

Corinne W. Wiley, President
Catharine Benediktsson, Vice President
V. William Brady, Secretary

Casey Kawamoto, Director
Claire McAuliffe, Director

**Sanitary District No. 5 of Marin County
Finance & Fiscal Oversight Committee Meeting
at Sanitary District No. 5 of Marin County Meeting Room
2001 Paradise Drive, Tiburon, California
Monday, July 6, 2009 9:00 a.m.**

CALL TO ORDER at 9:01 a.m.

- I. ROLL CALL:** Directors present: Catharine Benediktsson, Vice President
Claire McAuliffe
- Staff present: Robert L. Lynch, District Manager
Samantha Miller, Office/Finance Manager
- Others present: Bob Becker
Jim Horan
Paul Garbarini

II. PUBLIC COMMENTS:

Mr. Bob Becker, Mr. Jim Horan, and Mr. Paul Garbarini introduced themselves to the Committee.

III. NEW BUSINESS:

a. Review and Discuss FY 2009-2010 Preliminary Budget (attached)

The Committee reviewed and discussed the FY 2009-2010 Preliminary Budget. Mgr. Miller noted she recently received more accurate estimates for the District's insurance premiums for FY 2009-2010 and, therefore, had to increase the Insurance Property & Liability expense item in the Operating Budget from \$40,000 to \$47,000. Other than that, the only changes she has made to the Preliminary Budget for the Finance Committee meeting have been updates to the "08-09 Estimated" figures, now that FY 2008-2009 is coming to a close.

Mr. Horan suggested the idea of the Tiburon zone loaning money to the Belvedere zone to pay off the Belvedere CIP loan. Mr. Horan and Mr. Becker also suggested that the District consider getting a line of credit, to be used in case of emergency. The Finance

Committee agreed it would like to further investigate this idea of using Tiburon reserves to loan money to Belvedere to pay off its CIP loan, on the condition that Tiburon has enough reserves to do this and the District can get a back-up line of credit. Tiburon would then charge Belvedere the LAIF interest rate (which is currently approximately 1.5%), instead of the Westamerica fixed rate of 4.58%. Mr. Horan introduced the question of whether it is better to build and maintain reserves versus having the ability to borrow (with a line of credit).

Mr. Horan asked why the telephone costs are so high for the District. The Committee agreed the District should review its AT&T telephone costs and try to reduce these bills.

Mr. Garbarini suggested setting up the District's budget by month so that on the Combined Total Budget vs. Actual report the percentage column would show the percentage completed up thru that month, factoring in the time curve. The Committee did not feel this would necessarily be worthwhile for the District to do as they feel the current percentage column in the report is already relevant and useful; it shows what percent of the year's budget has been spent up through that particular month. The Committee, along with Mgr. Lynch, also argued it would be difficult to estimate exactly in which months all the expenses would fall. The Committee said they would look into this suggestion more with Mr. Garbarini as they wanted further clarification of what he meant and how he feels the District would directly benefit from this.

b. Warrants for June 2009 (attached)

The Committee reviewed and approved warrants for June 1 - 30, 2009, #3073 through 3165, in the amount of \$280,930.26. Dir. McAuliffe asked whether the District is getting its money's worth from Salesforce.com. Mgr. Lynch said it is not up and running yet; it is still slowly being set up. The District has been paying Salesforce.com \$300.00 per month since April 2009, and the Committee would like to see a more careful review of what the District is getting out of this and whether it is worth it.

b. Financial Reports for June 2009 (attached)

The Committee reviewed and approved the Preliminary Financial Reports for June 1 - 30, 2009. Mr. Garbarini suggested that the District needs to account for the money the State of California borrows from the District. When this occurs, the District is owed this money for up to three years, and it needs to be accounted for as an asset for the District. The Committee agreed with Mr. Garbarini.

IV. ADJOURNMENT at 11:00 a.m.

Recorded by Samantha Miller