

CENTRAL VALLEY HEALTH DISTRICT
BOARD OF HEALTH MEMO
July 10, 2024

RE: Committee Recommendations

FROM: Finance Committee

BOARD FOCUS: Action

The purpose of this board memo is to provide a summary of the suggestions for additional investments, establishment of a building fund, and education surrounding the NDPERS Deferred Compensation Plan.

Discussion

The committee of Kara Falk, Heidi Larson, Rob Lech, Jerry Bergquist, and Riley Akervik met from 8:30 AM to 9:30 AM on Wednesday, July 10th to discuss the following:

- NDPERS Deferred Compensation Plan
 - Education provided on the new plan by Riley to the committee, recommending that we update personnel policies to reflect the new plan.
 - The committee agreed and would like a policy update drafted and presented in August 2024.
- July 2024 Investment Plan
 - A proposed investment plan was supplied by Riley to the committee (Appendix I). Followed by a discussion on the document showing the current cash balance that CVHD holds, which shows about \$2,000,000 in the interim balance.
 - Per prior board discussion on the interim balance, Riley recommended asking the board to approve a \$750,000 deposit into a Certificate of Deposit for 7-months.
 - The goal of this investment plan is to create a chain of CD's that will pay out every four months, allowing regular investment return to cycle through the interim balance. This is expected to result in a 6% cash flow increase by the end of the 2025 calendar year.
 - All committee members agreed, stating this would be a good use of our large balance and would keep substantial dollars in the interim balance to continue operations smoothly.
- 10-Year Facilities Plan & Fund Investment
 - Riley presented a 10-year facility plan to the committee that he built with Rob. The plan focuses on three priority areas:
 - Facility Maintenance, Safety, and Quality (plumbing, electrical, insurance)
 - Facility Updates (roof replacement, flooring changes, painting)
 - Equipment (copy machines, furnace replacements, furniture)
 - This plan contains placeholders for expenses on an annual basis and will be funded by program rent from different grants that the organization receives reimbursement from for the spaces used. The CVHD board may also direct funds to this account, if necessary.

- Additionally, the committee would like to supplement this fund by depositing \$250,000 into a bank account at a new financial institution located in Logan County. This will allow us to support Logan County business, where we have not been able to do so in the past.

Recommendation

The committee is seeking approval of the following items:

- Opening of a CD at a financial institution to be determined by the Executive Director and Finance Director in the amount of \$750,000 for no more than 7 months.
- Opening of a bank account at a financial institution in Logan County, which will be used solely for the facilities plan, to be determined by the Executive Director and Finance Director.
- Approval of \$250,000 to be deposited into the new bank account once opened.

Conclusion

The committee submits these recommendations after full consideration of the risks associated with them. We fully support each of these decisions and believe they are in the best interest for the long-term stability of CVHD.

Submitted by **Riley Akervik, Finance Director**

Appendix I

CVHD Investment Plan – July 2024

Time Horizon	CD – 8 mo. (4.85%)	CD – 15 mo. (5.25%)	CD – 7 mo. (4.96%)	Interim Balance		
July 2024	Accruing	Accruing	\$750,000 deposit			
August 2024						
September 2024						
October 2024	\$516,397.22 cash out	\$822,108.50 cash out	Accruing	EH Renewals & Flu Shots		
November 2024	Planned Accrual of 7-month CD \$520,000					
December 2024						
January 2025						
February 2025			\$771,970.94 cash out	County Mill Levy Payments		
March 2025	Planned cash out	Planned Accrual of 12-month CD \$825,000	Planned accrual of 7-month CD \$600,000			
April 2025						
May 2025						
June 2025						
July 2025	Planned Accrual of 7-month CD \$550,000	Planned cash out	Planned cash out	EH Renewals & Flu Shots		
August 2025						
September 2025						
October 2025						
November 2025						
December 2025						

Account Balances

Account	Rate/Term	Balance
Checking – DB	0.400%	\$102,900.26
Money Market – DB	0.950%	\$1,888,072.37
CD – DB	4.85%/8 months	\$500,000.00
CD – DB	5.25%/15 months	\$770,000.00
Accounts Receivable	n/a	\$139,976.20
Total		\$3,400,948.83

Anticipated Cash Flow – 6% Growth Target by December 2025

