

**Minutes of the Finance Committee
of the
Florin Resource Conservation District Board of Directors**

Wednesday, May 11, 2016

Attendance:

Committee Members: Tom Nelson, Vice Chairman
Bob Gray, Director
Elliot Mulberg, Director
Jeanne Sabin, Director
Mike Schmitz, Associate

Staff: Mark J. Madison, General Manager
Stefani Phillips, Board Secretary
Bruce Kamilos, Assistant General Manager
Jim Malberg, Finance Manager
Donella Murillo, Finance Supervisor

Public: None

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

1. Draft Fiscal Year 2016-17 Elk Grove Water District Operating Budget

Mark Madison, General Manager, kicked off the meeting and provided background of the budget process.

Jim Malberg, Finance Manager, provided the Board an updated copy of the budget worksheet. He stated that three changes were made to the worksheet:

- 1) Allocation of the 90/10 split of the General Manager's salary
- 2) Election costs
- 3) Corrected the double entry of permit fees

Mr. Malberg provided an overview of the proposed budget to the Board.

Bob Gray, Director, commented that consumption may rise due to the Governor's new order therefore increasing the District's revenues. Mr. Malberg responded stating that the 3.5% revenue adjustment has been built in but the consumption estimates are based on calendar 2015 figures with no change at all.

Staff recommends the 3.5% rate increase and next year will be up for discussion.

Mr. Malberg commented that he is still working on the figures for fire service and will know more information by the next Finance Committee meeting on June 8, 2016.

A discussion occurred regarding the transparency of the General Manager's salary. Mr. Gray commented that he would like to see the General Manager's salary all in one category versus having it split between the Florin Resource Conservation District (FRCD) and Elk Grove Water District (EGWD). Mr. Madison responded, "Yes, we can change that."

Mr. Malberg stated the new Other Post-Employment Benefits (OPEB) actuarial rules increased annual required contribution by 63%. A discussion regarding OPEB occurred.

Mr. Malberg commented that he would like to change the name of the line item "telephone" to "communication."

Staff will double check the water conservation budget, should be \$30,000. Tom Nelson, Vice-Chairman, made a comment that we need to budget just for conservation.

There was a discussion regarding the conservation program and efforts for the future.

Staff will verify the amount budgeted for telephone/communications and bring back to the next Finance Committee meeting on June 8, 2016.

A discussion regarding bank charges and charging a flat fee for credit card use occurred.

Mr. Malberg will find out what the debt service true number will look like and report back to the Board.

Mr. Madison asked Mr. Malberg if he could provide a graph or chart of actual savings from the bond refinancing. Mr. Malberg responded, yes.

Mr. Malberg will bring back the chronology for the election reserve at the next Finance Committee meeting on June 8, 2016. A discussion regarding this continued.

A discussion regarding increasing the employee phone stipend occurred. Staff will provide examples of phone/data packages at the next Finance Committee meeting on June 8, 2016.

Mr. Madison commented that he would like the Board to adopt a schedule of rates and fees every year at the same time the budget is proposed.

Adjourn to the next Finance Committee Meeting on Wednesday, June 8, 2016.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary

SP/CR