

FINANCE COMMITTEE MEETING
APPROVED MINUTES

March 13, 2009

DIRECTORS PRESENT: Judy Friedman and Ron Treabess

STAFF PRESENT: Jim Dykstra, Treasurer/Director of Accounting & Employee Services
Cindy Gustafson, General Manager
Alan Harry, Administrator of Planning & Public Works
Ginger Charlton, District Clerk

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

1. Finance Department Activity Report

Mr. Dykstra reported the following:

- Staff updated the bi-weekly cash flow presentation for 2009.
- Staff assisted in the final tabulation of Proposition 218 protests.
- Staff provided HDR Engineering additional information for connection fee calculations. They should do a presentation sometime in April.
- Staff completed the 2009 Appropriations Limit Calculation.
- Staff submitted the updated billing statement format to Springbrook and Dataprose for programming to implement it for May 1st.
- Staff completed the 2008 closing process, 2008 Financial Audit by Caporicci & Larson, and are advanced in preparation of the 2008 Financial Statements. The auditors will attend the 3:00 Audit Committee meeting on April 16th and stay over for the presentation to the Board on the 17th.
- Staff began the process of changing rates and modifying customer databases for the implementation of monthly water billing. It's very time consuming as staff has to manually go into each monthly account to make the changes.

For Human Resources:

- Staff initiated the process to change vendors for employee background information to Employee Relations, Inc. from Datco. Staff feels that Employee Relations, Inc. does a more in-depth and thorough investigation and is less costly.
- Staff scheduled John Haaf of ACWA-JPIA to come for training on March 18 and 19.

Mr. Dykstra went over the tasks scheduled for the next 30 days and answered questions.

2. Bills Paid and Payable Approval

There were no questions on this item.

3. Expense Report Approvals

There were no questions on this item.

4. Investment Schedule

Mr. Dykstra reported that the District currently has about \$3.3 million invested in LAIF which is kind of stabilizing at 1.87%. He went over information that he provided regarding the Pooled Money Investment Account and answered questions.

5. Grant Status Report

Mr. Dykstra went over the open grants and noted that Homewood Bike Trail is in a good position to go into doing the engineering work. Regarding Sugar Pine to Meeks Bike Trail, we haven't secured the grant funding yet but the activity level is very low. Regarding Heritage Plaza, it is basically done. Regarding Lakeside Trail 5-7, the design is pretty advanced and we are getting an appraisal of easement through a portion of 6. Director Treabess asked if the District had received the Cal Trans current plans for agency review regarding Homewood. Ms. Gustafson said that we haven't received anything yet but Jon LeRoy is checking into it.

6. 2009 Cash Flow Projection

Mr. Dykstra said that the District received \$68,000 of the Cal Trans trail maintenance money. We also received \$125,000 (the federal portion) of the \$149,044 from FEMA for bike trail repairs due to flooding. He believes the state portion (\$24,044) will come in soon. He explained when taxes come in to the District and said that we should have a secure cash position for the first six months.

7. December 31, 2008 Financial Statement Review

Mr. Dykstra reported that the audit is now completed. He said that there has been some slowing in the water and sewer collections but it's not severe. He reviewed the financial statement and answered questions of the Committee. Ms. Gustafson explained that there were some major parks facilities issues this year which made the budget run over, but the charges were necessary and approved by the Board. Ms. Gustafson added that staff has not reviewed this with Mr. Dykstra and there were significant changes from when they prepared their budgets with the audited final budget numbers. They will have justifications for the areas where they are over at the Board meeting. Overall, they saved \$400,000.

8. Appropriations Limit Calculation Review

Mr. Dykstra explained that this is part of the California Constitution that limits the ability of the District to grow in the use of property tax. He said it is more of a formality for the District because it doesn't limit what we can do.

9. Review of 2008 Transfers to Enterprise Fund and Debt Service Fund and Retained Earnings Designations

Mr. Dykstra did a recap of the recent annual transfers and went over the reserve analysis and retained earnings designations. This item will come back to the next Board meeting for approval. Ms. Gustafson said that as we move forward in our financial planning and analysis we need to look at what level our property tax payers should be investing in long-term replacements for parks facilities. She hopes in the future we can look at putting some more money into this.

Mr. Dykstra explained that at the meeting he will ask to designate another \$250,000 for emergencies and \$150,000 for long-term capital replacement. He said that we should have about three-months worth of money for emergencies and that's what we would have after the \$250,000 is added.

Mr. Dykstra said that he would probably recommend splitting the capital reserves in the general ledger (about \$1 million) because in future years we may need to justify what we might have to do with rates and we need to track them. He would recommend splitting the money that is already in there half and half. As revenues are generated in water, separating the funds will make it more transparent to the public that we're not making money in either enterprise.

10. Public Forum

Director Friedman said that there is a perception issue with the community about wage freezes and she wanted to know if there has been any discussion about the issue with staff. She said it would probably be better for staff to do something proactively like take a three-month freeze rather than to have the Board have to take some kind of action. Ms. Gustafson said that she did ask the managers to consider a voluntary action now but she hadn't heard back from them yet. Director Treabess said that he feels that there should be cuts such as no over-time unless in an emergency to save money.

Director Friedman said that she is hearing community members say that there won't be concerts this year. She recommended that TCPUD get the TCDA moving on soliciting sponsorships for the concerts.

Mr. LeRoy brought in information from Homewood. Ms. Gustafson reported it to the Committee. 60% plans will be available for review early April, 2009.

Director Friedman donated \$10 for the March birthday cake.

Virginia Graham asked if Ms. Gustafson had taken any cuts in salary. Ms. Gustafson went over the cuts she took when she first took over the job.

Ms. Graham asked about Roger Huff's e-mail that suggested that the action the Board took on the rates didn't match the Ordinance. Staff responded that District Counsel said that Mr. Huff was wrong.

11. Meeting Review and Staff Direction

There was no comment.

12. Adjournment

The meeting adjourned at 10:15 a.m.

Ginger Charlton, District Clerk