

Ref: #12-2009

LOXAHATCHEE RIVER ENVIRONMENTAL CONTROL DISTRICT
WORKSHOP MINUTES
JULY 20, 2009

Board Members in attendance were:

Mr. Whalen
Mr. Boggie
Mr. Silverman

Staff Members in attendance were Dr. Arrington, Ms. Williams, Mr. Vaughn, Mr. Brienza, Mr. Howard and Mr. Yerkes.

No consultants in were in attendance.

The workshop meeting convened at 8:13 P.M.

Chairman Whalen opened the floor to discussion on the Fiscal Year 2009 – 2010 budget.

Dr. Arrington stated that an interim assessment of our health insurance claim history revealed that our claims are 88% of our premium, which may allow us to reduce the amount budgeted for health insurance by eight percent.

Dr. Arrington reviewed his budget matrix.

Mr. Boggie asked if the 14% reduction in Maintenance and Repair would lead to a large increase in the FY 2010-2011 budget. Dr. Arrington stated the decrease was due to a significant reduction in anticipated repair costs for equipment within the treatment plant and that no upcoming large increase was anticipated. Dr. Arrington assured the Board that although cost cutting measures were put into place, all necessary and regularly scheduled maintenance work would be done.

Mr. Boggie asked if the eight percent decrease in utility costs took into account a probable FPL rate increase. Dr. Arrington stated that the plant showed a decrease in kilowatt-hour usage due in part to increased efficiency and conservation efforts. Mr. Vaughn explained how some components of the new plant expansion required less energy consumption and explained FPL's review of the District facilities indicated a decrease in usage of approximately 12%.

Chairman Whalen asked if the various costs involved with the upcoming startup for the nanofiltration had been taken into account for the budget. Mr. Vaughn explained the costs had been included with the exception of the new IQ pump station because the pump station is not yet on-line and the costs cannot be determined.

Mr. Silverman asked about projected employee insurance costs. Dr. Arrington stated that The Gehring Group had been approved by the Board last Thursday to be the District's Agent of Record and would begin working to identify areas of possible cost reductions. Dr. Arrington reviewed The Gehring Group's timeline for proposed schedule of activities.

Chairman Whalen asked if the budget for personnel needed to include an additional IT person to assist in updating the District's outdated systems. Dr. Arrington expressed his desire to hold off on an additional position until a determination was made on the current transition results regarding the GIS program. Mr. Brienza explained that the engineering staff previously involved in area development duties has been shifted to GIS and GPS duties to maximize staff productivity and efficiency.

Dr. Arrington reviewed the proposed overall salary and wage decrease of 1.5% and explained the District's current policy on cost of living adjustments, merit increases and longevity increases, and the possibility of changing some aspects of the policy. Mr. Silverman stated his belief that the Board should decide the overall dollar amount of any wage increase pool and District management should be the sole decision maker regarding the distribution of the budgeted funds. Chairman Whalen stated the Board's responsibility to contain rates while still maintaining a fair compensation rate for the employees.

Chairman Whalen and Mr. Boggie believed employees receiving longevity wage increases may be better served if they were switched to an incentive based merit system, and suggested staff bring pay range schedules up to date to enable the implementation of a merit based system. The Board instructed staff to separate the proposed 2% merit dollars in the draft budget into monies proposed for longevity increases, and monies proposed for merit increases, in order to more fully understand the proposed distribution of funds.

Mr. Vaughn and Mr. Howard stated they were comfortable with the longevity-based system because their long-term personnel were excellent employees and deserving of additional compensation. Ms. Williams explained the longevity-based system was put in place to reward deserving employees who had reached the top of their respective pay scales and the system was chosen after polling other municipalities' policies after which, the model used by the Town of Jupiter was chosen for the District.

Dr. Arrington was instructed to check with the Auditor General to see if unspent capital being carried over to the upcoming fiscal year budget could be segregated from the total capital monies, to give the Board a better understanding of the capital fund pool. Mr. Yerkes reviewed current unspent capital project funds proposed for carryover to the upcoming fiscal year budget.

Dr. Arrington reviewed the history and process of determining the amount of the contingency fund pool, and asked the Board Members if they felt any changes were necessary. The Board was comfortable with the contingency fund.

Mr. Vaughn explained that he had not included monies in his section of the budget for costs that would be incurred if he could not do upcoming tank cleaning projects using in-house staff. Chairman Whalen reiterated the District's history of excellence in the industry, and instructed Mr. Vaughn to continue to use his personnel to perform tasks in-house for which they were hired and for which they are competent and capable of performing, as it saves the District, and therefore the ratepayers, substantial money.

The workshop meeting adjourned at 9:52 P.M.


BOARD CHAIRMAN


BOARD SECRETARY


RECORDING SECRETARY