

YOLO COUNTY FINANCIAL OVERSIGHT COMMITTEE

MINUTES OF MEETING November 15, 2023

Members present: Angel Barajas, Chair (Supervisor), Mary Vixie Sandy (Supervisor) Richard Horan (Public Member), and Kimberly McKinney (Cities Member), Veronica Moreno (County Superintendent of Education)

Others present: Gerardo Pinedo (CAO), Tom Haynes (CFO), Evis Morales (Deputy CFO), Sou Xiong (Treasury), Holly Alves (Accounting), Allison Kaune and Ken Schiebel (PFM), James Butera and Brandon Young (LSL), Kim Eldredge and Noemy Mora-Beltran (Internal Audit), Laura Liddicoet (Budget), Ryan Pistochini (Director of General Services)

Moderator: Debra Nichols
Recorded by Debra Nichols

- 1) **Welcome and new staff changes.** Supervisor Mary Vixie Sandy was announced by Supervisor Barajas and introduced to the board. Tom Haynes introduced the new Deputy Chief Financial Officer, Evis Morales. Gerardo Pinedo thanked Tom Haynes for accepting the Chief Financial Officer position.
- 2) **Call to Order.** Angel Barajas called the meeting to order at 10:05 a.m. with members Mary Vixie Sandy, Richard Horan, Kimberly McKinney and Veronica Moreno in attendance. Quorum was formed. Larry Raber and Kristin Sicke were absent.
- 3) **Approval of Agenda.** Tom Haynes asked to pull Item #8 from the consent agenda. Agenda reviewed and approved.

MOVED BY: Supervisor Sandy / SECONDED BY: Kimberly McKinney

AYES: 5

NOES: 0

ABSTAIN: 0

ABSENT: 2

- 4) **Follow-up of items from prior meeting.** Kim Eldredge addressed the follow up from the previous meeting on the Memorandum that was included in the FOC packet from the June 15th meeting.
- 5) **Public Comment.** There were no public comments.

Consent Agenda

- 6) **Approval of the prior meeting minutes 9/14/2023.** Approval moved to next meeting due to not having enough voting members from the previous meeting to approve.

7) Receive Treasury audit report for quarter ended 3/31/2023.

Consent agenda approved for item 7
MOVED BY: Kimberly McKinny / SECONDED BY: Rich Horan
AYES: 5
NOES: 0
ABSTAIN: 0
ABSENT: 2

8) Receive the 2023 Investment Policy. Sou Xong, Treasury Manager, gave a brief on edits made to the Investment Policy. Language was added to Section K, paragraph 13, on page 7 under asset backed securities to reflect the updated State Codes for federally backed securities. Tom Haynes asked for approval to take the edited policy to the Board of Supervisors for final approval.

Consent agenda approved for item 8
MOVED BY: Veronica Moreno / SECONDED BY: Rich Horan
AYES: 5
NOES: 0
ABSTAIN: 0
ABSENT: 2

9) Summary of Audit Reports for FYE 6/30/2023 for County, Special Districts, JPAs and Other

Consent agenda approved for item 9
MOVED BY: Supervisor Sandy / SECONDED BY: Kimberly McKinny
AYES: 5
NOES: 0
ABSTAIN: 0
ABSENT: 2

Regular Agenda

10) 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/Mora-Beltran). Kim Eldredge gave a report on the Annual Audit plan that was approved by the Audit Sub-Committee on November 9th, 2023. Two audits, Purchase Cards and Governing Strategy, were completed since the last FOC meeting. Noemy Mora-Beltran gave an update on the continuing Capital Projects Audit. Internal Audit is still waiting on management responses but is hoping to have all reports finalized by the end of the month. Ryan Pistochini, Director of General Services was invited to speak on his findings and implementation of the Audit Reports. Rich Horan gave comments on wanting to see more accountability, standardization, and general oversight. He gave Praise to Ryan for taking on the role and helping implement new policies and procedures.

11) Update on Audit Manager recruitment and discussion of Internal Audit reporting lines (Haynes/Eldredge). Tom Haynes gave the update on the recruitment of the Internal Audit Manager position. Recruitment was temporarily paused while the Board of Supervisors discussed possible restructuring of the reporting lines of the Internal Audit division and will be brought to session during the next Board Governance meeting on December 12, 2023. Recruitment is going forward and will be listed as continuous with a note of potential restructuring.

- 12) Receive staff report on status of the Annual Comprehensive Financial Report (ACFR) and Single Audit Report for 6/30/2023 from the External Auditors (LSL/Haynes).** Tom Haynes gave a report on the current staffing challenges within the Department of Financial Services Accounting Division and how it may impact the timely delivery of reports. Tom made the committee aware that the department may be using LSL's services more while the department is hiring more staff that that reports will still be submitted by their deadlines. Brandon Young with LSL reiterated the statements Tom made and that his firm will working with the accounting team to complete reports.
- 13) Receive Staff report on the fiscal year 2022-2023 year-end budget variance report (Liddicoet).** Laura Liddicoet gave a report on 2022-2023 fiscal year projected budget versus what was spent. The majority of variances discussed were from departments having a surplus of funds due to ongoing vacancies across the county. The committee asked if the reports could include more narrative in the future. Laura also presented the committee with a five-year variance report to give more information on the budget variance trends.
- 14) Receive Report on the Treasury Pool Investment Activity for the 3rd Calendar Quarter ending September 30, 2023 (PFM/Xiong).** Allison Kaune (PFM) gave a quick staffing update on some chances in their firm and Ken Schiebel (PFM) provided an economic update and overview of the investment portfolio performance for the 3rd quarter through 9/30/2023.
- 15) Receive update on Washington Unified 2004 Bond tax rates and actions taken to address the situation (Haynes).** Tom Haynes addressed the Washington Unified 2004 Bond Tax rates and the actions that have been taken and will continue to be taken to ensure that all bond payments are being reviewed and paid on time in the future. Tom explained the programs that have been put into place to help those experiencing hardships due to property tax payments in the Washington Unified District.
- 16) Approval of meeting calendar for 2024.** The next meeting date of 2/22/24 at 10:00AM was approved. Future meeting dates will be brought back for confirmation at the next meeting.

Regular agenda approval for item 16

MOVED BY: Rich Horan / SECONDED BY: Kimberly McKinny

AYES: 5

NOES: 0

ABSTAIN: 0

ABSENT: 2

- 17) Select FOC Chair and Vice Chair for calendar year 2024.** A motion was made by Supervisor Barajas to name Supervisor Sandy the FOC Chair for calendar year 2024. Supervisor Sandy accepted the nomination and the quorum voted. The nomination for Vice Chair will be voted on in the next meeting.

Regular agenda approval for item 17

MOVED BY: Supervisor Barajas / SECONDED BY: Veronica Moreno

AYES: 5

NOES: 0

ABSTAIN: 0

ABSENT: 2

18) Committee Member and Staff Announcements. Rich Horan asked for information on FOC term limits to be brought to the next meeting.

Adjournment. Meeting Adjourned at 11:45 a.m.