

**FINANCE COMMITTEE MEETING**  
APPROVED MINUTES

July 15, 2011

DIRECTORS PRESENT: Lou Reinkens and Ron Treabess (Committee members)  
Judy Friedman (observer)

COMMITTEE/STAFF PRESENT: Jim Dykstra, Treasurer/Director of Accounting & Employee Services  
Cindy Gustafson, General Manager  
Matt Homolka, Director of Engineering  
Kelli Twomey, Dir. of Resource Development & Community Relations  
Terri Viehmann, District Clerk

OTHERS PRESENT: Bob McClintock, McClintock Accountancy

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:

We have now caught up on all monthly reporting and are keeping current with payroll and accounts payable after the loss of our Accounting Clerk II. We have brought in temporary help from Account Temps until a permanent replacement is hired.

We have a revised proposal from Caporicci and Larson. They lowered their fee by almost \$10,000 over three years with an option to renew for another two years. We will discuss this item further under item 7.

Director Reinkens asked about the status of Springbrook. Mr. Dykstra reported that there is a large upgrade available for Springbrook, but they are running much slower on their upgrade installations than expected. Currently it is a three month process to upgrade the system. Director Reinkens asked if any of our sister districts have upgraded. Mr. Dykstra reported that the NTPUD is scheduled to upgrade in September. Mr. Dykstra commented that TCPUD will not gain much advantage with the upgrade. It will not help much with productivity and efficiency. The upgrade cost is around \$50,000. Previous upgrades were under \$8,000. Currently TCPUD is looking at spring 2012 to upgrade our Springbrook system, after budget has been completed and after our annual audit. Eventually the current system will become obsolete. Mr. Dykstra said that we will have to migrate, but we do not want to be among the first to upgrade. Director Reinkens would like to be kept informed of the process. Mr. Dykstra says that the upgrade will be part of the 2012 budget process.

We issued the first billing on Lakeside Trail 5-7 construction.

Human Resources – We have completed recruiting and processing of all seasonal employees. We have completed a substantial portion of the updates to our personnel policy manual. We have scheduled wellness classes for employees. The Prevention Link tool from ACWA has become quite useful in providing training for our staff.

Security cameras are scheduled to be installed in the upper yards by the end of the month. We supported the install of new fuel pump computer after the old pump had died. We continue to support Granicus. We had a representative come out to make repairs onsite so that we could use the projection portion of the new board room system.

In the next 30 days we are focusing on completing a 2011 budget update, reviewing technology for online bill payments, and completing a 5 year financial projection.

Human Resources will be interviewing for the Accounting Clerk II position. We will begin preparations for replacing Mr. Dykstra's position. We will begin to work on labor negotiations.

Mr. Dykstra commented that a lot of Michelle's time has gone back to payroll and accounts payable. This is our highpoint with payroll of 75 employees. Director Reinkens inquired if we should obtain additional temporary help. Mr. Dykstra and Ms. Gustafson said that it would be more effective to concentrate on filling the position permanently. The temporary help requires extensive training and monitoring.

## **2. Bills Paid and Payable Approval**

Director Treabess questioned the items listed under Jill Macgregor's name. Mr. Dykstra reported that the vendor items listed under Jill MacGregor were for the replenishment of our petty cash. Jill had been responsible for managing and maintaining petty cash.

## **3. Investment Schedule – Opening Investment Account with Placer County Investment Fund**

Mr. Dykstra said that our reserve level is much higher than in the past. We have \$2 million that could be invested in a longer term commitment. LAIF returns are at .39% now. LAIF operates like a money market fund. He can phone in the morning and have money transferred by the afternoon. He has investigated the Placer County Treasurer's Investment Pool. Mr. Dykstra believes that this is a good option to invest the \$2 million. The Placer fund is an intermediate term fund. It has a higher (1.66%) return than LAIF. Placer County provides a different investment option than LAIF. Money would be parked here on a longer term. We could put the money here for a one year term. Money placed in this fund is not as readily available as with LAIF, but the return is higher. Squaw Valley PSD has used them for years.

Director Treabess agrees that this is a good way to go. He would recommend to the board that we invest in the Placer County Investment Fund. Director Reinkens concurred.

## **4. Review of CERBT Investment Options**

This fund is part of CalPERS. It is our post-retirement medical investment vehicle. Mr. Dykstra recommends that we stay with what we have been doing. They offer three varying strategies for our investment. We have an opportunity to alter our fund right now. At this time no decision means that we continue with what we have. A change would affect our actuarial assumptions and drive a larger liability.

## **5. 2011 Cash Flow Projection**

Mr. Dykstra reviewed the report. There was no discussion.

## **6. Grant Status Report**

Mr. Dykstra reported that we are in an advanced position on the Homewood Bike Trail. We have collected money in advance of expenditures. We secured an additional grant from NLTRA to cover the cost of the CEQA/NEPA work for \$144,500. We are in good position to cover the cost of all work on the Homewood Bike Trail up until construction.

Lakeside Trail design and engineering for phases 4-7 and construction of 4 - we ended up with additional costs at the end regarding coverage and easements. Mr. Dykstra hopes to reallocate money from the Resort Association to cover these costs.

The next grant is the construction of Lakeside 5-7. This is supported by grants from the Conservancy, the BTA, an easement donation and the Resort Association. Lakeside 7 construction is almost complete.

Lake Forest Acquisition and rebuild - we have \$400,000 from Placer County Redevelopment, a \$2 million grant from the Prop 50 funding, a State Revolving Fund loan for \$1.3 million, and \$700,000 from TCPUD. We are trying to offset the acquisition with connection fees. The funding has materialized for the project.

## **7. Review and Discussion of Audit Proposal from Caporicci & Larson, Inc.**

Mr. McClintock felt that Mr. Dykstra performed extensive due diligence and did a great job to get the phasing of the new contract with Caporicci & Larson. Mr. Dykstra reported that the two-step merger process is now complete. We expect service from Caporicci to be much better in the upcoming year. Our audit is scheduled to be completed in early March 2012 instead of the late March audit conducted in 2011. Mr. Dykstra and Mr. McClintock recommend accepting the audit proposal from Caporicci & Larson. Ms. Gustafson recommends staying with the same auditor at least for the next year due to the retirements of Mr. Dykstra and Ms. Rose. Her preference is to sign the 3 year contract, but at the very least she would like to continue with our existing auditors while we replace Mr. Dykstra's position.

Director Reinkens discussed the potential traits of Mr. Dykstra's replacement. He wants to know how the Accounting Department will handle additional reporting requirements, as well as day to day business. Ms. Gustafson commented that all departments are required to meet additional reporting demands and all departments have to be smarter and more efficient. All departments continue to use technology everywhere they can. Mr. Dykstra agreed that we have a number of key hires coming up. We will look at their skill sets to see what will be needed to complete the financial statements going forward. Mr. Dykstra said that we can always bring in another group of auditors to help prepare for the audit instead of bringing on another employee for the entire year.

Director Treabess and Director Reinkens concurred with staff recommendation to approve the audit proposal from Caporicci & Larson, Inc.

## **8. Public Forum**

There was no public input.

## **9. Meeting Review and Staff Direction**

There was no review.

## **10. Adjournment**

The meeting adjourned at 9:20 a.m.

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Terri Viehmann, District Clerk