

YOLO COUNTY FINANCIAL OVERSIGHT COMMITTEE

MINUTES OF MEETING OCTOBER 27, 2020

County Administration Building, County Admin Room
625 Court Street
Woodland, CA 95695

Members present: Duane Chamberlain (Vice Chair – Supervisor), Richard Horan and Larry Raber (Public Member), and Kimberly McKinney (Cities).

Members excused: Gary Sandy (Chair – Supervisor), Crissy Huey (Education), and Kristin Sicke (Special District).

Others present: Patrick Blacklock (CAO), Chad Rinde (CFO), Tom Haynes (Assistant CFO), Edward Burnham and Kevin Sorenson (Treasury), Merylyn Tiriboyi (Accounting Manager), Melissa Patterson (Budget), Ken Schiebel, and Allison Kaune (PFM), Brandon Young (LSL), and Kim Eldredge, Noemy Mora-Beltran, David Estrada, and Douglas Port (Internal Audit).

Moderator: David Estrada

Recorded by Douglas Port

- 1) **Introductions.**
- 2) **Call to Order.** Duane Chamberlain called the meeting to order at 10:01 a.m. with members Richard Horan, Larry Raber and Kimberly McKinney in attendance. Quorum was formed.
- 3) **Approval of Agenda.** Agenda reviewed and approved;
MOVED BY: Raber / SECONDED BY: Horan
AYES: Chamberlain, Horan, Raber, and McKinney.
NOES: None.
ABSTAIN: None.
ABSENT: None.
- 4) **Follow-up item from 7/15/2020 meeting.** No follow-up items for discussion.
- 5) **Public Comment.** There were no public comments.
- 6) **Approval of the 7/15/2020 meeting minutes.** Minutes accepted and approved.
MOVED BY: Horan / SECONDED BY: Raber
AYES: Chamberlain, Horan, Raber, and McKinney.
NOES: None.
ABSTAIN: None.
ABSENT: None.

- 7) **Receive staff report on the status of current engagements and the release of audit reports since last meeting from the Division of Internal Audit (Eldredge).** Kim Eldredge provided an update on the internal audit activity and status of current engagements: Accounts Payable, Contracts and Procurement, and Payroll Audit were carried forward to FY20/21 Audit Plan. The audit team is currently working on a Countywide Telecommuting Audit which is scheduled to be completed by 10/30/2020. The new electronic work paper system should go live in early November. Kim also went over two new audit policies 1) Audit Follow-Up, and 2) Audits Conducted by External Entities and Fiscal Monitoring Review.
- 8) **Receive verbal update on status of the Yolo County Comprehensive Annual Financial Report (CAFR) for 6/30/2020 from the Independent Auditor's (LSL/Tiriboyi).** Brandon Young, Partner (LSL), provided an update, stating that the auditors would begin the year-end audit work on 11/02/2020. Brandon also discussed the CARES funding and footnotes required in the upcoming financial.
- 9) **Receive staff report on budget update (Qader).** Melissa Patterson provided an update of the County budget. Melissa explained the budget tracking report for fiscal years 2018-19 and Q1 2019-20. Melissa noted that this report is used for historical data for each department

Chad Rinde gave a brief explanation of what Intra Fund Transfers are and that adjustments to the budget need to be made if there is a big enough variance to keep in compliance with state financial requirements. Melissa also talked about looking at historical data trends for each department. She stated that currently there is no summary or bottom line. Chad said they will work on a cover page with some analysis. Tom Haynes stated that when the information is given to the board it will be summarized with more analysis. Richard Horan stated that the summarized information with additional analysis should go before the committee before being presented to the board.

- 10) **Receive Treasury audit reports and verbal update on the status of pending audits for quarter ended 6/30/2020 and 9/30/2020 (Burnham/LSL).** Edward Burnham provided a status of the bank reconciliations. Brandon Young (LSL) stated that the Quarter Ending reports for 6/30/2020 and 9/30/2020 will be presented at the next FOC meeting. No findings to report at this time.
- 11) **Receive report on the Treasury Pool Investment Activity for the Second Quarter ended September 30, 2020 (PFM/Burnham).** Ken Schiebel and Allison Kaune (PFM) provided an economic update and overview of the investment portfolio performance for the Third Quarter 9/30/2020. They went over current market conditions, Federal Funds Rate, and types of bond investments. They said that the portfolio was moving from a 0-5, year time frame to a 1-5 year, timeframe. In the last quarter bought more Federal Agency Bonds and sold more Treasuries. The primary focus of the portfolio is safety and liquidity. The County portfolio outperformed the Benchmark in the third quarter. They also talked about projected earnings verse actual earnings. Richard Horan asked what the high and low range of the balance of the fund. The answer was that the fund generally remained between 280-320 million. Another question asked was how long does the County have to sell bonds that are down-graded below

County requirements. The answer provided by Chad Rinde was that the bonds are put on a watch list, evaluated, and a judgement call on whether to sell or not is made on a case by case basis.

- 12) **Receive and discuss the 2021 Investment Policy (Burnham/PFM).** Edward Burnham discussed the revisions for the 2021 Investment Policy. Allison Kaune (PFM) provided an explanation to the language added to Section M. Ineligible Investments recommended from Senate Bill 998.
- 13) **Select FOC Chair and Vice Chair to serve for the following calendar year 2021.** The committee decided to postpone selecting the FOC Chair and Vice Chair until the next meeting.
- 14) **Approval of meeting calendar for year 2021.** Meeting calendar for year 2021 was reviewed and approved.
MOVED BY: Horan / SECONDED BY: Raber
AYES: Chamberlain, Horan, Raber, and McKinney.
NOES: None.
ABSTAIN: None.
ABSENT: None.
- 15) **Confirm next meeting date.** February 11, 2020 at 10:00 to 11:30 a.m.
- 16) **Committee Member and Staff Announcements.** There were no committee member and staff announcements.
- 17) **Adjournment.** Meeting Adjourned at 11:07 a.m.