

## FINANCE COMMITTEE NOTES June 7, 2018

### Attendees:

Committee members: Randall Reed (Chair) and Luis Cetina

Staff members: Martin Zvirbulis, Carrie Corder, Chad Brantley, Agnes Boros, Frank Chu, Robert Kalarsarinis.

**Members of the Public:** None

**Call to Order:** 5:00 p.m.

**Public Comment:** None

**Additions/Deletions to the Agenda:** None

### **I. Actuarial Reports for the PARS Supplemental Retirement Plan and Other Post-Employment Benefits (OPEB) Plan**

- Staff updated the Committee with the results of the actuarial studies that were recently updated for the PARS Supplemental Retirement Plan and the Retiree Healthcare Plan (OPEB). These reports and calculations are performed every two years for these closed benefit plans.
- The PARS Retirement Enhancement Plan (REP) has a funding status of 117.8%, while the OPEB Plan has a funding status of 30.9%.
- New accounting rules for the OPEB are going into effect for the fiscal year ending June 30, 2018. These rules are known as GASB 75 which requires the full amount of the OPEB liability to be shown on the financial reports.
- Staff recommended that the Committee endorse an additional contribution to the OPEB trust in the amount of \$331,239 in order to meet the Actuarially Determined Contribution in fiscal year 2018.
- The Committee concurred with staff's recommendation and directed staff to bring the report and recommendation to the full Board of Directors for review and consideration on June 26, 2018.

### **2. FY2019-FY2020 Proposed Biennial Operating Revenue & Expense Budget**

- Staff presented to the Committee a draft of the proposed Biennial Operating and Capital Improvement Budget for FY2019 and FY2020. Several aspects of the budget were addressed and reviewed by the Committee, which included:

## **FINANCE COMMITTEE NOTES**

### **June 7, 2018**

- Overview of the change to a two-year budget document
- Overview of operating and non-operating revenues and expenses
- Explanations for major variances from fiscal year 2018 to fiscal years 2019 and 2020
- A summary of the proposed Capital Improvement Projects
- Wage & Benefits proposal that was reviewed by the Human Resources/Risk Management Committee on May 1, 2018
- Statement of Budgeted Revenues and Expenses indicating that the proposed budget is balanced for both fiscal years and funded within current and projected rates.
  - i. Certain critical elements of the budget such as rates, water supply mix, and wages & benefits will be reviewed in Spring 2019 for fiscal year 2020 (Year #2).
- The Finance Committee recommended that the proposed Biennial Operating and Capital Improvement Budget for the Fiscal Years Ending June 30, 2019 and 2020 be brought before the full Board of Directors for review and adoption on June 12, 2018.

Meeting Adjourned at 6:00 p.m.