

# Finance Committee Meeting Minutes

June 1, 2016

Meeting was called to order at 5:50 pm. Present were:

Chair John Vires, Commissioner Mee, Commissioner Morrill, Executive Director Mike Benard, Executive Assistant Donna Siciliano, Finance Director Rita Trainor, Assistant Finance Director Andrea Chiappetta

## **A. Previous Minutes**

No May meeting

## **B. 5 Year Annual Financial Report Comparison**

### **\*Summary of CAFR**

## **C. Comprehensive Annual Financial Report (CAFR) Draft**

Andrea gave a summary of the comparison report. There were no questions from the board. She stated that the MD&A is in progress. She stated that there are a couple changes in the AGC golf fund. There is a newer version in the GASB standards regarding pension obligation reporting. Finance Director Trainor stated that the standard did nothing to change the funding of IMRF. Executive Director Benard asked Trainor if he was correct that we do not need to increase the reserve funding for IMRF as a result. Trainor stated that was correct.

Trainor informed the board that starting December 1, 2016 the Department of Labor's new regulation increasing the minimum salary required for an employee to be classified as exempt is increasing. She could not remember the exact figure, but stated that it was \$47K something (the amount was looked up, it is actually \$47,476). Director Benard explained if an employee is currently classified as exempt but is not being paid at least the \$47,476 we have three choices:

1. Increase their pay to \$47,476
2. Change their classification to nonexempt and be careful to remove any exempt responsibilities from their jobs and monitor time worked to avoid or minimize overtime, or potentially hire part time workers to handle extra hours.
3. Change their classification to nonexempt and be careful to remove any exempt responsibilities from their jobs and reduce pay to cover the cost of the overtime.

We currently have a number of employees that are classified as exempt and do not meet that minimum salary. Benefits do not count towards the salary minimum. (Subsequent review of the analysis prepared for Director Benard indicates we currently have 22 employees not making that minimum. Increasing salaries would result in additional salary expense annually of \$120,795 and another \$20K for FICA and IMRF totaling \$141,137.)

**D. Finance Policies**

Trainor stated that the Internal Controls was the only new policy being proposed and that this one was developed at the request of President Hodgkinson last year. The board had no comments or questions on the policies.

**E. Audit RFP**

Trainor stated that our policy states that we have to do an RFP every 3 years, but the board doesn't have to change auditors if it chooses not to. The board had no comments.

**F. Support Agreement with Sikich for Employee Deferred Compensation Services (voluntary retirement program post tax – 457B)**

Commissioner Vires stated that the district had liability out there with using Nationwide. Sikich gave us a proposal for vetting providers at an annual cost of \$6,000. This will provide staff with less fees and it assists the District in complying with its fiduciary role regarding the plan.

**G. Follow Up – Updates or Pending**

No comments

**H. General Administrative Items**

**1. 2017 Budget Calendar**

We will have budget meetings in late August. Commissioner Morrill would like to see where in the budget the funding for the proposed capital projects for Memorial Park, Rice Pool and the Fairgrounds would come from.

Executive Director Benard stated that AGC will pay for their own improvements. He would propose that they provide funding for other facilities once they achieve four million in cash and investment reserves. At that point he would be comfortable recommending to the Board that funds over that amount could be used to fund projects in other facilities. He would also be open to having AGC provide a set dollar

amount each year, as long as it did not erode that \$4 million cash and investment target. He indicated he is not comfortable with depleting the reserves.

The meeting was adjourned at 6:20 p.m. without objection.