

## **FINANCE COMMITTEE NOTES**

**November 9<sup>th</sup>, 2022**

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### **Attendees:**

Committee members:	Mark Gibboney (Chair) and Randall Reed
Staff members:	John Bosler, Eduardo Espinoza, Chad Brantley, Roberta Perez, Amanda Coker, Agnes Boros, Jennifer Fillinger, Andrea Dutton, and Brandon Koh.
Members of the Public:	Jonathan Foster, Davis Farr LLP

**Call to Order:** 10:00 a.m.

**Public Comment:** None

**Additions/Deletions to Agenda:** None

### **1. Award of Contract & Budget Transfer for Construction of New Recycled Waterline in Village of Heritage.**

- a. Staff presented a request for a Budget Transfer associated with a capital project to construct a recycled waterline in the Village of Heritage.
- b. A Budget Transfer in the amount of \$380,000 from the Recycled Water Fund Developer Fee Reserve will be adequate to complete the project.
- c. The Committee supported the recommendation and moved the request forward to the full Board of Directors.

### **2. Audited Financial Statements**

- a. Staff and Jonathan Foster with Davis Farr, LLP provided an overview of the financial results that are contained in the Annual Comprehensive Financial Report dated June 30, 2022.
- b. The auditors issued a clean opinion on the financial reports and stated there were no issues or difficulties experienced in the audit process.
- c. Highlights of the financial results included a Debt Service Coverage Ratio of 2.52 times as well as increased Reserve levels for the Water Fund.

### **3. Human Capital Investment Strategy-Wage and Benefit Adjustment**

- a. Staff presented information on the total compensation study results, and median range adjustments for thirty (30) benchmarked classifications. Of the thirty (30) benchmarked

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classifications, one (1) class is below the market median by 2%, twenty-one (21) classes are below the market median by 4%, four (4) classes are below the market median by 6%, three (3) classes are below the market median by 8%, and one (1) class is below the market median by 10%. Staff proposed that the District's compensation schedule be amended effective December 4, 2022, to reflect the pay range adjustments for identified benchmarked classifications. It is important to note that the median range adjustments for classified executives and managers are not immediately received. Instead, employees must earn a merit increase during their annual performance appraisal process, April 1 and May 1, 2023.

- b. The Committee concurred with the proposed revisions and recommended forwarding the item to the Board of Directors for consideration.

#### **4. Employee Policy No. 2.2, Compensation and Pay Regulations**

- a. Staff presented proposed amendments to Employee Policy No. 2.2., Compensation and Pay Regulations. The longevity pay incentive aims to incentivize long-term employees and reduce turnover. The longevity pay incentive percentage is based on completing five, ten, and twenty years of uninterrupted service.
- b. The Committee concurred with the proposed revisions and recommended forwarding the item to the Board of Directors for consideration.

#### **5. Employee Policy No. 3.20 Certification/Education Incentive Program**

- a. Staff proposed adopting a new Employee Policy No. 3.20, Certification/Education Incentive Program. The program encourages employees to pursue certification, academic degrees, and professional licenses that maintain or improve the skills related to the performance of their job, rewarding employees whose efforts are above and beyond what is required in their current job position.
- b. The proposed program supports the District's efforts in recruiting and retaining employees and the organizational goals of investing in our human capital.
- c. The Committee concurred with the proposed policy and recommended forwarding the item to the Board of Directors for consideration.

Meeting Adjourned at 11:46 a.m.