

Tahoe City Public Utility District

FINANCE COMMITTEE MEETING APPROVED MINUTES

April 12, 2013

DIRECTORS PRESENT: Dan Wilkins, Judy Friedman

COMMITTEE/STAFF PRESENT: Cindy Gustafson, General Manager
Ramona Cruz, Dir. of Accounting & Employee Services/Treasurer
Bob Bolton, Director of Parks and Recreation
Tony Laliotis, Director of Utilities
Matt Homolka, District Engineer/Assistant General Manager
Kelli Twomey, Director of
Terri Viehmann, District Clerk

OTHERS PRESENT: Bob McClintock
Justin Williams of Mann, Urrutia, Nelson CPAs & Associates

The meeting was called to order at 8:32 a.m.

1. **Audit**
 - a. **Exit Conference**
 - b. **Review Draft Reports**

The auditors conducted an exit conference with the committee without staff in the room.

Staff rejoined the meeting at 8:55a.m.

Justin Williams of Urrutia, Mann, Nelson CPAs & Associates, LLP reviewed the audit letter and reports. Mr. Williams noted that there were no adjustments made as a result of the audit. There were no difficulties conducting the audit or in obtaining the necessary information from staff in the preparation of the audit. Mr. Williams noted that Ms. Cruz prepared all statements, thereby reducing the cost of the audit contract and saving the District money. He noted that only the more sophisticated clients have the ability to prepare the statements on their own. Mr. Williams reviewed the findings and recommendations from the audit. All recommendations have been implemented; none of them were substantial in nature. It was a clean audit.

Ms. Gustafson left the room while the consultant selection was discussed.

Mr. Williams noted that auditors extensively reviewed contracts, minutes and other files involving Auerbach Engineering to ensure that the consultant selection policy and

procedures were followed appropriately throughout the year. All documents were in order. Only one finding was noted. It was one invoice from Auerbach Engineering that was not approved by the Director of Accounting & Employee Services/Treasurer.

Ms. Gustafson commended Ms. Cruz on her efforts to complete the audit. Ms. Cruz and her staff worked late nights and weekends to prepare for this year's audit. It was a tremendous team effort.

Ms. Cruz said that this year's audit was a 100% improvement over last year due to the efforts of her team.

2. Department Activity Report

Ms. Cruz noted that an annual finance calendar has been implemented for the department. All annual and recurring deadlines are now documented. The server room project will be completed this month.

Ms. Gustafson noted that this project has been highlighted by auditors for the past three years.

3. Investment Schedule

There was no discussion.

4. 2012 Cash Flow Projection

Ms. Cruz stated that cash flow remains positive. The District is in good position.

5. Grant Receivable Outstanding 3/31/13

Ms. Cruz noted that Director Reinken's requested report modifications have been implemented. Ms. Mason is doing an excellent job reviewing all grants. Staff has made a team effort to improve the grant receivable process and become more proactive.

6. Safety Quarterly Report

Ms. Cruz noted that the report will be revised for the board meeting. Some numbers were counted twice and need to be corrected.

7. Report on OPEB and CERBT

- a. Actuarial Valuation Services – Bickmore Risk Services**
- b. CERBT Strategy 1**
- c. CERBT Quarter Ending Statement December 31, 2012**

The committee agreed to remain with strategy 1 and to retain Bickmore Services to complete an actuarial valuation of other post-employment benefits (OPEB).

Ms. Cruz noted that Bickmore was retained by her predecessor, Mr. Dykstra, to perform previous valuations.

8. Report on CalPERS

- a. **Agenda Item from CalPERS March 19, 2013 meeting**
- b. **Median Employer Contribution Rates for the Next Five Years**
- c. **Article – CalPERS rate hike: 50 percent over six years**

Ms. Cruz noted that this is for reporting purposes only. There is no action to be taken. The purpose is to highlight the progress made by the District and Board to fund the unfunded post-retirement medical.

Ms. Gustafson highlighted the projections created by Ms. Cruz. The projections demonstrate the potential impact over time. She noted that staff is paying close attention to the changes and their potential impacts.

Ms. Cruz reviewed the CalPERS memo in detail.

Ms. Gustafson commented that the cumulative increase over five years could be \$300,000, an impact of a half percent each year. The District is closely monitoring the issue.

9. Outreach on At-Large Elections

Ms. Gustafson noted that the survey monkey tool is well responded to and a tremendous improvement over past outreach efforts.

Director Wilkins commented that the survey monkey approach is efficient and effective, if not statistically valid. He recommends that this item be held until Director Reinkens is available for the discussion.

Ms. Gustafson recommends that this committee review the verbiage for the survey and then submit to the Board for approval. She will research sending a postcard survey to registered voters in our District. This item will be tabled for the April Board meeting and brought back in May.

10. Approve Audit Reports (5)

There was no discussion.

11. Bills Paid and Payable Approval

There was no discussion.

12. General Manager Expense Report

There was no discussion.

13. Public Forum

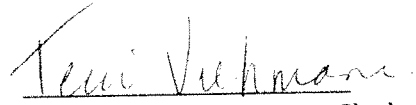
There was no public input.

14. Meeting Review and Staff Direction

- Staff will investigate sending a survey to registered voters regarding at-large elections.

15. Adjournment

The meeting was adjourned at 10:13 a.m.

A handwritten signature in cursive script that reads "Terri Viehmann".

Terri Viehmann, District Clerk

Prepared by Terri Viehmann