

FINANCE COMMITTEE MEETING
APPROVED MINUTES

December 12, 2008

DIRECTORS PRESENT: Lou Reinkens and Kelly Atchley

STAFF PRESENT: Jim Dykstra, Treasurer/Director of Accounting & Employee Services
Alan Harry, Administrator of Planning & Public Works
Bob Bolton, Director of Parks & Recreation
Tony Laliotis, Director of Utilities
Ginger Charlton, District Clerk

The meeting was called to order at 8:00 a.m.

1. Finance Department Activity Report

Mr. Dykstra reported the following:

- *He has been working with ACWA-JPIA on claims. They are beginning to take a different approach on settling claims and have settled many small ones instead of fighting them due to the cost of attorneys.*
- *The cash flow is going a lot better than he had anticipated and he doesn't feel we will need to get a credit line.*
- *Staff has been working with Caporicci & Larson on the annual preliminary audit and preparing for the first Audit Committee meeting.*
- *Staff has been working with the Proposition 218 protest hearing mailing.*
- *The District received the final disbursement from the State Revolving Fund of \$611,436.*
- *Jess Weigel has begun working at the front desk.*
- *Staff is working on updating the employment application.*
- *Drug testing laws for new employees have changed and he led a discussion on the changes that have been occurring in the law for personnel. Director Reinkens said that from a legal point of view, our District needs to hire a full time human resources person.*

Mr. Dykstra said that during the next 30 days staff plans to update the expense reporting policy, set up the post-retirement medical fund trust with CalPERS, start the year-end closing process, prepare for the start of monthly water billing, and assist with the Proposition 218 information packet.

2. Bills Paid and Payable Approval

Mr. Dykstra answered questions of the Committee on several bills that were paid.

3. Expense Report Approvals

Mr. Dykstra reviewed the expense reports and answered questions. Director Reinkens asked that a letter be drafted to authorize Board members to use a District credit card at conferences.

4. Investment Schedule

Mr. Dykstra went over the investments and noted that the balance got pretty low but property tax money is beginning to come in. He also led a discussion on the problems the State is having with their budget and the trickle-down effect it could have on special districts.

5. Grant Status Report

Mr. Dykstra reviewed the open grants. Director Reinkens asked if staff has been tracking what has been spent on Lake Forest. Mr. Dykstra said that staff has been tracking it and he will get a report to the committee.

6. 2008 Cash Flow Projection

Mr. Dykstra reviewed the cash flow and answered questions of the committee.

7. Review Corporate Resolution to Renew Existing Credit Card Agreement

Mr. Dykstra explained that our credit card company has requested that the Board do the resolution enclosed in the packet to update our account.

8. Review and Approval of Fixed Asset Policy

Mr. Dykstra said that the auditors asked staff to update the capital assets policy. He said that there is a limit of \$5,000 for anything that will be capitalized. Fixed assets were carried forward and all of the depreciation is on a straight-line basis. He noted that the life set for pipe was 40 years but the materials, inspections, and construction methods have improved and he believes that it should be revised to 50 years. Director Reinkens said that the Board requested Mr. Laliotis' staff to do a maintenance report at the end of the year so the taxpayers could stay informed. He said that he would like our policies and procedures to commit to a preventative maintenance program that would equal or better the life of the product. Mr. Laliotis said that an asset management system would have to be tied to a preventative maintenance system that would have to be tied to a spatial GIS system. This is very expensive and causes a big black hole for 3-5 years but then there is dramatic efficiency. Mr. Laliotis said that Mr. Homolka has been meeting with HDR through the Lake Tahoe Wastewater Infrastructure Partnership on developing a GIS program. They are interested in getting a foundation laid which would be covered through Army Corps Grants and Wastewater Infrastructure Partnership Contributions. This item will be added to Mr. Harry's monthly report to keep the Board informed.

Director Reinkens asked that the following additions be made to the policy:

Page 1: Add a bullet to the first set of bullets under the policy section as follows:

- To provide a basis for identifying assets to be insured.*

Page 6: Change the following bulleted item under Departmental Responsibilities:

- Conduct an annual physical inventory **and analysis of condition.***

Page 7: Add a bullet under the section for Creation of a Capital Asset Record as follows:

- Maintenance schedule with proposed level of maintenance.*

9. Public Forum

There was no public comment.

10. Meeting Review and Staff Direction

There was no formal review.

11. Adjournment

The meeting adjourned at 9:10 a.m.

Prepared by Ginger Charlton

Ginger Charlton, District Clerk