum for Public Comment

No public comment

Agenda Item No. 6
Committee Comments

No comments

Meeting adjourned 1:15 p.m.
Next meeting scheduled for April 25, 2018.

Respectfully submitted,

Connie Swisher