

AGENDA NO. 11A2  
DATE 6/20/2007

**CAYUCOS SANITARY DISTRICT**

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**GOVERNING BOARD**  
R. B. Enns, President  
N. Raimondo, Vice-President  
H. Fones, Director  
B. McHale, Director  
S. Lyon, Director

**BUDGET AND FINANCE COMMITTEE  
SPECIAL MEETING MINUTES  
WEDNESDAY, JUNE 6, 2007 AT 3:45 P.M.**

**Budget & Finance Committee Members Present:**  
Robert Enns, Board President  
Nat Raimondo, Vice-President

**Staff Members Present:**  
Bill Callahan, District Manager  
Bonnie Connelly, Admin. Svcs. Officer  
Nancy Martin, Admin. Svcs. Tech.

**1. CALL MEETING TO ORDER**

The committee meeting was opened at 3:55 p.m.

**2. PUBLIC COMMENTS**

There were no public comments.

**3. DISCUSS AND REVIEW PROPOSED DISTRICT BUDGET AND CAPITAL IMPROVEMENT PROJECTS FOR THE 2007-2008 FISCAL YEAR**

**A. CAPITAL IMPROVEMENT PROJECTIONS**

Manager Callahan's written report and Capital Improvement Projects (CIP) detail pages were received. Callahan pointed out differences in the figures used for the 5-year CIP projections and the proposed FY 07-08 budget, with budget figures of nearly a half million more; the result, he said, of additional CIP (Lift Station 5 motor control center panel, Lift Station 3 reconstruction planning), and new information on the Wastewater Treatment Plant Upgrade costs and State Waste Discharge Requirements. When asked if all the projects can be completed in FY 07-08, Callahan answered that the projects are achievable but not guaranteed.

Committee members recommended changes to projected CIP:

- Reduce/remove the 20% Contingency added to projects cost
- Define projects that are part of the lump sum of \$600,000 under Miscellaneous Locations (1,500 linear feet/year)

- Do not include the \$1,220,000 for property acquisition and improvements as a CIP
- Agendize the Lift Station 5/Main Street Capacity Enhancement project for further discussion, as it may be done in conjunction with the City of Morro Bay

### **B. PROPOSED BUDGET**

Recommendations/concerns with the proposed FY 07-08 budget include:

- Line Item 75, Professional Fees-Legal. The item shows a 25% increase which committee members felt was overstated. Connelly stated the figure includes charges associated with CIP and that those charges do go to project costs.
- Line Item 101, Hardware, Supplies & Small Tools, and 102, Small Tools. The two should be combined.
- Line Item 104, Treatment Chemicals, and 120, Bioxide Treatment Program. The two should be combined.
- Line Item 95, Line Cleaning. The item shows a 66.67% increase. Callahan reported he is unhappy with work done for the District by Simon Sewer Maintenance and has received quotes from several local line cleaning organizations for FY 07-08.
- Line Item 6, Sewer User Fees. Connelly indicated the figure for FY 07-08 will be adjusted as a rate increase will be effective 10/1/07 instead of 9/1/07.
- Line Item 8, Sewer Connection & Permit Fees. The figure used assumes 14 new connections, which Raimondo felt are too many.

### **C. COLA REQUEST AND WORKSHEET**

Manager Callahan's written report was received, as well as a worksheet with average Cost of Living Adjustment (COLA) increases issued for other urban wage earners in California and Consumer Price Index (CPI) information. Callahan recommended a 3.5% COLA for District employees for FY 07-08. He pointed out that a COLA should not be confused with an employee merit increase in wages. Enns and Raimondo both recommended the Board consider a 4% COLA for FY 07-08.

### **D. HOLIDAY STAND-BY REQUEST**

Manager Callahan's written report was received. District stand-by personnel currently receive \$30/day. There is a "twenty minute response time" for employees on stand-by and they must remain in the area during that time. With that restriction Callahan recommended raising the stand-by rate to \$40/day on holidays. Enns and Raimondo both recommended the Board consider raising the rate to \$50/day for holidays.

### **4. ADJOURNEMENT**

The meeting was adjourned at 6:10 p.m.

Minutes recorded by: *Nancy Martin*  
Nancy Martin