

M E M O R A N D U M

TO: Steven J. Pinkerton
General Manager

FROM: Gerald W. Eick, CPA CGMA
Director of Finance

SUBJECT: Status Report for January 2018 – Finance/Accounting and Risk Management

DATE: **February 16, 2018**

Finance and Accounting

Sales Tax Refund by the State of NV, Affecting District Revenues On August 14 the District was advised by the NV Dept. of Taxation that a sales tax refund was proposed that should reduce revenues in 2017-18. The taxes were collected over three prior years. The District has made a provision for the estimated \$60,000 refund and an entry was applied to June 30, 2017. Staff continues to monitor the discussions that will eventually determine the final amount and the terms by which the refund will be executed. The District was advised the Tax Commission approved the refund in January 2018 without stated terms. Published reports indicate the amount of the refund affecting local governments may be larger than reported in August. Based on the new \$11 million estimate, the District share could reach \$72,500. An adjustment will be made in the month that the terms and amount are determined by the State as they begin the refund process.

Financial Transparency Website The Controller works each month to improve Opengov.com and our monthly financial reporting to be consistent and informative. January included reviewing templates.

Popular Reporting Formats The General Manager's Committee discussed Popular Reporting and performed its fact-finding, which was reported to the entire Board August 2, with all the other reports. Further determination of the content of any other reports, will be decided by the Board of Trustees following consideration of alternative formats for Popular Reporting. The timing for this next step will coincide with the 2018-19 Budget process. Staff has referenced popular reporting in the proposed budget initiatives for the updated Strategic Plan. It is intended to be part of the Board's 2018 Work Plan. Any changes adopted will be applied to the extent possible to past annual reports to make them consistent.

Monitoring CIP for the current 2017-18 Project Year Performance management of CIP includes quarterly Project Manager's meeting. Status is reviewed for new and carryover projects was included in the 2017-18 budget. Finance also coordinates a Capital Improvement Project Report. The first quarterly report for the 2017-18 fiscal year will be posted in December. The second quarter was recently posted too. Several changes in plans and scope have already occurred for 2017-18 projects based on circumstances for weather or other circumstances.

Operating and Capital Budgets for the 2018-19 Fiscal Year January began the process of review and reflection on information input by venues. This includes "why" discussions and review of justifications. The General Manager is leading this review with the assistance of the Senior Team. The Senior Team has agreed to a general outline for the production of a budget for approval in May. The critical dates have been reflected in the Board of Trustees Long Range Calendar.

Investment Strategy Implementations With a clear response in the fixed income markets to the increase in Federal Reserve rates, staff has determined it is appropriate to return to a strategy used prior to the great recession. The District maintains investing for operating cash flow and planned capital projects. The operating portion has been affected for the last few years by substantially reduced rates for maturities under a year. Thus large balances were kept in money markets and the checking account as those earnings equated to other short term rates. Beginning with January 2018, the District has reduced the checking and money market balances and returned to the use of a certificate of deposit ladder, with maturities every two or three months. Certificate and agency investments will continue to be made for capital projects as scheduled. The allocation includes:

Local Government Investment Pool Money Market	\$1,000,000
Checking Account	\$3,000,000
Investment Account Money Market	\$ 250,000
Certificate of Deposit & equivalent Ladder	<u>\$4,500,000</u>
Total	<u>\$8,750,000</u>

Basis for the amount managed utilizes the approximate fund balance targets or other known factors:

General Fund	\$1,500,000
Utility Fund	\$1,750,000
Community Services Fund	\$4,000,000
Beach Fund	\$1,000,000
Internal Services	<u>\$ 500,000</u>
Total	<u>\$8,750,000</u>

CIP Projects Initiated under General Manager Authority In addition to the Golf Course equipment approved by the Board of Trustees at their January 24 meeting, the General Manager approved 5 individual purchases for other golf equipment. The budget for these items totaled \$159,500 and the aggregate actual purchases total \$145,222.

Review of the District Food & Beverage Department operation at the Beach for summer 2018 Staff has reviewed the probable level of activity generated by the District providing food service at the Beach, versus what has been budgeted under a concessionaire. There appears to be sufficient expenditure authority for the 5 weeks to June 30, 2018 to not require an augmentation. This will be monitored incase circumstances change.

Risk Management and Safety Initiatives

ARC Flash Labeling We have ongoing work under the CIP budgeting for the five-year plan. Various venues have proposed projects to address updating panels. We are continuing a protocol for not working on any panel with live power.

In support of the overall process of protocols for Lock Out Tag Out, District venues are inventorying and evaluating conditions for all energized equipment covered by the OSHA regulations. This will lead to other projects or operating adjustments, including establishing procedures specific to locations. This will be implemented through the rest of 2017-18 and as CIP projects affecting those locations are completed.

Safety Committee continues to promote utilization of TORCH-Learning Management System The safety committee and District staff continue to work on the implementation of the record keeping system for various training and learning opportunities. TORCH-LMS is a member service provided by the Nevada Public Agency Insurance POOL. Part of the TORCH program planning identified increased activity for 2017-18 for Lock Out Tag Out procedures. The system went live November 1. Training is ongoing with our managers and supervisors.

Safety Committee Venue staff, HR, and the Safety Specialist are working with the POOL on an updated online Material Handling Library. The POOL has purchased the upgraded system as member service. This system has proven invaluable to the District to meet its documentation requirements for hazardous material handling. The upgrade included conversion of the current database and training on the new system. The new system went live in November. There is ongoing training with venues to get new data input established. IVGID is one of the first to implement it among POOL members.