



**REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE
FINANCIAL SUB-COMMITTEE**

Public Works Building
201 N. Stone Avenue, Basement – Conference Room D

MEETING MINUTES

Wednesday, December 12, 2012

COMMITTEE MEMBERS PRESENT:

John Lynch	Mark Stratton	Amber Smith
Ann Marie Wolf	Mark Taylor	

A. CALL TO ORDER. Ann Marie Wolf called the meeting of the Regional Wastewater Reclamation Advisory Committee (RWRAC) Financial Sub-Committee to order at 1:02 p.m. Veronica Lopez took the roll call and a quorum was present.

B. PLEDGE OF ALLEGIANCE.

C. DISCUSSION/ACTION.

- 1. PURPOSE/APPROACH.** The Committee's first order of business was to elect a Chair for the Sub-Committee.

ACTION: Mark Stratton made a motion to nominate John Lynch as the Chair for the RWRAC Financial Sub-Committee. Mark Taylor seconded the motion. Motion passed unanimously. Mr. Lynch accepted the nomination

Mr. Lynch then asked Tom Burke, Director, Finance and Risk Management Department (FRMD) and Patrick McGee, Division Manager, FRMD, to provide a timeline for the budgetary process. Mr. McGee provided an overview for the budget process he oversees. The process begins in early October when FRMD staff will subsequently be meeting with Regional Wastewater Reclamation Department (RWRD) management to review and draft the budget for next fiscal year. The due date to have the draft base budget to the Budget Division is January 11, 2013.

Mr. Burke explained the process once the budget is received by the Budget Division. Recommended draft budgets are submitted to the County Administrator and the Deputy County Administrator for approval in mid to late February (Note: Capital Improvement Program (CIP) and operating budgets are done separately. The CIP is submitted to the County Administrator in March). Mr. Burke stated the County Administrator will then submit the budget for approval by the Board of Supervisors (BOS) in April. Finally, the recommended budget will be provided County-wide in April for all departments; the BOS will adopt a tentative budget in mid-May and the final adoption of the budget will be approved in June.

Mr. Burke answered various questions from the Committee regarding the FY 2013-14 Financial Plan and stated he will present a draft to the RWRAC at the January monthly meeting. Discussion ensued regarding the process FRMD takes to draft the Financial Plan. Discussion ensued regarding projections, the debt service and the 5-year cash flow. It was noted that RWRD uses an accrual method

with cash flow statements compiled periodically.

Mr. Lynch discussed the financial outline that the Sub-Committee was provided. Mr. Stratton suggested re-numbering the items and listing revenues as the first item to be reviewed and discussed. Mark Taylor asked for clarification on the Sub-Committee's role. Mr. Burke stated all the topics listed on the outline are also discussed in the Financial Plan, except for the Contra Accounts. The Sub-Committee reviewed Ordinance 2008-115 establishing the RWRAC and discussed the portion of the Ordinance that focuses on RWRAC's responsibility for financial review. The Sub-Committee continued to discuss how the Regional Optimization Master Plan (ROMP) program has been the main focus of the RWRAC the last couple of years. Mr. Stratton commented that as important as ROMP is, there are also other day-to-day financial aspects of the department that need to be reviewed, such as the operating budgets and the CIP. The Sub-Committee further discussed what the function and purpose of the Financial Sub-Committee is.

2. **ORGANIZATION OF ISSUES.** Mr. Lynch asked the Sub-Committee if it would be a reasonable approach to reorganize the financial outline. The Sub-Committee concurred. The revenue topic will be listed first and the topic of expenses will be second.
3. **DATA REQUIREMENTS.** The Sub-Committee requested to receive financial charts displaying long-term trends and to have visuals, such as graphs or pie charts, to review. The Sub-Committee requested the data go back at least 10 years. Mr. Lynch stated once the Sub-Committee has a feel for the financing on the operating and maintenance and CIP standpoint, he would like to couple that with the department's CCTV Program and the prioritization of needs with regards to maintenance and funding. The topic of revenues will be the focus at the next Financial Sub-Committee meeting. Mr. Lynch asked Mr. Burke and Mr. McGee if the Sub-Committee was clear enough as to what data they are requesting at the next meeting. Both Mr. Burke and Mr. McGee stated yes.

Mr. Burke stated the largest impact to the department is the debt service over the next 4-5 years. The sale of the debt is what will give the committee the opportunity to comment on where to go from here. Discussion ensued regarding the sale of bonds. The Sub-Committee and Mr. Burke discussed when would be the best time for the Sub-Committee to provide input during the budgeting process for the Financial Plan. The Sub-Committee determined there would not be enough time at this point to provide input regarding next year's fiscal year budget prior to it being sent to the Budget Division. However, if the Sub-Committee has comments they may be able to provide input to the County Administrator in February.

Mr. Taylor asked if there is something in writing that explains the expenditure limitation legislation. Mr. Burke stated he will forward a link to the Office of the Auditor's General's website that provides this information and would also locate a document which explains the legislation in layman terms.

4. **SCHEDULE OF MEETING DATES/TIMES.** The Sub-Committee agreed to allow two hours for each meeting and will hold the next meeting on Tuesday, January 8, 2013 at 2:00 p.m. After January, the regular monthly meetings will be held on the first Wednesday of each month from 1:30 p.m. to 3:30 p.m.

D. FUTURE AGENDA ITEMS. The Sub-Committee will discuss revenues at the next meeting.

E. CALL TO THE AUDIENCE. There were no comments from the audience.

ACTION: Ann Marie Wolf made a motion to adjourn the meeting. Mark Taylor seconded the motion. Motion passed unanimously.

F. ADJOURNMENT. The meeting was adjourned at 2:39 p.m.