

**MINUTES OF THE SPECIAL MEETING OF THE FINANCE COMMITTEE
OF THE
FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS**

Friday, June 12, 2015

Attendance:

Committee Members: Chuck Dawson, Bob Gray, Elliot Mulberg, Tom Nelson, and Jeanne Sabin
Associate Members: None present
Staff Members: Mark J. Madison, General Manager; Jim Malberg, Finance Manager; Stefani Phillips, Secretary
Consultants Present: Ann Siprelle, Best Best & Krieger (BB&K)

This was a posted meeting and no members of the public was present.

1. Draft Fiscal Year 2015-16 Florin Resource Conservation District Budget

Mark J. Madison, General Manager introduced the meeting and explained Jim Malberg, Finance Manager, would cover the agenda items.

Mr. Malberg gave an overview of the Draft Fiscal Year 2015-16 Florin Resource Conservation District Budget to the Finance Committee members.

Comments and inquiries include:

- Cost of one (1) director attending the CARCD conference was added
- Revising contracted services expense once the District is reimbursed from the building fund – the true number will be reflected at the June 24, 2015 Board Meeting

Director Tom Nelson commented that the General Manager's salary should be paid for by the FRCD because he is a contracted employee for the FRCD.

Mr. Nelson asked if the FRCD is required to pay the \$15,000 salary and benefit expense (for the employees) under Proposition 218. Ann Siprelle, Legal Counsel, responded that it could be challenged. She then cited the Lemon Grove case.

Mr. Nelson inquired if it was legal for the FRCD to apply a fee for a percentage of what the EGWD received.

A lengthy discussion occurred regarding seeking monies from the EGWD for the FRCD.

Mr. Madison requested the board to clarify Mr. Nelson's question, whether they wanted to seek reimbursement from the EGWD for services the FRCD provides to the EGWD, or if the FRCD can charge an administrative fee to EGWD.

Director Jeanne Sabin asked if the Board is requesting an administrative fee to be given to the FRCD for grants that are received, or will the FRCD receive a percentage of the EGWD revenue. Mr. Nelson responded stating a percentage of the income from the EGWD would go to the FRCD.

Ms. Sabin inquired if there would be a limit on what the percentage is spent on.

Ms. Sabin inquired how much of the EGWD income is used to pay salaries and payroll. Mr. Madison responded one-third (1/3) of EGWD income is spent to pay salaries and payroll.

Ms. Sabin stated that she didn't want the administrative fee to go to other stuff such as legal, salaries and elections.

A discussion amongst the FRCD Board Members occurred regarding the FRCD cost of service.

Mr. Madison, again, requested clarification from the FRCD Board members asking if the idea was to try to develop a means of which the FRCD could seek reimbursement from the EGWD for services that the FRCD provides to the district, or can the FRCD simply charge an administrative fee to the EGWD enterprise fund. Mr. Nelson confirmed it was the latter of the two questions, which the FRCD Board of Directors are suggesting.

Mr. Madison then suggested a two-step process for the FRCD Board of Directors:

- 1) Determine legally if you can charge an administrative fee to the EGWD enterprise fund
- 2) If charging an administrative fee to the EGWD is legal, do you want to do this or should you do this and that would be a Board Policy decision

Ms. Siprelle stated an administrative fee is paid as a way of reimbursing an other source or service.

Director Elliot Mulberg would like to see fundraising efforts to keep the FRCD going. He stated he did not want to raise the rates. Mr. Mulberg would like to serve all of the FRCD/EGWD people.

Mr. Madison reiterated and confirmed the Board's direction requesting a legal opinion on charging an administrative fee to the EGWD for the cost of service, not for seeking reimbursement.

Mr. Madison also suggested the FRCD Board of Directors strike the amount budgeted to salary and benefits and keep the expense in bay until a budget is adopted on June 24, 2015.

2. Draft Fiscal Year 2015-16 Economic Development Corporation Budget

Jim Malberg, Finance Manager, presented the Draft Fiscal Year 2015-16 Economic Development Corporation Budget to the Board of Directors.

Mark Madison, General Manager spoke about the timing of the pending sale of the Susie Gaines Mitchell Building.

Director Jeanne Sabin inquired if any of the parties that were involved in Susie Gaines Mitchell Building had a copy of the purchase agreement. Mr. Madison responded stating that he will look into it to see if the county has a copy.

Director Bob Gray stated that the District should have a fall back plan in case something comes up with the sale of the building.

Director Elliot Mulberg suggested to review the FRCD Budget at the Regular Board meeting in August.

Mr. Madison suggested to move the Regular Board Meeting in July out a week to July 29, 2015.

The next Finance Committee Meeting to be determined.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary