

# MWDOC/Six-Member Agencies Issues Discussions

## Meeting Minutes: August 1, 2007

### **Attendees:**

Don Chadd, Wayne Clark, Larry Dick, Richard Dietmeier, Mike Dunbar, Richard Fiore, Jack Foley, Bob Hill, Kevin Hunt, Paul Jones, Ted Martin, Betty Olson, Doug Reinhart, Karl Seckel, Mike Safranski, Bob Aldrich (LAFCO), Sharon Browning (Facilitator)

### **Absent:**

Susan Hinman, John Schatz; Joyce Crosthwaite (LAFCO)

### **Call to Order**

The meeting was called to order by the facilitator who announced that Joyce Crosthwaite was unable to attend due to a death in her family. Bob Aldrich provided administrative assistance in her absence but did not participate in the meeting. Approval for Aldrich to provide the administrative assistance was secured from Kevin Hunt prior to the meeting.

### **July 18 Minutes and Minute Approval Process**

The July 18, 2007 minutes were distributed the morning of the meeting leaving insufficient time for review and consideration by group members. Accordingly it was agreed that approval of the minutes would be deferred until the next meeting (August 8.) It was also agreed that in the future final minutes will be distributed preferably forty-eight hours before the meeting but at a minimum twenty-four hours before the meeting. The facilitator will make every effort to prepare draft meeting minutes for direct distribution to all group members within twenty-four hours of the meeting. Group members will provide their red-lined comments to the draft minutes within three working days. They will return the comments to LAFCO and the facilitator and copy all group participants. The facilitator will prepare the final minutes for distribution to and approval by the group members at the subsequent meeting.

### **MWDOC Budget Ratification/Approval Process**

Group members identified information needed to initiate discussion on MWDOC's existing budget development and ratification/approval process and requested that MWDOC provide the following:

1. An outline description of the current [existing] budget process. This will include:
  - a. A description of how the budget is built and ratified/approved [from start to finish.]
  - b. A flow chart showing who participates in the budget development and ratification/approval process including names/positions of those internal to MWDOC as well as the agencies.
  - c. A time line depicting the time frame over which the budget is developed and ratified/approved [from start to finish.]
  - d. A description of the process for dealing with criticisms of the budget.
  - e. How long the current [existing] budget development and ratification/approval process has been in effect.

2. A response to the question: “What are the financial goals for the budget?” This will include information about:
  - a. The intent or over reaching goal(s) of the budget
  - b. [What is the over arching strategy of what is to be accomplished?]
3. A comparison of the current [existing] budget to the previous budget
4. A list of the obstacles to giving member agencies direct approval of the budget
  - a. Statutory or otherwise

Group members requested that LAFCO research and provide examples of other budget development and ratification/approval processes that are in use by comparable agencies with state and local affiliates. (Bob Aldrich will communicate this request to Joyce Crosthwaite.)

### **MWDOC Baseline Budget**

The six-agencies had previously requested information about what services can be provided today for a \$3.8M budget [2001-02 budget adjusted for inflation] and a description of the MWDOC budget increases since 2001-02. MWDOC prepared the information which was distributed the morning of the meeting leaving insufficient time for group members to review and consider the material. Following lengthy discussion it was agreed that Karl Seckel would provide a brief overview of the information but that the group would not discuss the information in depth until its August 8 meeting. Delaying the discussion would provide group members additional time to review the information and prepare for discussion.

Karl Seckel then presented a PowerPoint and briefing comparing MWDOC’s 2001-02 budget to its 2007-08 budget. Seckel indicated that the difference between the existing budget and an adjusted or escalated 2001-02 budget would be about \$1 million or \$4.8 M today. He listed the line item differences as salaries and wages at \$520k, Benefits at \$32k, Professional fees at \$348k, Capital at \$89k and Cost Reductions totaling \$217k. He outlined the conceptual budget cuts required to develop a \$4.8 M budget. [See attached PowerPoint for detail.] Following clarifying questions and answers group members requested that MWDOC prepare the following additional information for discussion at the August 8, 2007 meeting:

1. A list of all of the grant funds received by MWDOC including a delineation of the grants secured through competition and those received through application.
2. Information on MWDOC’s cost recovery methodology [aka Rate Structure]. The purpose of this information is to:
  - a. Help group members understand the cost of services and the methodology for computing who pays how much for each of the services;
  - b. Show how the costs for the services are delineated;
  - c. Show who pays the costs versus who receives the benefit;
  - d. Clarify the methodology for collecting the fees.

### MWDOC Reserves

Due to lack of meeting time and that group members had not had time to review the information on MWDOC reserves discussion of this topic was deferred until the August 8, 2007 meeting.

### Next Meeting Agenda

Group members outlined the agenda for the next meeting [August 8, 2007] as follows:

1. Agencies response to MWDOC's baseline budget information and presentation
2. Agencies response to information provided by MWDOC on its reserves and reserves policy
3. Agencies response to information provided on MWDOC's current [existing] budget development and ratification/approval process.

