

**FINANCE COMMITTEE MEETING MINUTES OF THE
FLORIN RESOURCE CONSERVATION DISTRICT/
ELK GROVE WATER DISTRICT**

Wednesday, May 1, 2019

Attendance:

Directors Present:	Bob Gray, Lisa Medina, Sophia Scherman, Elliot Mulberg
Directors Absent:	Tom Nelson
Staff Present:	Mark J. Madison, General Manager; Patrick Lee, Finance Manager; Stefani Phillips, Board Secretary; Donella Murillo, Finance Supervisor; Sarah Jones, Program Manager; Bruce Kamilos, Assistant General Manager
Staff Absent:	None
Associate Directors Present:	Shahid Chaudhry
Associate Directors Absent:	None
General Counsel Present:	None

1. Draft Elk Grove Water District Fiscal Year 2019-20 Operating Budget

General Manager, Mark Madison introduced the Fiscal Year (FY) 2019-20 Operating Budget to the Florin Resource Conservation District (FRCD) Board of Directors (Board).

Finance Manager, Patrick Lee presented the FY 2019-20 Operating Budget.

There was discussion on salaries and benefits. Overall, there is a \$231,000 increase from what was budgeted last year. Mr. Lee explained the changes for an increase in salaries and benefits. He mentioned that one of the large increases was nonexempt salaries which is due to a new customer service representative II (CSR II) position. He pointed out that the increase for the proposed additional position would result in a decrease to contracted services. Another change is medical benefits which are projected to increase to about eight (8) percent for all employees who have not yet reached the medical cap. Retirement benefits are projected to increase to about \$47,690 based on the most current California Public Employees Retirement System (CalPERS) evaluation. Lastly, workers compensation insurance is projected to increase by five (5) percent.

There was discussion on adding columns to the budget development worksheet to compare actuals vs. projection, and budget-to-budget for the end of the FY. Mr. Madison stated that a revised worksheet will be provided with additional columns that show additional comparisons to the projected numbers. The revised worksheet will be emailed to the Board on Friday, May 10, 2019.

Mr. Madison announced the field crews are getting new uniforms through Cintas. The clothing allowance provision has been reduced from \$500 to \$350.

Another major expenditure category discussed was outside services. One of the larger items that is causing the increase to what was budgeted in FY 2018-19 is a \$40,000 increase to banking charges. The \$40,000 increase to banking charges is due to an increased number of customers who are now paying with credit cards. There was further discussion on reviewing credit card user

charges and parsing it out. Mr. Madison stated he is a bit nervous about changing the element since it is built into the rate study. There was a discussion on reviewing the credit card user charges that may be parsed out. A question arose on whether removing the credit card charges would cause the District to re-open Proposition 218. Vice-Chairperson Bob Gray suggested letting further discussion ride out until another night.

There was discussion on contracted services. One of the items affecting the increase is a \$25,000 budget for a needs assessment for Well 3. Mr. Madison mentioned that Well 3 is pumping a lot of sand. There was discussion on how to further evaluate what needs to be done about Well 3.

Director Elliot Mulberg inquired on the new building. Mr. Madison responded that he does not see the new building affecting the operating budget and it would be more of a capital improvement program matter.

Mr. Mulberg questioned the reserves and how they would be affected. Mr. Lee explained how the reserves would be affected and why we are in the red.

Mr. Gray suggested to establish another reserve bucket for a new building.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary
AC/SP

Adjourn to next regular Meeting: Wednesday, May 15, 2019.