

**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**

May 10, 2016

CALL TO ORDER

President Rice 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, May 10, 2016 at 5:20 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Tyler Diep (absent)
Frank Cobo
Margie L. Rice

OTHERS AT MEETING:

Ken Robbins, General Manager
Robert Housley, Finance/HR Director
Danielle Gerardo, Board Secretary

PLEDGE AND INVOCATION

Finance/HR Director Housley led the Pledge of Allegiance. Director Neugebauer gave the Invocation.

PUBLIC COMMENTS

None

CONSENT CALENDAR

None

NEW BUSINESS

A. Budget Workshop – Overview of the Fiscal Year 2016-2017 (July 1, 2016 through June 30, 2017) Operating Budget, Capital Improvement Projects and Reserves

Finance/HR Director Housley stated that he had simplified the budget by showing five years of actual to compare dollar amounts and in order to see the trend as well as the proposed budget for the new year, with very few changes.

Director Neugebauer suggested removing the word “has” and adding the word “better” from the cover page sentence, “In an effort to help protect the environment and reduce greenhouse gases, Midway City Sanitary District has acquired new Compressed Natural Gas Solid Waste trucks to better serve the residents and businesses of the District.

Finance/HR Director Housley reviewed the Budget Summary of Revenues and stated that the \$114,000 from the new Waste Disposal Agreement was the majority of the \$145,000 budgeted into Other Revenue Sources. For the Districts total revenues, approximately \$483,000 is expected for the fiscal year 2016-2017. The biggest change under the Budget Summary of Expenses is the Certificates of Participation which were paid off in the amount of \$6,065,000.

Finance/HR Director Housley stated that the budget is balanced and the operating budget that Staff is proposing is \$10,464,000.

Finance/HR Director Housley stated that each department was broken out – Directors, Administration, Fleet Maintenance, Solid Waste and Sewer and that Director of Operations/Safety Nick Castro was moved into Administration from Solid Waste because he oversees the Solid Waste, Sewer and Fleet Departments.

Capital outlay and improvements are budgeted at \$1,520,000, with the addition of the potential solar panels project for the District facilities.

Finance/HR Director Housley stated that the final budget document would be provided to the Board at the last budget meeting on Tuesday, June 14, 2016 at 5 P.M. and the public hearing for adoption of the budget would be on Tuesday, June 28, 2016 at 5 P.M.

No action was taken.

INFORMATIONAL ITEMS

None

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.

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that in the April 19, 2016 meeting minutes, under expenditures, on line 21, there is an entry for CNG training for ten drivers in the amount of \$11,750 for CNG training for ten drivers, or \$1,750 each and she asked if that was correct.

GM Robbins stated that it was just 50% of the two discounted CNG trainings that were approved by the Board due to the new trucks and the new fueling station.

Director Neugebauer stated that she did not remember approving it.

GM Robbins stated that it is two training sessions - a heavy-duty mechanics training and a CNG fueling station operation and maintenance training that is for the drivers due to the new CNG trucks and new CNG fueling station.

Director Neugebauer stated that she did not see any overages for training in any of the departments in the budget so she requested that staff check if it was a misprint and report back at the next meeting.

President Rice stated that GM Robbins already stated that it was not a misprint.

Director Neugebauer stated that those employees were also paid overtime or time and a half for that day of training.

GM Robbins stated that the District employees did not receive overtime or time and a half for CNG training. He stated that if you look under Safety and Education on the budget, the District went over about \$8,000 for the year, due to the 50% down payment.

Director Neugebauer stated that the District has never paid that much for training and requested a copy of that invoice for the Board.

Director Cobo stated that the safety training keeps the Districts insurance liability down.

President Rice stated that the training is important and necessary because the District has all new CNG trucks and the CNG fueling station.

President Rice stated that she was sorry to report that she was driving on Beach Blvd. between 10 A.M. and 11 A.M. on Tuesday, May 10, 2016 and saw two of the District's trucks that seemed to be driving a little fast.

GM Robbins stated that he would look into the District's GPS system which tracks all of the drivers and their speed.

GM/STAFF CONCERNS/COMMENTS

GM Robbins reported that, with regard to the letter sent to Rainbow and CR&R regarding solid waste service for the Mission Del Amo Mobile Home Park, the District is being asked whether it is a commercial property since it is all one parcel. GM Robbins stated that it is a question for General Counsel and he will be forwarding the question to him.

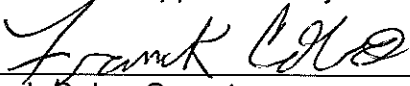
Finance/HR Director Housley stated that the Board reviewed the GASB 45 valuation report a few months ago and that Staff has been working with the actuaries to finalize the report but that the auditors are not agreeing with the way the actuary valuation was done. Staff has been working with the auditors and actuaries so that it is acceptable to send to CalPERS. Staff and the auditors have been asking the actuaries to do it a certain way in order to finalize the report but the actuary firm is not agreeing. Nitin Patel from White Nelson Diehl Evans will come to speak to the Board to clarify the issue.

GENERAL COUNSEL CONCERNS/COMMENTS

None

ADJOURNMENT

President Rice adjourned the meeting to Tuesday, May 17, 2015 at the District office at 5:00 P.M. at approximately 6:07 P.M.



Frank Cobo, Secretary