

CAYUCOS SANITARY DISTRICT
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GOVERNING BOARD

R. B. Enns, President
R. H. McHale, Vice-President
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BUDGET AND FINANCE COMMITTEE MEETING
MINUTES
February 10, 2009

COMMITTEE MEMBERS PRESENT:

Robert Enns, President
Michael Foster, Director

STAFF PRESENT:

Bill Callahan, District Manager
Bonnie Connelly, Administrative Services Officer

1. CALL TO ORDER

The meeting commenced at 2:00 p.m.

2. PUBLIC COMMENTS

There were no public comments received.

3. DISCUSSION OF WWTP FINANCIAL AND BUDGET ISSUES

There was review and discussion of Administrative Service Officer Connelly's report outlining WWTP Financial and Budget Issues. The issues were distilled down to the following topics for possible follow-through and referral to City staff for discussion and implementation:

Capital Budgeting:

- Need a five year forecast (plan) for equipment replacement and major repairs/rehab covering FY 2009-2010 through FY 2013-2014 (period of WWTP Upgrade)

Insurance (all):

- Need documentation supporting basis for premium allocation to the WWTP
- Need accurate numbers for budget input
- Is it time to review policies and evaluate stand alone policies on WWTP or does it still make sense to be inclusive of City master policies?

Audit:

- Need timely schedule (City Finance Staff:Auditor)
- Need plan to get caught up (FY 07-08 still outstanding)
- Goal for completion of audit such that audit presentation can occur at a joint meeting annually by no later than January

Budget Overruns:

- Shift standard of having to report budget overruns from a line item expense basis to major expense categories: Personnel Services, Supplies and Services to allow WWTP Superintendent reporting flexibility and juggling capability

District Quarterly Payments (Reimbursement) for WWTP Expenditures:

- Allow flexibility for payment of an invoice based on presentation date without holdover to a joint meeting, as per the JPA. This would allow for separate action by CSD Board at its own meeting. This assumes invoice is complete with adequate supporting documentation.

Possibility of Moving Up Schedule for WWTP Upgrade:

- Take advantage of stimulus monies and any other infrastructure grants/loans currently available and in near-term
- Getting project to "shovel ready" status sooner
- Take advantage of recessionary environment for procurement of consultant services, suppliers and construction costs
- Reduce overall costs of project through speed up
- Reevaluate upgrade schedule for possibility of undertaking concurrent steps rather than linear progress
- Is it time to consider consultant services, as adjunct to overburdened staff to assist and facilitate possible loan/grant searches and application efforts?

Other Allocated Costs:

- Need sound numbers for allocation of indirect costs as a function of the budget
- Allocation of costs on a quarterly basis rather than annual allocation

- Adequate support and documentation to be provided timely
- Do we want to consider allowing City allocation of indirect costs, based on fully burdened labor rate, and City-wide overhead rate chargeable to WWTP as a department of the City, as opposed to the methodology called out in the JPA (1 ½ x actual hourly labor rate)?

There was discussion on how best to proceed—letter to City Manager and/or Mayor; or that the Committee Member(s) and District Manager meet with the City Manager. There was then discussion that the District hold a luncheon meeting at its office and request the presence of the City Manager and Mayor (or Finance Director).

The Committee had requested that staff prepare a bulleted list of the issues that, as a result of discussion, were felt important to pursue.

4. ADJOURNMENT

Manager Callahan had to depart the meeting at 3:30 p.m., thereafter, the meeting ended at 3:45 p.m.

Minutes Recorded By:

Bonnie E. Connelly, Board Clerk
Administrative Services Officer