

**VALLEY SANITARY DISTRICT  
BUDGET & FINANCE COMMITTEE MEETING MINUTES**

March 2, 2021

*Valley Sanitary District conducted this meeting in accordance with California Governor Newsom's Executive Orders N-29-20 and COVID-19 protocols.*

A regular meeting of the Valley Sanitary District (VSD) Budget & Finance Committee was held via videoconference on Tuesday, March 2, 2021.

**1. CALL TO ORDER**

Chairman Dennis Coleman called the meeting to order at 1:00 p.m.

**1.1 Roll Call**

Directors Present:

Chairman Dennis Coleman

Committee Member Scott Sear

Staff Present:

Beverli Marshall, General Manager, Jeanette Juarez, Business Services Manager, Holly Gould, Branden Rodriguez

**1.2 Pledge of Allegiance**

**2. PUBLIC COMMENT**

*This is the time set aside for public comment on any item not appearing on the agenda. Please notify the Secretary in advance of the meeting if you wish to speak on a non-hearing item.*

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None.

**3. DISCUSSION / ACTION ITEMS**

**3.1 Discussion of the Valley Sanitary District Investment Policy**

Jeanette Juarez, Business Services Manager, presented the Valley Sanitary District Investment Policy to the committee. California Government Code Section 53646 requires that all public agencies adopt an investment policy and that the policy be reviewed and approved annually. On April 14, 2015, the District adopted Resolution No. 2015-1063 adopting the VSD Investment Policy and no amendments have been executed. Ms. Juarez wanted the committee to have time to review the policy and make recommendations before it is presented to the full Board of Directors in August. A discussion took place about pooled funds and quarterly reports.

### 3.2 Discussion of VSD Investments

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At the January 5, 2021, Budget & Finance Committee meeting, it was requested from staff to review current District investments and opportunities for future investments. Jeanette, Juarez, Business Services, Manager, reported that currently, the District has investments in Local Agency Investment Funds (LAIF) and CalTRUST. Since March 2020 there has been a significant decline in federal fund rates from a range of 0.25%. Both LAIF and CalTRUST similarly follow the federal fund rate. Due to the interest rate declining the District has seen a significant decrease in interest income and unrealized gains compared to the same period last year. The Federal Reserve's Federal Open Market Committee currently projects that they will keep the federal funds rate in the current range until the end of 2023 and possibly beyond. For this reason, the District is researching alternative opportunities to invest in Federally Insured Certificates of Deposit (CD) and Treasury Bonds. This would require the District working with an investment firm to build a portfolio that meets California allowable investments and VSD Investment Policy protocols. There was discussion of the possibility of the District putting out a Request for Proposal (RFP) for investment advisory firms and taking a look at what the other agencies are doing.

### 3.3 Discussion of Fiscal Year 2021/22 Operating and Maintenance (O&M) and Capital Budget Presentation

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Jeanette Juarez, Business Services Manager, requested input from the committee about the upcoming Fiscal Year 2021/22 budget presentation. She stated that the presentation will be different from previous years. The format of the budget will also be different. It has been a very collaborative effort this year with all departments participating. It will include more detail and budget trends. There will be a PowerPoint presentation and the budget books will be available for Directors to pick up in advance so they can have time to review it and mark it up. There will be a special Budget & Finance Committee meeting on March 30, 2021, to review the Fiscal Year 2021/22 budget presentation. Final approval of the budget is scheduled for the June 8, 2021 board meeting.

## 4. **FUTURE MEETING ITEMS**

## 5. **ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 2:26 p.m. The next special committee meeting will be held on March 30, 2021.

Respectfully submitted,

Holly Gould, Clerk of the Board  
Valley Sanitary District