



Board of Trustees
Minutes of Regular Meeting
Tuesday, July 1, 2014
6:00 P.M.
Board Room
Minden-Gardnerville Sanitation District
1790 Hwy. 395
Minden, Nevada

Board Members Present:

Mark Dudley
Robert Allgeier
Michael Henningsen
Barbara Smallwood
Raymond Wilson

Staff Members Present:

Frank Johnson
April Burchett
Sarah King
Bruce Scott
Brian Buffo
Bill Peterson

Others Present:

Michael King
Andrew Marshall
Anthony LaRocca
Russell Lindell
Peter Baratti

Board Members Absent :

None

Meeting called to order at 6:00 p.m. by Ray Wilson, Chairman.

Public Comment: - No public comment.

Claims Review and Approval – Claims were reviewed by the Board, and questions were answered by Frank Johnson. Barbara asked if Randy Williams billed MGSD each month, and Frank described the work that Randy does for MGSD, and that the bill is monthly. **Motion by Barbara Smallwood to approve the claims received for June, 2014 in the amount of \$24,487.91 and to approve the claims paid during June, 2014 in the amount of \$86,062.74.** Seconded by Mark Dudley. Motion carried.

Minutes of June 3, 2014 Regular Board Meeting – The minutes of the June 3, 2014 board meeting were reviewed by the Board. Barbara noted typos on Page 2 and on Page 3. **Motion by Barbara Smallwood to approve the minutes of the June 3, 2014 Regular Board Meeting with the noted corrections.** Seconded by Bob Allgeier. Motion carried with Ray Wilson abstaining.

MGSD Employee/Retiree Health Insurance Benefits – Ray Wilson thanked April for preparing a benefits study, but he would like to take the time to review it. Ray noted that under Item 1c, increases were not given to Town of Minden employees for the past 3 years, while MGSD employees did receive salary increases. Bob Allgeier passed out a salary sheet showing current and projected salaries and benefits for each employee, and he noted the projected Health insurance premiums. Bob asked about



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benefits for Marshall Morris, and Frank reminded him that the Board approved paying the monthly insurance costs for Marshall. April Burchett explained how insurance payments are calculated per employee, what happens if the premiums are lower than the budgeted amount, who pays if the premiums are higher than the budgeted amount, and the impact to contributions to the HSA accounts. Bob passed out handouts regarding operational costs, salaries and benefits increases since 2007, as well as the benefits currently offered to retirees. In addition, he calculated the cost of providing coverage to retirees in conjunction with life expectancy figures. He also noted that 2 current employees are scheduled to retire within the next 10 years. Bob pointed out that the benefits package has increased a large amount over the past few years. He noted that while the final numbers regularly come in under budget, it seems close to the budget so there is concern about the cost increases. He particularly asked for explanations as to why the benefits increased by 28.5% as shown on Page 1, Item 2 Benefits and by 59.95% from 2011-2015 as shown on Sheet 2. Frank noted that during those times additional staff had been hired and PERS contributions increased. April stated she will research the personnel and benefits changes for the 2007-2014 period and provide explanations for the percentage increases. Bob noted that under MGSD's current policy manual, MGSD will provide accident and health, dental and vision insurance to all full time permanent employees, so asked for confirmation that life insurance was separate. April and Sarah explained that life insurance premiums are part of the total \$935 allowed for each employee. He asked the Board to note that the policy states, "Accident and Health coverage is provided to employees upon retirement with a minimum of ten (10) years consecutive employment. Dependent health coverage is not provided to retirees." Bob asked April if any retirees have dependent coverage, and April stated that the retirees do not have dependent coverage, and if dependent coverage would be requested by a retiree, the retiree would have to pay MGSD for the dependent coverage. Discussion followed regarding the budgeted amount for health insurance coverage for employees and retirees vs. actual cost for retiree premiums. Bob discussed the life expectancy of retirees and cost to MGSD to provide medical benefits to retirees. To help reduce these costs, Bob suggested that MGSD require retirees to enroll in Medicare Part B at the age of 65. He stated that paying the Medicare premium for retirees as well as the premium for a supplemental policy would be more cost effective to the District than paying the premiums for full coverage. This would allow the District to save money while still providing insurance coverage to retirees. Discussion followed regarding coverage for retirees younger than 65, and the state regulations regarding offering coverage under the same policy to retirees. Bob felt that counsel could prepare language that would comply with State and Federal regulations regarding coverage for all retirees. Russ Lindell stated that he understands the issue and is not currently on Part B. He would be amenable to participating in Part B, as long as the District would pay the entire premium including the late sign-up penalty. Discussion followed regarding the feasibility of providing dental, vision, and life insurance coverage for retirees. Bill Peterson confirmed that MGSD is not required to pay for any health coverage to retirees. The Board directed Bill Peterson to prepare resolution language changing the medical coverage provided to current retirees, requiring retirees over 65 years of age to participate in Medicare Part B. Discussion followed regarding how the Public Employees' Benefits Program (PEBP) handles premiums calculations based on years of service, as well as changes that can be made to the policy manual. Bill stated he will have a resolution available for the August meeting. Ray read an excerpt from



