

CAMBRIA COMMUNITY SERVICES DISTRICT
FINANCE COMMITTEE REGULAR MEETING MINUTES
Tuesday, September 26, 2023, 10 a.m.

1. OPENING

A. CALL TO ORDER

Chairman Gray called the meeting to order at 10 a.m.

B. ESTABLISH A QUORUM

A quorum was established.

Committee members present: Chairman Tom Gray, Cheryl McDowell, David Pierson, Karen Chrisman and Scott McCann. A vacancy exists due to the resignation of Aimee Wyatt (see Chairman's Report)

Staff present: Matthew McElhenie, General Manager, Haley Dodson, Confidential Administrative Assistant, and Denise Fritz, Administrative Department Manager.

C. ELECTION OF VICE CHAIR

The committee elected a vice chair to replace the late Cindy Steidel. Ms. McDowell nominated Mr. Pierson. Mr. Pierson's nomination was approved by unanimous consent.

D. CHAIRMAN'S REPORT

Chairman Gray notified the Committee that Member Aimee Wyatt has resigned. He noted that this opens up a vacancy that will be filled through the process of advertising of the position by the CCSD Board of Directors at its October 14 meeting, followed the Board's selection of the new Committee member at its November 9 meeting.

Mr. Gray also noted the upcoming joint meeting between the Finance and Resources & Infrastructure committees, to be held. This topic was discussed further in this meeting as Regular Business Item 4D.

E. COMMITTEE MEMBER COMMUNICATIONS

Mr. Pierson reported that his ad hoc subcommittee on potential revenue enhancement should be able to submit its report at the next regular Committee meeting on October 24.

2. PUBLIC COMMENT

Public comment from attendees: None

Written public comments were received from Linda Prentiss (2), Elizabeth Simonds and Aleta Francis. Mr. Gray read the comments from Elizabeth Simonds and Linda Prentiss, but declined to read the much longer comment from Aleta Francis (which had been read earlier at a CCSD Board meeting). He noted that none of the comments were on topics "within the jurisdiction" of the Finance Committee, and thus did not meet the threshold for appropriate comment. He said that he would not be reading such non-germane comments at future Committee meetings.

3. CONSENT AGENDA

A. Consideration to Approve July 31, 2023, Special Meeting Minutes

Mr. Pierson moved to approve the minutes.

Mr. McCann seconded.

Motion passed 4-0.

4. REGULAR BUSINESS

A. Discussion and consideration to approve the Budget Policy revisions and approve recommendations to the CCSD Board of Directors.

The Committee received the report and recommendations from the ad hoc subcommittee on Budget Policy revisions, consisting of Mr. Pierson, Ms. McDowell and Ms. Chrisman. Substantive revisions were recommended in two areas – allocation of administrative costs and allocation of property tax revenue.

In the allocation of administrative costs, the subcommittee recommended replacing the current methodology of multiple criteria with a system based on each department's share of overall CCSD expenses. Two alternative versions of this system were offered. One excludes both capital expenditures and allocated administrative expenses from the calculations. The other excludes only allocated administrative expenses.

Compared to the current system, both proposed methodologies would increase administrative allocations from Fire, Facilities & Resources (including PROS) and Wastewater, while decreasing allocations from Water, WRF Operations and WRF capital.

In allocation of property taxes, the subcommittee recommended making the current allocations permanent, with PROS incorporated onto F&R. The allocations would be 70.67% for Fire and 28.4% for F&R/PROS.

(Details of the proposed changes, along with a table of allocations under the current methodology, can be seen on pp. 13-15 of the Agenda packet).

Public Comment:

Laura Swartz spoke; no written comment was submitted.

In discussion of the proposed policy changes, Committee members focused mainly on the potential impact of the new methodologies on departmental budgets and how these impacts might be lessened. They also discussed the question of whether capital expenditures should be excluded, since capital spending often involves considerable administrative activity.

At the conclusion of discussion, the Committee consensus was that further efforts should be made to identify spending now classified as administrative (e.g. legal costs) and to determine how much of it could be shifted to specific departments and not included in allocated amounts. This Item will return to the Committee at its October 224 meeting.

B. Discussion regarding CIP list review format.

Ms. Fritz presented the Committee with a revised format for reporting of current, to-date and projected future spending for items on the Capital Improvement Program (CIP) list. One purpose of the new formatting is to give a clearer presentation of the progress made to date on multi-year projects.

The new format, along with an update of priority listing for CIP projects, will be discussed further at a special joint meeting of the Finance and Resources & Infrastructure committees on October 17.

The Committee received Ms. Fritz's report.

C. Discussion to update ad hoc committee assignments.

The death of Cindy Steidel had created openings on two of the three current ad hoc subcommittees. Appointments were made by Mr. Gray as follows:

Review of Reserve Policy: Scott McCann appointed, joining current members David Pierson and Karen Chrisman.

Potential General Fund Revenue Enhancement: Scott McCann appointed, joining current member David Pierson.

D. Discussion and consideration to choose dates to schedule a Joint Finance Committee and Resources & Infrastructure Committee Special Meeting in October 2023.

The Committee members were canvassed regarding their availability on suggested dates in October. The consensus of the Committee was that October 17 would be most suitable.

5. FUTURE AGENDA ITEMS

The following items were tentatively scheduled for the next regular meeting on October 24:

Report of Revenue Enhancement Ad Hoc Subcommittee
Updated report of Budget Policy Ad Hoc Subcommittee
Appointment of new Committee Secretary
Update of Investment Policy

6. ADJOURNMENT

Mr. Gray adjourned the meeting at 11:29 a.m.