

**MINUTES OF THE ADJOURNED REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE MIDWAY CITY
SANITARY DISTRICT OF ORANGE COUNTY
14451 CEDARWOOD AVENUE
WESTMINSTER, CA 92683**

April 14, 2015

CALL TO ORDER

President Cobo called the adjourned regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Tuesday, April 14, 2015 at 5:02 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Tyler Diep (arrived at 5:03 P.M.)
Margie L. Rice (arrived at 5:11 P.M.)
Frank Cobo

OTHERS AT MEETING:

Ken Robbins, General Manager
Robert Housley, Finance/HR Director
Danielle Gerardo, Board Secretary
Sally Ramirez, AFSCME Union Representative

PLEDGE AND INVOCATION

Director Krippner led the Pledge of Allegiance. Director Neugebauer gave the Invocation.

President Cobo called a brief recess in the meeting at 5:03 P.M.

Directors Diep and Rice arrived at the meeting.

President Cobo called the meeting back to order at 5:12 P.M. and roll call was taken.

PUBLIC COMMENTS

None

OLD BUSINESS

None

NEW BUSINESS

A. Consider Fiscal Year 2015-2016 (July 1, 2015 through June 30, 2016) Budget Assumptions and Capital Improvement Projects

Finance/HR Director Housley provided the Board with a PowerPoint presentation to review the District's budget assumptions and capital improvement projects for fiscal year 2015-2016. The District's population, the number of housing units and commercial and industrial units as well as economic factors and indicators all show upward growth. Revenue for the District includes property taxes, residential and commercial sewer and solid waste user fees, franchise fees, investment earnings and pass-through funds.

Finance/HR Director Housley stated that the District's number of employees is projected to remain the same.

Director Neugebauer stated that she noticed that the District's drivers are finishing their routes faster due to Board direction to pick up the recyclables (blue carts) first. She stated that the Board is always looking for ways to be more efficient and add to the level of service for the District and feels it should be a part of the District's overall operational plan.

GM Robbins stated that, once the District's CNG fueling station is complete, the drivers will save additional time by not having to go and get fuel for their trucks elsewhere. The State will eventually make the District put in a green waste or food waste program and the District should not need to hire additional employees for that and Director of Operations/Safety is constantly rotating the drivers' duties, which keeps them sharp.

Finance/HR Director Housley stated that economic growth looks good with forecasters calling for a 3% growth overall, unemployment declining and the price of homes going up. The District will budget a 2% increase in property taxes and residential sewer and solid waste user fees will remain the same.

Director Neugebauer asked when the District had last reviewed and raised its sewer permit connection fees.

GM Robbins stated that the District's sewer permit connection fee for residential units have been the same since April 2008.

Director Neugebauer stated that with the upsurge in new housing units being built and costs going up the District's fees should be reviewed by the Board.

GM Robbins stated that now is the time to consider a capacity assurance charge if the Board chooses.

The Board agreed that it should be discussed and considered by the Board.

Finance/HR Director Housley stated that commercial rates will not change this year and that special agreements will be increased by 2%. There will be no more increases to the District's franchise fee which will remain at 14% with approximately \$909,000 estimated in revenues. The District's investment earnings remain low at .50% and pass-through funds are estimated at \$960,000.

Finance/HR Director Housley stated that the District's number of employees is projected to remain the same and the current Memorandum of Understanding (MOU) for the District's represented employees expires in June 2015 and is currently being renegotiated, but for this budget will remain the same. The District's CalPERS retirement and GASB 45 OPEB contributions are decreasing. The employees' insurance cap is remaining at \$1,425 (pending negotiations) and health benefits rates are decreasing, all due to the Board's decision to pay down the unfunded liabilities.

Finance/HR Director Housley stated that District training, with an emphasis on safety, technical and management would remain at \$18,000.

Director Neugebauer stated that the amount budgeted for safety training was greatly increased last year and asked how the safety standards were raised and what type of training was provided for this amount.

Finance/HR Director Housley stated that that amount was strictly for consulting. The District also budgets for additional safety items and equipment separately.

GM Robbins stated that budgeted training includes, but is not limited to, annual driver safety training, annual CWEA training for the sewer crew, forklift driving training, mechanics training for the new CNG trucks, fire safety training, CPR and first aid training.

Finance/HR Director Housley stated that the District's budget for residential tonnage fees will remain the same. Even though the rate per ton has increased slightly, the number of tons taken in has decreased in large part due to the "Pushing the Blues" program and increased public outreach recycling. Debt service including principal and interest are at \$980,000 for the year and the Board will be making a decision soon whether to pay off the COP debt in the amount of \$5.9 million.

Finance/HR Director Housley stated that the District's capital improvement budget includes six projects at this time – the County Oberlin siphon project, a sewer lining project, the CNG solid waste trucks, the CNG fueling station and facilities upgrade and a sewer pump truck with a boom.

Director Neugebauer stated that she feels that the Willow pump station needs beautifying because it is in a residential area and is not pleasing to the eye. GM Robbins stated that he would talk to and work with the neighbors in that area.

Finance/HR Director Housley stated that the District's reserves are funded overall at 60% and based on staff estimates a future valuation of reserve levels should be done.

Director Neugebauer asked if the District could move some funds from a few of the overfunded reserve accounts into the Orange County Midway City Reserve in order to bring that percentage up.

Finance/Hr Director Housley stated that the Board has the authority to add to that fund at any time.

**B. Consider Scheduling the Second Public Budget Workshop/Study Session
Fiscal Year 2015-2016 (July 1, 2015 through June 30, 2016)**

A motion was made by Director Neugebauer, seconded by Director Rice to schedule the second public budget workshop/study session for fiscal year 2015-2016 (July 1, 2015 through June 30, 2016) on Tuesday, May 26, 2015 at 5 P.M. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, and Rice

NAYS:

ABSTAIN:

ABSENT:

INFORMATIONAL ITEMS

None

BOARD CONCERNS/COMMENTS

Director Neugebauer confirmed that the Board would be attending the City of Westminster's Table Top Expo on April 21st, the Administrative Professionals Day luncheon on Wednesday, April 29th and the ISDOC quarterly meeting on Thursday, April 30th.

Director Rice thanked the Board and Staff for the flowers which were sent to her due to the passing of her sister.

President Cobo thanked everyone for doing a great job.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that he would be out of the office on Friday, April 17, 2015.

Finance/HR Director Housley stated that a representative from Delta Dental would be at the District office on Wednesday, April 15, 2015 at noon if anyone was interested in attending and learning about the new dental plan, and that the Board needed to turn in their applications, either enrolling in or declining the dental insurance.

CLOSED SESSION

CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government Code Sections 54956.8, 54956.9, 54957 or 54957.6, as noted.

Reports relating to (a) purchase and sale of property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time as the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

ADJOURNMENT

President Cobo adjourned the meeting to Tuesday, April 7, 2015 at the District office at 5:00 P.M. at approximately 6:19 P.M.


Al Krippner, Secretary