



FINANCE COMMITTEE MEETING

Chino Basin Water Conservation District
4594 San Bernardino Street
Montclair, CA 91763

Thursday, May 20, 2021

MINUTES

CALL TO ORDER – Committee Chair Grupposo called the meeting to order at 10:02 a.m.

ROLL CALL

Committee Members Present: Committee Chair Marc Grupposo
 Director Gil Aldaco
 Director Hanif Gulmahamad

Committee Members Absent: None

General Counsel Present: Leland McElhaney, Esq.

Staff Present: Executive Director Elizabeth Skrzat
 Administrative Services Manager Toyasha Sebbag
 Senior Administrative Assistant Jerry Mireles
 Community Programs Manager Maia Dean
 Program Educator Jenna Hoover
 Program Educator William Mercado

Visitors Present: Eide Bailly LLP Ian Berg
 CalPERS Jasper Jacobs

ADDITIONS OR CHANGES TO THE AGENDA – None.

PRESENTATIONS – None.

PUBLIC COMMUNICATIONS – None.

DISCUSSION ITEMS

1. **Fiscal Year 2021-22 Budget Proposal**

Executive Director Skrzat presented the item to the Finance Committee to review, discuss and provide direction to staff regarding the proposed budget for Fiscal Year 2021-22. Ms. Skrzat outlined the proposed budget and detailed the projections. The budget projects \$3,699,400 in revenues and plans \$3,699,400 in expenditures.

Program Educator Hoover presented on a new budget line item of a Cohort program of 5-10 middle & high school students for the academic school year who will receive community service hours. The pilot program will focus on groundwater conservation in the District's service area. Direct expenditures related to the program are budgeted at \$2,000 for FY 2021-22.

Director Aldaco and Committee Chair Grupposo commended Ms. Hoover on her report.

Director Aldaco drew attention to the proposed budget line item of banners and questioned if banners would be installed on the frontage of the District's facility. Ms. Skrzat clarified that the District is determining logistics on where to install them and will utilize them specifically for special events. Director Aldaco requested staff to coordinate with the City of Montclair and explore the idea of installing street light banners.

Director Gulmahamad requested if the District's contract accountant Ian Berg from Eide Bailly LLP reviewed the Budget. Mr. Berg stated affirmed participation in the budget's development and added that the District is financially healthy.

It was moved by Director Aldaco and seconded by Committee Chair Grupposo to proceed with the proposed budget FY 2021-22 for Board approval.

Motion carried on 3-0-0-0 vote to proceed with proposed budget FY 2021-22 for Board approval.

MOVED: Aldaco

SECOND: Grupposo

APPROVED: 3-0-0-0

AYES: Grupposo, Aldaco, Gulmahamad

NOES: None

ABSTAIN: None

ABSENT: None

2. FY Classifications, Labor Grades & Hourly Schedule

Executive Director Skrzat presented the item to the Finance Committee to review, discuss and provide direction to staff regarding FY 2021-22 classifications, labor grades & hourly schedule.

Director Aldaco commended staff on its report.

Executive Director Skrzat recommended the Committee discuss this item in closed session and report back on the item after closed session.

3. California Employer's Pension Prefunding Trust (CEPPT) Investment Funding

Executive Director Skrzat presented the item to the Finance Committee to recommend that the Board authorize an agreement and election to prefund employer contributions to a defined benefit pension plan with the California Public Employee's Retirement System (CalPERS) internal revenue code (IRC) section 115 California Employer's Pension Prefunding Trust (CEPPT) Fund and recommend initial funding of \$79,261. The plan allows the District an opportunity to prefund the pensions that the District owes and allow unfunded liability to be moved into funded liabilities. The District is currently on a 24-year repayment plan and the proposal is suggesting transitioning to a 10-year repayment plan which would save over \$700,000 in interest.

CalPERS Jasper Jacobs explained the California Employers Pension Prefunding Trust (CEPPT) plan and provided a detailed plan about diverting the money from the reserves into the pensions.

Committee Chair Grupposo commended Mr. Jacobs on his report. Director Aldaco questioned if the plan covers Classic and PEPRA employees. Mr. Jacobs confirmed the plan covers all District employees.

Director Gulmahamad asked Mr. Berg if the proposed plan presented a good proposal. Mr. Berg stated that he thinks it is a great way to earn a better return on investment and cover future pension liabilities. Committee Chair Grupposo stated if the District plans to transfer the money now or at a future date and could the amount invested be increased? Mr. Berg clarified that the goal is transfer a portion of the \$79,261 quarterly throughout the fiscal year, and that should the investment yield successful then consider increasing the amount invested at a later date.

It was moved by Committee Chair Grupposo and seconded by Director Gulmahamad to recommend that the Board authorize an agreement and election to prefund employer contributions to a defined benefit pension plan with CalPERS and CEPPT and recommend initial funding of \$79,261.

Motion carried on 3-0-0-0 vote to recommend that the Board authorize an agreement and election to prefund employer contributions to a defined benefit pension plan with the California Public Employee's Retirement System (CalPERS) internal revenue code (IRC) section 115 California Employer's Pension Prefunding Trust (CEPPT) Fund and recommend initial funding of \$79,261.

MOVED: Grupposo

SECOND: Gulmahamad

APPROVED: 3-0-0-0

AYES: Grupposo, Aldaco, Gulmahamad

NOES: None

ABSTAIN: None

ABSENT: None

ORAL REPORTS – None.

CLOSED SESSION – The Board recessed to closed session at 11:02 a.m. to consider the following closed session items:

PUBLIC EMPLOYMENT: Pursuant to Government Code Section 54957.6 Public Employees' Salaries/ Benefits.

Reportable Action – The meeting reconvened at 11:53 a.m. and Leland McElhaney reported the majority of the Committee voted recommending a 2.25% COLA for Fiscal Year 2021-22 to the Board of Directors for approval.

Committee Chair Grupposo reported back on Item #2 and made a motion to proceed with FY classifications, labor grades & hourly schedule for Board approval and was seconded by Director Aldaco.

Motion carried on 3-0-0-0 vote to proceed with FY classifications, labor grades & hourly schedule for Board approval.

MOVED: Grupposo

SECOND: Aldaco

APPROVED: 3-0-0-0

AYES: Grupposo, Aldaco, Gulmahamad

NOES: None

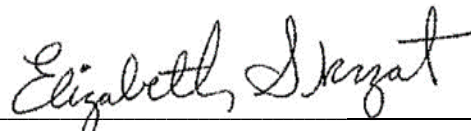
ABSTAIN: None

ABSENT: None

ADJOURN

Chairman Grupposo adjourned the meeting at 11:55 a.m. to the next Regular Board Meeting of the Chino Basin Water Conservation District to be held on Monday, June 14, 2021 at 2:00 p.m. online at: <https://zoom.us/j/98961622935>.

APPROVED AND ADOPTED THIS 14TH DAY OF June 2021.



Elizabeth Skrzat, Executive Director

ATTEST:



Jerry Mireles, Senior Administrative Assistant