

FINANCE COMMITTEE MEETING
APPROVED MINUTES

September 14, 2012

DIRECTORS PRESENT: Lou Reinkens and Judy Friedman

COMMITTEE/STAFF PRESENT: Cindy Gustafson, General Manager
Ramona Cruz, Treasurer/Director of Accounting & Employee Services
Kelli Twomey, Dir. of Resource Development & Community Relations
Matt Homolka, District Engineer
Sean Barclay, Engineering Systems Coordinator
Bob Bolton, Director of Parks and Recreation
Terri Viehmann, District Clerk

OTHERS PRESENT: Ernie Dambach of Tahoe Tech Services

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

1. Department Activity Report

Ms. Cruz noted that District-wide financial reports have been created for the General Manager. The Department Activity Report now includes a bullet regarding staffing levels. Staff met with Chuck Wagonseller of ACWA/JPIA. He issued a letter documenting his findings regarding the buried line at the high school and the transformers at Rideout. He has no safety concerns about either issue.

2. Investment Schedule

Ms. Cruz noted that there was little change from July to August.

3. 2012 Cash Flow Projection

Ms. Cruz stated that it has fluctuated by a little over \$100,000 compared to budget. Staff is making revisions based on the Tahoma Meadows Mutual Water Company acquisition and the Rideout Kitchen Remodel Project numbers.

Director Reinkens requested that the reporting format regarding reserve amounts be clarified in the future.

4. Utility Revenue Report

Ms. Cruz highlighted that the District is ahead in water revenue projections by \$145,000 due to the dry winter and summer. Sewer revenue is on track.

5. Report Progress on Request of Audit Services

Ms. Cruz reported that staff will be scheduling audit firm interviews for the last week of September. The final two firms will be brought before the Audit Committee for final decision. Mr. McClintock has agreed to participate in the entire process.

6. District Financial Statements Ending June 30, 2012

Ms. Cruz noted that grant billing is current. The District will not need to seek outside funding to cover cash flow.

7. Update on AB 340 Pension Reform

Ms. Cruz noted that there is no action on this item. It is informational only. She is closely monitoring the reforms and impacts to the District budgeting process.

8. Memo – Professional Services Agreement for Information Technology Services Agreement

Director Reinkens stated that Carl LeBlanc, one of the partners of Tahoe Tech Services, has provided his personal computer services for several years. Director Reinkens verified with legal counsel that this will not create a conflict for the committee.

Mr. Barclay reviewed the details of the agreement and addressed the tracking process implemented to monitor I.T. requests and issues.

Ms. Gustafson noted that one of the most important aspects of the agreement is the third party system that allows the District independent access to track all keystrokes of the Tahoe Tech group in the District's system. This tracking is kept by a third party and is unalterable by the Tahoe Tech Services.

Director Reinkens requested that Attachment A of the contract specify reporting deliverables.

The Committee recommends approving this item on the Consent Calendar at the upcoming Board meeting.

9. 2013 Budget Assumptions

Ms. Cruz noted that the assumptions have been reviewed at all committee meetings. Medical insurance costs are increasing by 16%. Staff is investigating potential options to reduce the increased medical expense. Ms. Cruz said that benefit coverage changes must be negotiated with the Union.

10. 2013 Proposed Governance and Support Services Goals and Objectives

Ms. Cruz reviewed the goals with the committee.

Director Reinkens requested that goals should be set for risk management, succession planning should be added and finally an annual review of investments.

11. Set Date for Board Budget Workshop

The Budget Workshop has been confirmed for Monday, November 5th at 4 p.m.

12. Bills Paid and Payable Approval

There were no questions.

13. Public Forum

There was no public input.

14. Meeting Review and Staff Direction

- Staff will determine how mobile devices are inventoried.
- Modify Attachment A of the Tahoe Tech Services contract.
- Call Nancy Stangel of ACWA/JPIA about the legal insurance program for employees.
- Contact Jenine Windeshausen, Placer County Treasurer to speak to the Board.
- Investigate potential budget to conduct a rate study.
- Write a memo on Prop 26 and its impacts to the District.
- Make formatting changes to quarterly financial statements; include a date at the top of all pages.
- Modify the cash flow report to make the reserve section easier to read.
- Set up interviews for Audit Services for October 12th following the Finance Committee.
- Add succession planning, investing and risk management goals to the 2013 GSS Goals.

15. Adjournment

The meeting was adjourned at 10:00 a.m.

Prepared by Terri Viehmann

Terri Viehmann, District Clerk