

FINANCE COMMITTEE MEETING
APPROVED MINUTES

January 13, 2011

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

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

The meeting was called to order at 12:05 p.m.

1. Department Activity Report

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

Beginning year-end close and financial audit preparation. He reported that the firm of Caporicci and Larson has gone through two mergers in the last nine months. Carmen Wilson, a partner with the new company, will come to our February meeting to meet staff and go over their audit approach. This is the last year of our five year contract so after the audit we can decide if we want to renew the contract or not.

Monitoring the California state budget process for impacts to the District. Ms. Gustafson gave the committee summary sections off of the budget website. She said the only thing she is hearing right now that may be problematic to the community is what may happen with redevelopment funding. Doug Houston is keeping in touch with her and will update her as things come up. He told her that enterprise special districts would lose \$50 million in 2012/2013. She believes that we are considered a non-enterprise district but will check.

Recruiting the Director of Resource Development (DORD) and Part-Time Engineering Project Assistant. Director Reinkens asked if the Board will see the candidates for the DORD position. Ms. Gustafson said typically it is her hire but she would be happy to give the Board updates.

Mr. Dykstra reviewed a letter from the State Board of Equalization showing the final inflation factors that were announced for this and prior years.

Director Reinkens reported that ACWA/JPIA will be paying out an additional \$6.2 million in RPA Stabilization Funds this year.

2. Bills Paid and Payable Approval

There were no questions.

3. Expense Report Approvals

Mr. Dykstra reviewed the reports. There were no questions.

4. Investment Schedule

Mr. Dykstra reviewed the investments and answered questions of the committee.

5. 2010 Cash Flow Projection

Mr. Dykstra said that 2010 had the strongest cash flow and the highest balances in the 10 years that he has been here.

6. Grant Tracking Report

Mr. Dykstra reviewed the report and expanded on the following item:

Sugar Pine to Meeks Bay Bike Trail – Tahoe Transportation District will be hosting a workshop here on January 20th. They are taking the lead on this project and expect to fully fund the design work. They haven't decided if they will take the lead on construction. Ms. Gustafson let them know that if they think they want the District to maintain the trail, they need to have us represented at the table.

Director Reinkens requested to be kept up-to-date on the tracking of all grants. Ms. Gustafson said that typically only grants that are opened are tracked on a chart, but since the District is doing so many now, they will all be put on a chart for tracking.

7. Pension Status Update

Mr. Dykstra reported that CalPERS investment returns have fallen significantly short of their actuarial assumptions in the recent past which has caused very significant increases in pension contributions by the District. He noted that the District has already started addressing the issue by negotiating a 1% pension contribution by the employees beginning July 1, 2011. He added the District should consider moving forward on several initiatives to further address the situation. He went over the recommended initiatives and answered questions of the committee. He then reviewed the Historical Debt, Medical & Pension Liabilities graph, Key Pension Trend Information, and an Advisory from the Government Finance Officers Association that he provided and discussed them with the committee. He and Ms. Gustafson agree that this is a significant financial issue for the District and suggest having a Board workshop on it. Ms. Gustafson said that she would bring information to the meeting about what other districts in the area are doing on this issue. The committee agreed.

8. Amendments to General Manager's Contract

Ms. Gustafson went over the proposed changes in her contract that were discussed at the last closed session. It changes her evaluation date to be consistent with managers; her goals would be agreed to in March; and her car allowance would change to be consistent with everyone else.

9. Public Forum

There was no public input.

10. Meeting Review and Staff Direction

There was no further review.

11. Adjournment

The meeting adjourned at 1:00 p.m.

Ginger Charlton, District Clerk