### Parking Lot Items

- Discussion of the option to buy in and out of MWDOC programs

### Next Steps

TASK	RESPONSIBLE	DUE DATE
<ul style="list-style-type: none"><li>▪ Prepare information requested on MWDOC's existing budget development and ratification/approval process</li></ul>	<ul style="list-style-type: none"><li>▪ MWDOC</li></ul>	<ul style="list-style-type: none"><li>▪ Monday, August 6: email directly to all group members and facilitator</li></ul>
<ul style="list-style-type: none"><li>▪ Prepare additional information requested relative to grant funds and MWDOC's rate structure</li></ul>	<ul style="list-style-type: none"><li>▪ MWDOC</li></ul>	<ul style="list-style-type: none"><li>▪ Monday, August 6: email directly to all group members and facilitator</li></ul>
<ul style="list-style-type: none"><li>▪ Prepare draft August 1 meeting minutes</li></ul>	<ul style="list-style-type: none"><li>▪ Browning and LAFCO</li></ul>	<ul style="list-style-type: none"><li>▪ Thursday, August 2: email July 18 and August 1 meeting minutes to all group members</li></ul>
<ul style="list-style-type: none"><li>▪ Return comments on July 18 and Aug. 1 meeting minutes [use track changes]</li></ul>	<ul style="list-style-type: none"><li>▪ All discussion group members</li></ul>	<ul style="list-style-type: none"><li>▪ Monday <b>morning</b>, Aug 6: email comments to Browning and all group members. If comments not received minutes cannot be distributed prior to meeting.</li></ul>

<ul style="list-style-type: none"> <li>▪ Distribute July 18 and Aug. 1 meeting minutes for final review</li> </ul>	<ul style="list-style-type: none"> <li>▪ Browning and LAFCO</li> </ul>	<ul style="list-style-type: none"> <li>▪ Monday afternoon, Aug. 6</li> </ul>
<ul style="list-style-type: none"> <li>▪ Ask Joyce Crosthwaite if LAFCO can research the budget development and ratification/approval process for agencies comparable to MWDOC</li> </ul>	<ul style="list-style-type: none"> <li>▪ Aldrich</li> </ul>	<ul style="list-style-type: none"> <li>▪ Thursday, Aug. 2</li> </ul>

**Adjournment**

The meeting was adjourned at 7:00 PM. The next meeting is scheduled for Wednesday, August 8, 2007 from 5:00 PM to 7:00 PM at the Laguna Hills Community Center.

Meeting minutes prepared and submitted by Sharon Browning, facilitator.

# MWDOC/Six-Member Agencies Issues Discussions

August 1, 2007

5:00 PM to 7:00 PM

Laguna Hills Community Center, Meeting Room B  
25555 Alicia Parkway, Laguna Hills

## AGENDA

- |         |      |   |                                 |
|---------|------|---|---------------------------------|
| 5:00 PM | I.   | <b>Call to order</b> <ul style="list-style-type: none"><li>▪ Purpose: To discuss and, if possible, agree to recommendations for resolving issues related to:<ol style="list-style-type: none"><li>1. MWDOC's baseline budget</li><li>2. The amount of MWDOC reserves</li><li>3. MWDOC's budget ratification/ approval process</li></ol></li><li>▪ Approve July 18, 2007 meeting minutes</li><li>▪ Review Agenda</li></ul> | Sharon Browning,<br>Facilitator |
| 5:05 PM | II.  | <b>MWDOC Budget Ratification/Approval Process [Issue resolution model]</b> <ul style="list-style-type: none"><li>▪ Issue: Role of agencies in budget decision-making</li><li>▪ Identify information needed for issue resolution discussion</li></ul>  | Participants                    |
| 5:30 PM | III. | <b>MWDOC Baseline Budget</b> <ul style="list-style-type: none"><li>▪ Budget increases from 2001/02 to 2007/08<ul style="list-style-type: none"><li>- Presentation/Q and A</li></ul></li><li>▪ \$3.8 M (adjusted for inflation) budget<ul style="list-style-type: none"><li>- Presentation/Q and A</li></ul></li></ul>   | Karl Seckel                     |
| 6:15 PM | IV.  | <b>MWDOC Reserves</b> <ul style="list-style-type: none"><li>▪ Presentation/Q and A<ul style="list-style-type: none"><li>- Review current MWDOC Reserves policy</li><li>- Define conditions for transferring reserve funds to programs/projects</li><li>- Provide history and rationale for past transfers</li></ul></li></ul>   | Karl Seckel                     |
| 6:45 PM | V.   | <b>Identify Next Steps</b>  |                                 |
| 7:00 PM | VI.  | <b>Adjournment</b>  | Browning                        |