

Minutes for
Finance Committee
August 24, 2010
9:30 am

Attendees: Buddy Cook (Chair), Bill Cobb, Steve Swan, Pat Wendland, Kay Andrews and Margaret Cathey.

Steve Swan was nominated as the Vice Chair of the Committee.

The Committee members wanted a copy of their roles & responsibilities – Margaret will provide.

The Committee agreed to meet on a regular basis on the first Monday of the month at 2:30pm.

The Committee discussed several insurance changes/options:

- Delete the need for uninsured/underinsured motorists
 - Not recommended by the Committee because of minimal cost savings
- Increase the amount of loss of revenue from \$75,000 to \$500,000 for an increase in premium of about \$680.
 - This would free up the \$500,000 in contingency for catastrophes in the general fund if the District had this amount of coverage.
 - Committee members will discuss a recommendation to the Board at the next Committee meeting and what to do with the \$500,000 in the general fund.
 - Can the \$500K be used to reduce debt?
 - A suggestion was made to use the \$500K to supplement water revenue for our debt payment this year because of the wet year and not enough water revenue is coming in.
- Increase the property deductible from \$1,000 to \$5,000 (or \$10,000 and delete all property valued at \$5,000 or less
 - This would decrease the premium about \$1,851.
 - Committee members agreed to recommend to the Board to increase the deductible to \$5,000.

The Committee was concerned that the escrow money from Haythem Dawlett being deposited with the Title Company is not drawing interest for the District. The Committee was also concerned on why this amount was not shown on the financials.

The Committee will recommend to the Board to develop an RFP for a financial auditor.

Margaret will compile several financial documents for the entire committee.

Committee adjourned at 11:20 am.