



Board of Trustees  
Minutes of Special Meeting  
Tuesday, April 10, 2014  
12:00 P.M.  
Board Room  
Minden-Gardnerville Sanitation District  
1790 Hwy. 395  
Minden, Nevada

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Board Members Present:

Raymond Wilson  
Robert Allgeier  
Barbara Smallwood  
Mark Dudley

Staff Members Present:

Frank Johnson  
Sarah King  
April Burchett

Others Present:

Board Members Absent:

Michael Henningsen

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*Special meeting called to order at 4:00 p.m. by Raymond Wilson, Chairman.*

Public Comment – There was no public comment.

**MGSD Budget-Review and Approval of Tentative Budget for FY 2014-2015** – Frank presented the tentative budget for fiscal year 2014-2015. He had two handouts, one was the official Department of Taxation form and the other was the Fiscal Budget explanation. This was a simple explanation that explained each item in the Budget Form. Frank explained each item page by page. He informed the Board that MGSD needed a new truck. The newest one is from 2006 and when the lines are being TVed one truck is used and so causes a shortage for the staff if any issue comes up. Bob asked if MGSD was exempt from sale tax and Ray wanted to know if the truck went out to bid. Both questions were answered. Frank next spoke about the revenues versus expenditures. He also spoke about the treatment costs. The Plant insurance costs have gone down. Frank informed the Board about looking into new accounting software in a couple of years but there was no hurry as the cost is quite high. He explained that he had increased repairs and maintenance as there is a repair needed in a pump station and the cost would be about \$18,000. He had also increased the Bank fees item and decreased the Collection System-Cleaning/TV Repair item.

MGSD has finally received information about the medical costs for the employees, after November 2014. The increase is 14% which was very low compared to some other entities. Overall the operating budget went up by 2.3%.



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Bob brought up the employee benefits. He informed the Board that the employee benefit package was going up significantly each year and was an actual expenditure. This current year it would be going up 22%. He stated that the benefit package was 55% of the salary package and he felt that this was far too much of the budget. He wanted the names of employees and where they were on the salary scale and their classification. He spoke of the unfunded liability which continues to grow. He also asked for the names of the retirees who received medical benefits and wanted to know their ages. April informed Bob that legally she could not give him this information. He then asked if the retirees received social security and Medicare benefits and wanted to know if MGSD was getting a reduced benefit for the retirees on Medicare. April stated that the law had changed regarding Medicare since the Affordable Care Act and also informed the Board that Nate, who is the representative for the Nevada League of Cities insurance program, would be present at the May 2014 Board meeting to answer all the questions. Bob wanted the staff to know that the County retirees do not get their premiums paid.

Ray felt that this increase in employee benefits could not go on and changes were required for new employees so that all the employees did not suffer.

Barbara spoke about the unfunded liability and the issue of a 14% increase in the medical costs. She felt that all the facts should be taken into consideration before making a decision. Bob had a question about the Health Savings Account and who was responsible for funding this account and who ultimately benefited from it. April explained that the HSA is part of the insurance and is administered by St. Mary's. The money goes into a separate bank account and then belonged to that employee. Bob wanted to know if MGSD paid 100% of that amount and Frank explained how the payment worked. Barbara had a question about how much was paid per employee. April explained how the amount came about. It started with Douglas County when MGSD was part of their health insurance plan. The amount paid per employee at that time was \$850 and the current amount is \$930.00. Frank stated that the premiums would be going up about \$140 a month per employee.

Bob then read a part of the employee manual stating that it was not a legal document. He also had questions about how the on call system worked and the rate paid. He had questions about the PERS contributions and how overtime and on call affected that.

Ray thanked Frank for making the budget so understandable by making the second presentation which made everything clear.

Bob wanted to know why if the hot water system was supposed to save heating costs; the budget did not reflect it. Frank stated that he wanted to be conservative.

Frank informed the Board that the Final Budget public meeting was scheduled for May 16, 2014 at noon.



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**Motion by Barbara Smallwood to approve the MGSD tentative budget for Fiscal Year 2014-2015 with a tax rate of 0.1224%. Seconded by Mark Dudley.**

Bob wanted it noted that he was reluctantly voting in favor subject to a possible modification to the employee benefit package and that there would be a better resolution after the next Board meeting.

Motion carried unanimously.

**Public Comment** – There was no public comment.

*Meeting adjourned at 5:25 p.m.*

Approved \_\_\_\_\_  
Date

By \_\_\_\_\_  
District Secretary

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