

MINUTES OF A MEETING OF THE  
FINANCE/INVESTMENT COMMITTEE  
OF THE VALLECITOS WATER DISTRICT  
THURSDAY, MARCH 22, 2018 AT 4:00 P.M.  
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,  
SAN MARCOS, CALIFORNIA

Director Martin called the meeting to order at the hour of 4:00 p.m.

Present:                    Director Martin  
                              Director Sannella  
                              General Manager Pruim  
                              District Engineer Gumpel  
                              Finance Manager Owen  
                              Operations & Maintenance Manager Pedrazzi  
                              Financial Analyst Arthur  
                              Administrative Secretary Johnson

ITEM(S) FOR DISCUSSION

2018/19 BUDGET REVIEW

General Manager Pruim provided the Committee with an overview of the budget process to date, explaining how staff budget requests and projections are reviewed and by whom. Staff has revised the draft budget already and will take into consideration any input from the Committee for further revisions. The goal is to have the budget completed by the end of May.

General discussion took place during which staff explained how the budget process has changed over the years from a broader format to a much more detailed format, the result of all departments working collaboratively with finance staff.

Finance Manager Owen facilitated a presentation to the Committee as follows:

- Agenda
- Budget Calendar
- Draft Operating Budget – Water
- Pumping
- Transmission and Distribution
- Services
- Engineering
- Draft Operating Budget – Sewer
- Collection/Conveyance
- Salary and Benefit Estimates
- Next Steps – Budget Calendar

Finance Manager Owen focused on the draft water operating budget-to-budget comparison because it is too early for some of the projections as there are several months remaining in the current fiscal year. The total requested increase is 2.52%. The items with the most significant variances were reviewed in detail by Finance Manager Owen and Operations & Maintenance Manager Pedrazzi, and included pumping, transmission and distribution, services, engineering, and labor.

A budget-to-budget comparison of the draft sewer operating budget was also reviewed. The total requested increase is \$25,000 or less than 1%. The most significant variances were discussed in detail and included labor, collection/conveyance, and outside services.

Finance Manager Owen reviewed the preliminary salary and benefits estimates. Staffing levels have remained level and all full-time employee positions are fully funded for FY 2018/19, including six months for an Assistant General Manager. Total estimated savings is \$1.5 million for 2018. Overall total budgeted savings for FY2018/19 is \$50,185 for salaries and benefits which includes a small increase of \$10,000 in salaries. This will be the second year in a row where there is a reduction in salaries and benefits.

The Committee will meet on April 2 at 4:00 p.m. to review the finalized operating budget and preliminary capital budget requests, and again on April 25 at 4:00 p.m. for review of the finalized capital budget, draft proposed budget, and any items requested by the Board. The Committee may need to meet in early May before the Board workshop meeting on May 21 at which the proposed budget will be reviewed.

#### OTHER BUSINESS

None.

#### PUBLIC COMMENT

None.

#### ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 4:56 p.m.