

FINANCE COMMITTEE MEETING
APPROVED MINUTES

June 17, 2011

DIRECTORS PRESENT: Lou Reinkens and Ron Treabess

COMMITTEE/STAFF PRESENT: Jim Dykstra, Treasurer/Director of Accounting & Employee Services
Cindy Gustafson, General Manager
Bob Bolton, Director of Parks and Recreation
Kelli Twomey, Director of Resource Development & Community Relations
Tony Laliotis, Director of Utilities
Ginger Charlton, District Clerk

The meeting was called to order at 8:30 a.m.

1. Department Activity Report

Mr. Dykstra reviewed the report and added information on the following items:

Meeting with potential lenders for the Pension Refunding Bonds, receiving proposals, selected the best deal, and completed a substantial part of the documentation process. Mr. Dykstra said that the best deal he has seen is with Bank of America who came in at 4.1% interest for 8 years and has lower fees. He said it would save the District about \$100,000, and noted that the rate isn't locked until the last day so he wants to close the deal fast.

Catching-up on monthly reporting now that the audit is completed. Mr. Dykstra said that staff has fallen behind on reporting due to how late the audit was done this year. Staff is caught up to March and is working on April and May.

Working with operating personnel to meet network requirements for Geographic Information System and digital system maps going forward. Mr. Dykstra added that a computer has been placed in the Vector and information is going into the computer as work is done. Mountain Pipeline has the system also and they directly download to our system.

Completing remaining monthly reporting to get caught-up. Director Reinkens asked where Mr. Dykstra stands on getting the managers all of their cost information. Mr. Dykstra felt they would be caught up to May within the next two weeks. The Committee felt that it would be beneficial to staff to go back to the old audit schedule.

2. Bills Paid and Payable Approval

There were no questions from the Committee. Ms. Gustafson pointed out that the majority of the check to Jan Brisco was to repay her for fronting the money for the permit fee for the sailing program container.

3. Expense Report Approvals

Ms. Gustafson said that some board members put in for the maximum of \$22 for their dinners on their expense reports while others put in for the full bill and she feels they should all be consistent. A discussion was held on the reasons that some were billing for the full amount and others were just charging the base rate. Mr. Dykstra didn't feel that there was a problem with the way that the meals were being handled and the discussion ended.

4. Investment Schedule

Mr. Dykstra said that the District has over \$7 million now and that he will be bringing a proposal to the next meeting for some short term investments. He said that he had been keeping a higher balance in LAIF because he felt we had a lot of grant projects coming this summer and some exposure on delays in payment from California and wanted to make sure we didn't have to borrow.

5. 2011 Cash Flow Projection

Mr. Dykstra reviewed the chart and answered questions of the Committee. He noted that staff has been chasing the check from CalTrans for the bike trail and believes that the person in charge doesn't know how to use their new accounts payable system.

6. Review and Discussion of Audit Proposal from Caporicci & Larson, Inc.

Mr. Dykstra said that the audit firm is emphasizing the responsibility of management and the Board to have good controls and draw up the financial statements. The auditors' job is to be a third party and audit them. He reviewed the proposed fees for the next three years and the option to extend the contract for two years with Caporicci & Larson, Inc. He passed out information from the audit proposals that were received in 2006 and reviewed them with the committee. He pointed out that Caporicci & Larson's current proposal is coming off of such a low number from 2006 that, even though it looks like a big jump in fees, a comparable firm would have a very similar proposal. He said that the Committee could instruct him to go back to the firm and say that the increase is too large and ask if they could take it down \$5,000 a year on the basic audit. Ms. Gustafson said that she felt he should try to get them to lower their proposal but feels it is already very fair. She added that the District has a long standing history with Caporicci & Larson and it's her recommendation to stay with them. The Committee agreed that Mr. Dykstra should make an attempt to have the rates lowered and the timelines adjusted.

7. Review of CalPERS Pension Side Fund Refinancing Documents

Mr. Dykstra said that this refinancing will reduce the District's contribution over 9% on the employer's side.

8. Review of Security Camera System Budget Amendment

Mr. Dykstra explained that \$20,000 was budgeted for the system in 2010. Staff talked to four vendors to come up with the right system and feels this is the right fit for the District. The system has housings to protect the cameras and high megapixels in the camera that are collected onto a server in the office. It is also set up so that managers with a password can see what is going on from their home if necessary.

Mr. Dykstra reviewed what areas would be covered with the system. Director Reinkens asked if the parking lot and entryway for the administration building would be covered. Mr. Dykstra said that they are not currently a part of the plan. Director Treabess asked if staff feels that the additional costs involved are overkill. Ms. Gustafson responded that staff feels it is a reasonable cost given the volume and dollar value of the District's equipment and facilities. Director Reinkens asked staff to get an incremental quote for the extra coverage for the front parking lot and entryway. Staff will do that and find out if the fire department is going to have any kind of camera system that would already cover it.

9. Public Forum

There was no public input.

10. Meeting Review and Staff Direction

There was no review.

11. Adjournment

The meeting adjourned at 10:35 a.m.

Prepared by Ginger Charlton

Terri Viehmann, District Clerk