



## MINUTES OF BUDGET & FINANCE COMMITTEE MEETING

Responsible for the review of District finances including: rates, fees, charges and other sources of revenue; budget and reserves; audit; investments; insurance; and other financial matters.

Wednesday, February 17, 2021, 2:00 pm, via video/tele conference.

### MINUTES

1. Convene Meeting 2:01 pm  
Roll Call: G. Mahood, J. Hill, R. Lund, S. Winegarden (2:02 pm) were all present.  
L. Henry was absent-not feeling well.  
Staff: R. Rogers, S. Hill, H. Hossack

2. Oral Communications: None

3. New Business:
  - A. CAPITAL ASSET MANAGEMENT PLAN UPDATE-Removed from agenda to be returned at the next B & F Committee meeting.

#### B. DISTRICT INVESTMENT OPTIONS

S. Hill introduced this item. She compared bond proceeds vs. cash reserves. The District holds funds with the Santa Cruz County Investment Fund which is comparable to the Local Agency Invest Fund. The Santa Cruz County Investment Fund is local and allows the District to have multiple accounts.

R. Rogers added that our Board Policy Manual calls for annual review of the District's Investment Policy and it hasn't been reviewed since 2018.

J. Hill asked what kind of returns the District gets from the Santa Cruz County Investment Fund.

S. Hill said we are currently getting 0.62%.

S. Winegarden questioned the statement in the memo about being out of compliance.

S. Hill explained that the District is not allowed to have over 30% of our money tied up and in 2015/16 the District had more than that in CDs. At the time the Board allowed the CDs to mature rather than taking a huge loss.

R. Rogers added that the District always made money but that some quarters we lost money. Fees were a concern for the public.

R. Lund she questioned the potential for setting up a fund for unfunded liability.

S. Hill responded it's something that we could do. We are being charged 7% on the CalPERS liability.

Discussion by the Committee and staff regarding the trust funds for unfunded liabilities.

S. Hill said that the Investment Policy doesn't need to be reviewed every year, the Board chooses that to happen. Actually looking at the District's investments on a more regular basis is a good idea.

Discussion by the Committee and staff regarding reviewing biennial review of policy and the current document's usefulness.

G. Mahood said that the policy should be brought back to the next meeting with the changes suggested by the Committee.

#### C. BUDGET PROCESS

S. Hill presented the Budget Process proposing a biennial budget.

Discussion by the Committee and staff regarding the presentation and changes to the presentation before the Board gets it.

4. Old Business: None
5. Informational Material:  
Here is a link <https://www.slvwd.com/node/290/minutes> to previous Budget & Finance Committee meeting minutes.
6. Adjournment 3:12 pm