



Shortfall to be covered by reserves

NCSD approves budget with \$6K deficit

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A \$8.2 million operations and maintenance budget for the 2011-12 fiscal year approved June 22 by Nipomo Community Services District directors projects a deficit of about \$606,000.

But Michael LeBrun, general manager, said the deficit will be covered by reserves. The budget does not include a water rate increase proposed for Nov. 1.

Directors also approved a \$9.6 million capital improvements budget for increasing the water and sewer capacities for the Town Division.

The capital budget includes a \$2.85 million expense for the supplemental water project. District officials propose raising \$16 million to fund the project through an assessment district expected to go to a public vote in the coming fiscal year.

In a report to the board, LeBrun noted California has raided more than \$3.7 million of the district's property taxes over the last 15 years to help balance the state budget.

In a separate decision, directors adopted a retirement plan for newly hired employees that's expected to save 8.67 percent over the current plan, LeBrun said.

The California Public Employees Retirement System plan will apply to so-called "Tier 2" employees who have been recently hired by the district.

Under the revised contract, the district will contribute about 13.19 percent of reportable earnings to a retirement plan for employees hired after the change becomes effective.

The district's contribution for current employees is a little more than 18.01 percent of reportable earnings, LeBrun said.