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an article from the Wall Street Journal, “States and Cities Push on Pension Costs”, specifically that State and local governments would be required to add promised retiree benefits costs to their balance sheets. Ray stated that the reason they’re doing this is for transparency when issuing bonds. Fortunately, MGSD’s accountant already does this, except for future retirement benefits, since nobody knows how to calculate them. This means that every government will have to implement it.

Attorney-Client Conference– Bill Peterson reported that work he is currently doing on behalf of MGSD includes ongoing work regarding Southwest Gas issues, and reviewing the draft Pretreatment Ordinance.

With regard to fees for legal services, historically the cost to MGSD has been in the range of \$17,000-\$18,000 per year. Bill got the impression from the Board that to maintain historical continuity; they would like to have Bill attend the board meetings. Bill stated that a fixed fee contract would not be fair for either party, and he is proposing a mixed rate – a fixed fee for meeting attendance, and the reduced hourly rate of \$250 per hour for other work. Ray asked the Board for their thoughts. Barbara felt it would be reasonable to call Bill if we need him, and she appreciated the reduced rate. Bob agreed. Mike felt that the District benefits by having Bill here more often. Mark would prefer to have Bill attend the meetings and appreciated Bill’s insight during the discussions. Frank preferred having Bill present as well. He also noted that having Bill present to answer the Board’s questions directly keeps misinterpretations from occurring if Frank needs to convey the Board’s wishes to Bill after a meeting. Ray would like to leave it the way it is and have Bill charge MGSD when he attends a meeting. Discussion followed regarding establishing a trial period for the proposed mixed rate to see how it works out. It was agreed to try the mixed rate plan for the next 6 months, but Bill would be contacted if the Board wanted him to be at the meeting.

Engineer’s Report – Bruce Scott reported on the following:

County Road Project: The County Road project will be starting in the next couple of weeks. Bob noted that the County will be doing beautification work on County Road when grant funding comes through.

Douglas High School Remodel Project: Brian and Bruce spent some time while Frank was gone looking at the work being performed at the High School, which was mostly demolition work. Bruce noted that MGSD never received revised plans addressing our conditions of approval, so he is working on getting revised plans.

Mark asked about the status of Pineview Estates, and Bruce said they’re still working on the ownership issues. Barbara noted that new homes are being built there.



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District Manager's Report – Frank Johnson reported on the following items:

Frank stated that he was pleased that the District was still standing and nothing was overflowing when he returned from vacation. He deferred to Brian for the District Manager's report.

Brian said staff was able to handle everything that came up while Frank was on vacation. Brian noted that mosquito spraying occurred, both helicopter and barrier spraying.

Ray asked about how often the flow rate from the Ranchos is recalculated. Frank noted that the semi-annual variable costs are calculated based on the flows. Now that the new fiscal year has begun, the flows will be recalculated.

Bob asked about the status of the in-house inventory. Frank responded that it is nearly complete.

Secretary's Report – Ray expressed concern about the bank fees for credit card charges. He requested that credit card fees be researched and put on the August agenda.

Public Comment –There was no public comment

Board Comment – Bob stated that the Board asked him to look into buying the remaining ARRA loan at a reduced price. He talked to Bruce, and it doesn't appear that it would do any good to approach NDEP, but he will discuss it with State Senator James Settelmeyer.

Barbara asked about Buona Sera restaurant. Frank said he is aware that there is a new restaurant in there, but the fixtures have not changed.

Barbara stated that she received a door hanger for the line cleaning, and noted that she had not seen them before. Frank responded that since MGSD began doing its own line cleaning, we place door hangers to alert residents and businesses that line cleaning is scheduled to occur.

Bob requested that Frank speak about MGSD at a Kiwanis meeting, and Frank replied that it could be arranged.

Ray thanked Bob for bringing the insurance information to the Board.

Meeting adjourned at 8:35 pm.



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Approved _____
Date

By _____
District Secretary

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