

FINANCE COMMITTEE MEETING
APPROVED MINUTES

October 12, 2012

DIRECTORS PRESENT: Lou Reinkens and Judy Friedman

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

OTHERS PRESENT: Jim Dykstra

The meeting was called to order at 8:02 a.m.

1. Department Activity Report

Ms. Cruz noted that staff is working on budgets; capital and operating. The new audit firm will be selected today by the Audit Committee. She is completing the State Controller's Report and will be interviewing for a new Account Clerk.

2. Investment Schedule

Ms. Cruz noted that investments have dropped by a half million as the District pays for capital projects.

3. 2012 Cash Flow Projection

Ms. Cruz reviewed the revised reserve fund format. It was noted that the changes requested by Director Reinkens at the September committee meeting were incorporated into the report.

4. Set Special Meeting for 2013 Draft GSS Capital and Operating Budgets Discussions

Ms. Cruz requested scheduling a Finance Committee meeting to review the GSS budget prior to the November 5th Budget Workshop. The meeting was scheduled for Wednesday 10/24 at 8:00 a.m.

5. Memo – Health Insurance Premiums 2013 Voluntary Change from Choice to Select

Ms. Cruz began to present the memo.

Director Reinkens asked if she viewed this as a complete report and analysis to present to the Board. He asked to see a matrix detailing the options available on each plan.

Ms. Cruz noted staff moved quickly to investigate the PERS Select option at the suggestion of Director Wilkins. Director Wilkins was familiar with this option and thought it could offer extensive savings to the District. This is the first time the "Select" option has been made available in the Tahoe Area and staff had an extremely short window of opportunity because any change had to be

completed within the open enrollment period that ended October 5th. The memo outlines the options available to employees and it summarized the total savings that District will have for 2013 based on voluntary changes made by 16 enrollment changes from Choice to Select

Director Reinkens felt that the information provided was not thorough enough to allow employees to make an informed decision.

Ms. Twomey responded that Ms. Martland held two informative meetings where she outlined the two plans in detail and delineated the differences and that as an employee they were given comprehensive information that allowed an employee to make an informed decision. Ms. Martland also met individually with employees to verify that their specific providers were on the Select plan and to answer any additional questions.

Ms Gustafson contacted Local 39 to see if the change could be made for all employees through a meet and confer process. The union representative said there was not adequate time to negotiate such an impactful change, but that they wouldn't object to a voluntary program being offered. Employees were offered a share of the savings which would be placed in a Health Reimbursement Account and allowed to roll-over for the additional costs they may experience due to the change in plan or for other medical costs.

Director Reinkens asked who authorized this approach. Ms. Gustafson said that due to the short time frame she had authorized for one year only after seeking the input of the President of the Board.

Ms. Cruz noted that 15 employees (including Union members) and 1 Board member elected to change plans resulting in a savings of \$32,719.68 to the District.

6. Memo – Employee Assistance Program 2013 Considerations

Ms. Cruz explained that there were challenges on how the ACWA/JPIA Employee Assistance Program (EAP) is offered versus the existing District EAP. The ACWA/JPIA program does not offer access to the existing providers that employees have been seeing. The ACWA/JPIA program offers a total of six visits per year which is much less than the existing EAP program. Changes to the EAP need to be renegotiated when the Local 39 MOU expires in 2014.

Director Reinkens commented that the report presented was inadequate. He expected to see a matrix detailing the options of each plan. He stated that the Board must review this issue because he will not be able to remain on the ACWA/JPIA Executive Committee if the District does not elect to go with this EAP plan.

Ms. Gustafson explained that she was responsible and had directed Ms. Cruz to stop further analysis when it was determined that the employees would not be able to see their current providers and their benefit would be decreased. Staff will revisit the request and bring it back to the November Finance Committee.

7. Memo – Completion of IT Transition

Ms. Cruz noted that the District is twelve days into the contract with Tahoe Tech Group. The group has been meeting all level 1 and level 2 response requirements.

8. Memo – Audit Proposal Process

There was no discussion.

9. Memo – Professional Services Agreement for Auditing Services – to be provided after audit firm interviews

Jim Dykstra and Bob McClintock have agreed to participate on the audit selection team. The new firm will be determined by the Committee at the end of the day.

10. Bills Paid and Payable Approval

There were no questions.

11. General Manager Travel and Expense Report

Director Reinkens inquired as to what was accomplished by Ms. Gustafson's lunch meeting with Senator Feinstein.

Ms. Gustafson replied that she was included with 12 other women leaders from the basin. Senator Feinstein wants to hold an annual luncheon to promote leadership among women running various organizations in the basin. It was a great networking opportunity and opportunity to be engaged with other women leaders for the Tahoe City Public Utility District.

12. Public Forum

There was no public input.

13. Meeting Review and Staff Direction

- Staff will present an extensive matrix detailing the current EAP program versus the ACWA/JPIA EAP program at the November Finance Committee.

14. Adjournment

The meeting was adjourned at 8:28 a.m.

Prepared by Terri Viehmann

Terri Viehmann, District Clerk