



FINANCE COMMITTEE

REGULAR MEETING

Thursday, June 14, 2018 - 10:00 AM to 12:00 PM
2850 Burton Drive Cambria CA 93428

MINUTES

A. CALL TO ORDER

Chairman Pierson called the meeting to order at 10:00 a.m.

Public in attendance:
Cheryl McDowell
Unknown Gentleman
Karen Dean
Laura Swartz
Crosby Swartz
Tom Gray
Mike Lyons
Tom

B. ESTABLISH QUORUM

A quorum was established.

Committee members present: David Pierson, Ted Siegler, Amanda Rice, Cindy Steidel and Dewayne Lee

Staff present: General Manager Jerry Gruber, Administrative Services Officer/District Clerk Monique Madrid, and District Engineer Bob Gresens.

C. CHAIRMAN'S REPORT

Chairman Pierson reported the following upcoming meetings:

Special Board Meeting on June 19, 2018 at 6:00 p.m.
Special Board Meeting on June 21, 2018 at 2:00 p.m.
Regular Board Meeting on June 28, 2018 at 2:00 p.m.

General Manager Jerry Gruber suggested a combined Finance and Infrastructure Committee meeting on July 12, 2018.

1. PUBLIC COMMENT

Public Comment:

Cheryl McDowell: will they implement the rate increase on June 21st
Karen Dean: thanked Cindy Steidel

2. CONSENT AGENDA

A. Consideration to Approve the May 17, 2018 Regular Meeting Minutes

Committee Member Rice thanked the Clerk for the change to the minutes.

Committee Member Rice motioned to approve the minutes.

Committee Member Lee seconded the motion.

Motion Passed Unanimously: 5-Ayes, 0-Nays, 0-Absent

3. REGULAR BUSINESS

A. General Manager Jerry Gruber to Provide a Brief Update Regarding Audit

General Manager Jerry Gruber provided a brief update on the audit. He explained the process. This is a new auditor and several things have occurred causing a delay in the final audit. It started late due to the transition of the new Finance Manager and an illness in the auditor's office.

B. Presentation of Draft 2018/19 Fiscal Year Budget by Finance Manager Rudy Hernandez

Finance Manager Rudy Hernandez had a medical emergency with his family and is unable to attend.

General Manager Gruber provided the draft budget presentation. Chairman Pierson asked Mr. Gruber to go through the budget by department, take questions and move on to the next department.

The committee had discussion regarding the budget and asked the General Manager questions.

Public Comment:

Marvin Corne: why is there no notation for sick leave or vacation?

Laura Swartz: how was allocated overhead developed. Previous fire chief concern which was too high of a cost to fire dept.

Facilities & Resources Department:

Mr. Gruber reviewed the revenue and expenses for the department. They care for all the CCSD facilities, properties and the Fiscalini ranch with no funding mechanism.

Public Comment:

Mike Lyons: Vets Hall revenue no longer providing free use of facility. Did that happen recently? At very least, charge for the minimum cost and then consider a review if asked for waiver.

Cheryl McDowell: is revenue received for the farmers market? Asked about Linn's use of BBQ. Can we put out a donation box on the ranch?

Chairman Pierson stated there is no justification for the 1/2 person for Facilities & Resources and he cannot support it. We need to have the Friends of the Fiscalini Ranch Preserve provide more support. The Fire Department has identified property that needs to be maintained and there is a cost associated with it. We need to evaluate the risk benefit of clearing the property. He can add some of this work to the grant application.

Committee Member Lee suggested we can prepare a more austere budget and build-up reserves.

Administrative Department:

Mr. Gruber provided a brief review of the expenses and revenues. There are no staffing changes. He asked Monique Madrid to explain the reorganization of the administrative department. Ms. Madrid gave a summary of the suggested changes and reasons for the changes. There is no change in the salaries for any of these changes.

Committee Member Steidel stated she liked the isolation of Accounts Payable and Accounts Receivable.

Public Comment:

Cheryl McDowell: other pay in transparent California? What is other pay?

Mike Lyons: positions benefits training and people. Don't lose sight of the people who work for the CCSD. He doesn't want to see staff leave and wants them to be happy in their jobs. A lot of negativity and stress is the last thing they need. Asks the community to support the staff and help them feel welcome and happy in their jobs. Hold back the negativity and express the positive.

Chairman Pierson asked the committee if they want to extend or reconvene the meeting?

Committee Member Rice moved to extend the meeting until 2 p.m. with food.

Committee Member Steidel seconded the motion.

Motion Passed Unanimously: 5-Ayes, 0-Nays, 0-Absent

Wastewater Department:

Mr. Gruber provided a review of the expenses and revenues.

Committee Member Rice asked for clarity if we are able to do some projects even if the rates don't get approved due to their level of importance.

Committee Member Rice asked the committee to consider a subcommittee to look at financial policies of the CCSD on a future agenda.

Committee Member Rice left the meeting at 12:17 p.m.

Chairman Pierson suggested put covering the GIS \$10k back in the budget and make an adjustment in allocation for Wastewater to pay for it. He would like to have a discussion on the methodology of overhead allocation. If we add in the \$20k for the handrails, we are in a deficit.

Vice Chair Siegler raised concerns about using flexibility in adjusting funds and what is appropriate.

District Engineer Bob Gresens stated the Finance Manager asked him to provide and identify the items cut from the budget to balance it.

Water Department:

Mr. Gruber provided a summary of expenses and revenue. Page 41 and page 14 are in conflict. Capital Improvement Project priority list was reviewed for how to set the priority.

SWF:

Mr. Gruber provided a brief review of the expenses and revenues.

Chairman Pierson asked for a motion to extend the meeting.

Committee Member Lee motioned to extend the meeting to 2:15 p.m.

Committee Member Steidel seconded the motion.

Motion Passed: 4-Ayes, 0-Nays, 1-Absent (Rice)

Public Comment:

Crosby Swartz: why a different rate structure for the SWF in the new rate study? Hauling disposal and electricity can vary greatly. If you operate full time for more than 2 months you could get behind the curve quickly.

C. Discussion and Consideration of Recommendations to the CCSD Board of Directors Regarding Draft 2018/19 Fiscal Year Budget

This item was not addressed at the meeting and will be moved to the next meeting.

D. Discussion Regarding the Rate Structure Presentation Presented to the CCSD Board of Directors on May 24, 2018 by Alex Handlers of Bartle Wells & Associates

This item was not addressed at the meeting and will be moved to the next meeting.

4. FUTURE AGENDA ITEMS

5. ADJOURN

Chairman Pierson adjourned the meeting at 2:20 p.m.