



MINUTES OF BUDGET & FINANCE COMMITTEE MEETING

Responsible for the review of District finances including: rates, fees, charges and other sources of revenue; budget and reserves; audit; investments; insurance; and other financial matters.

Tuesday, June 4, 2019 at 9:00 a.m. at the Operations Building, 13057 Highway 9, Boulder Creek, California.

MINUTES

1. Convene Meeting 9:00 A.M.
Roll Call: Fultz, Henry, Sanders were all present
Staff: R. Rogers, S. Hill, H. Hossack
2. Oral Communications:
L. Sanders said that the documents provided for the budget discussion fail to meet the requirements of the Doctrine of Completed Staff Work. (see attached)
3. Old Business:
 - A. FY2019/20 BUDGET REVIEW
S. Hill introduced this item. At the request of the chair she provided detail of the 2017/18 actuals. This is everything that is not head count. She began with Dept. 100-Admin. Dept.
Discussion by the Committee and staff regarding legal costs, engineering costs, PR costs and other consultants.
D. Loewen questioned NBS charges.
S. Hill said that the majority of the NBS charges were for the rate study. NBS is an ongoing charge for the Assessment Dist. of approx. \$7500/year.
B. Holloway described some of the legal services and other consultants. He also said that the information on the screen wasn't shared with the public.
Discussion by the Committee and staff regarding 2017/18 actuals, Dept. 100 continued.
B. Holloway questioned if SDRMA costs include Workers' Comp.
S. Hill said it does not include Workers' Comp. Workers' Comp is in salaries and benefits. It is a direct employee expense.
Discussion by the Committee and staff regarding contract professional services including Paychex.
V. Champlin questioned Badger Meter charges.
Discussion by the Committee and staff regarding charges for departments.
S. Hill continued with operating expenses, maintenance, facilities, etc.
Discussion by Committee and staff.

B. Holloway said if the District went back to bi-monthly billing there would be less banking fees.

S. Hill continued with Department 300 & 400.

L. Sanders said that another spreadsheet that would be interesting but not required is the accountability for signature authority for each one of these items.

Discussion by Committee and staff questioning specific items on actuals and inventory.

B. Holloway is confused by the stream flow monitoring. He thinks it's a strategic expense for water rights.

Discussion by the Committee, public and staff regarding water rights.

S. Hill continued with budget actuals and discussion with Committee and staff.

V. Champlin questioned how much is saved with time of use through PG&E.

R. Rogers and S. Hill responded.

S. Hill continued with report.

Discussion by Committee and staff regarding wastewater system.

V. Champlin noted that the Bill List is data, this is information.

D. Loewen this report is essential for this committee.

Discussion by the Committee, staff and public.

B. Holloway said that a long list is not the whole story. He also explained the Balance Hydrology charges.

Discussion by the Committee and staff regarding the format for communicating the numbers to the public.

B. RESERVE FUND POLICY

S. Hill introduced this item. She provided examples of reserve fund policies.

Discussion by Committee and staff regarding different reserve funds.

B. Holloway disagreed with S. Hill regarding unfunded liability.

Discussion by the Committee, staff and public regarding unfunded liability.

D. Loewen said she doesn't want a reserve for the unfunded liability but to budget for it.

S. Hill explained that if it's deferred maintenance or capital it's already sitting in operating.

Discussion by Committee, public and staff regarding deferred maintenance.

B. Holloway said they are talking about either capital or emergency reserves. Maintenance should be in the budget every year. As far as reserves, you need State matching funds.

B. Fultz said that makes a lot of sense but it's a whole different aspect than we have talked about.

S. Hill said she considered a rate stabilization reserve. She continued operating reserve and compensated absence reserve.

Discussion by Committee, staff and public regarding compensated absences reserves.

S. Hill continued with different reserves. She explained development reserves.

B. Fultz questioned unfunded liability

C. UPCOMING LOANS - UPDATE

S. Hill reported on loans.

Discussion by Committee, staff and public regarding the USDA loan vs. other loans.

D. Loewen asked about lower rate for assessment district.

V. Champlin said to stop talking and get this on the agenda.

Discussion continued with Committee, staff and public.

4. New Business:

A. UNFUNDED LIABILITIES

S. Hill explained the unfunded pension liability and OPEB liability. Fund the trust fund so that the interest being made will cover that year's liability.

B. Fultz said he thinks they have an understanding of the pension and OPEB.

S. Hill said there is nothing in the budget for this coming year.

B. PIPELINE REPLACEMENT WORKFORCE

R. Rogers said that the plan is to develop a detailed plan and cost estimate of materials, labor, etc.

Discussion by Committee, staff and public.

B. Holloway said the District will have to do 2 miles of pipe per year.

Discussion by Committee, staff and public.

5. Informational Material: None.

6. Adjournment 11:03 a.m.