

*Town of*  
**Star Valley Ranch**

**Finance Advisory Board  
Meeting Minutes  
January 9, 2024 1:00pm**

1. Call to Order, Roll Call of Board Members, Statement of Quorum  
Meeting was called to order at 1pm by the Chairman. Members Rand Bitter, David Sankaran, Martin Muschaweck, and Town Clerk Gray were present. In addition, Council Liaison Ellis attended. Member Jay Averett was absent. The Chairman then announced that a quorum was present.
2. Approve Agenda  
Agenda was approved by board motion.
3. Review of FAB Charter  
The board noted that thus far the FAB has performed consistent with its charter. No changes were suggested.
4. Monthly Financial Statement Review  
Chairman Sankaran reviewed the summary charts of the Town's results through December 2023, noting the better-than-budgeted surplus generated in the general fund and the half-year deficit in the water system as planned/expected, and noted that the budget projects the water fund will end the full year with a positive surplus because there are no loan payments in the second half of the fiscal year.
5. Old Business
  - a. Update on Fire Rating (for insurance purposes)  
Council Liaison Ellis informed the board the Town and MVFD Fire Chief have determined to perform the ISO rating update and assessment in the spring.
  - b. Update on Water Rate Setting Process  
The Water Rate Group reports that work is progressing as planned, and FAB Chairman Sankaran is creating a draft Water Rates Modeling Tool for the group to use to model and determine rates for presentation to the Town Council later this winter. The process will then feed into the budget in March 2024, with rates most likely to change on July 1 going forward (rather than Jan 1). The FAB also indicated it was willing to help the town with the analysis of the Green Canyon Water tank decision of install a lining or replace the tank.
6. New Business
  - a. Review FY23 Audited Financials  
The board members previously reviewed and commented on the FY23 Audited Financial Statements. Chairman Sankaran noted that he spoke with the Audit Firm Partner and suggested several edits to the document. It was noted that the Audited Financials were then timely filed with the State late last month.
  - b. Discussion of SLIB Loan Interest rate reduction  
The board reviewed a summary of the Town's outstanding loans and the anticipated savings from the SLIB's recent agreement to lower interest rates from 2.5% to 1.0% on four of the loans. Town Clerk and Treasurer Gray noted that SLIB has not yet provided revised amortization schedules confirming new payment amounts and/or pay-off dates. She will update the FAB when that information is available.
  - c. Discussion on Interest Rates and potential for investing in longer-term fixed income products  
Chairman Sankaran presented an overview of the Town's cash investments and reserves, and anticipated capital spending over the next two years. The Board discussed the implications of these balances and expected spending, concluding that it remains appropriate to leave the Town's reserve

funds invested in short-term, liquid “money market” type investments (e.g. the WyoCLASS funds utilized today).

With regard to the \$500,000 restricted cash balance required under the WWDC loan that matures in 2043 (20 years), the FAB voted unanimously to recommend that the town invest this cash into an appropriate fixed income security with a similar term as the underlying loan if such security has a yield in excess of the Loan’s 4.0% interest rate.

d. **Discussion on Town Administrator Position**

Time did not permit discussion of this late-addition to the agenda. The FAB will consider this topic at its next meeting if the Mayor requests we do so.

**7. Summary of Recommendations to the Town**

Green Canyon Water Tank - The FAB indicated it was willing to help the town with the analysis of the Green Canyon Water tank decision of installing a lining vs replacing the tank.

SLIB Loan Interest Rate Reduction - The FAB indicated a preference for lowering the payments on the newly reduced SLIB loans and keeping the existing loan term, rather than shortening the loan term.

Town Cash Investments - The FAB reviewed the current and projected cash reserve balances and potential capital spending plans and concluded that its appropriate to leave the Town’s reserve funds invested in short-term, liquid “money market” type investments (e.g. the WyoCLASS funds utilized today).

Restricted Cash Investment Account - With regard to the \$500,000 restricted cash balance required under the WWDC loan that matures in 2043 (20 years), the FAB voted unanimously to recommend that the town invest this cash into an appropriate fixed income security with a similar term as the underlying loan if such security has a yield in excess of the Loan’s 4.0% interest rate.

**8. Adjournment**

The meeting was adjourned by motion at 1:58pm.