

MINUTES OF THE FINANCE COMMITTEE
OF MT. VIEW SANITARY DISTRICT
April 5, 2011

The Finance Committee of the Mt. View Sanitary District convened a duly Noticed Committee Meeting at the Mt. View Sanitary District Conference Room, 3800 Arthur Road, Martinez, County of Contra Costa, State of California on April 5, 2011 at 1:04 p.m.

ROLL CALL

PRESENT: President Elmer "Al" J. Schaal and Director Stanley Caldwell

ABSENT: None

Also Present: STAFF – District Manager Michael D. Roe and Assistant District Manager Neal B. Allen

PUBLIC COMMENT

None

NEW BUSINESS

1. DISCUSSION OF PROPOSED UPDATE TO MVSD CAPITAL IMPROVEMENT PLAN

Assistant District Manager Allen presented a preliminary Capital Improvement Program identifying a list of projects combining the preliminary results of the System Reliability Evaluation with the previous District Capital Improvement Program. Also presented was a preliminary cash flow analysis showing that the District can fund the first five years of capital projects without a significant rate increase. The cash flow analysis identified the need to continue to raise rates to keep up with inflation.

2. DISCUSSION OF CONSUMER PRICE INDEX

Assistant District Manager Allen presented the inflation factor to be used for determining the need for rate increases due to inflation. Per District Code, for fiscal year 2011-2012 an increase shall be based upon the change in Consumer Price Index (CPI) as this index is established by the United States Department of Industrial Relations, all urban index for the San Francisco, Oakland and San Jose Region from April of 2010 through December 2010. The CPI calculation results in a change of -0.02 percent.

The committee concurred with staff's recommendation of no increase in rates due to inflation.

3. DISCUSSION OF SALARY SURVEY

District Manager Roe and Assistant District Manager Allen presented the results of the annual salary survey, finding no need to adjust the salaries for any District employees due to equity.

4. DISCUSSION OF PROJECTED REVENUES

District Manager Roe and Assistant District Manager Allen discussed revenue projections for Fiscal Year 2011-2012. Revenues from User Service Charges are anticipated to remain flat for FY 2011-2012. Staff is projecting revenues from Ad Valorem taxes to remain lower than in previous years. Revenue projections for budgeting purposes do not include potential increased revenues from on-going negotiations for cell tower leases and billboard operations.

The Committee directed staff to continue developing the budget and to bring back information for consideration at a future Finance Committee meeting

ADJOURNMENT

Business having been concluded, the meeting was adjourned at 2:54 p.m.



Neal Allen, Assistant District Manager