



Costa Mesa Sanitary District

....an Independent Special District

FOR IMMEDIATE RELEASE

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SANITARY DISTRICT ADOPTS \$13 MILLION BUDGET THAT INCLUDES PENSION REFORM AND NO RATE INCREASES

(Costa Mesa, CA) – The Board of Directors of the Costa Mesa Sanitary District, a special district that provides sewer and trash collection services in Costa Mesa and parts of Newport Beach and the County of Orange, adopted a \$13 million spending plan for Fiscal Year 2011-12, which begins on July 1, 2011. District expenditures will increase by nearly 30% from the year before due to several capital improvement projects for ensuring the District's sewer infrastructure continues being a safe and reliable resource. The capital projects include rehabilitating sewer pipes and manholes and refurbishing fourteen pumping stations to withstand a 7.0 magnitude earthquake. This marks the seventh consecutive year the Board adopted a budget with no rate increases for trash collection services and the second consecutive year without a sewer rate increase.

The FY 2011-12 Budget will also experience a savings in salaries and benefits because the Board adopted a two-tier pension system program and several District employees retired this past year. New employees will pay their share of pension costs, which is 7% to CalPERS and their benefit plan will be 2% at 60. Current employees are 2% at 55. Unlike many local governments that will not experience any short term savings from a two tier pension system program, the District, on the other hand, will experience immediate savings. That's because the District plans on filling three vacant positions (maintenance worker, office specialist and administrative manager) in the new fiscal year. District leaders are estimating next year's pension savings will be close to \$20,000 under the new plan. The District's payroll cost was projected to be \$1.6 million by the end of FY 2010-11, which ends on June 30, 2011, but with retirements and salary restructuring the District was able to save nearly \$170,000 in payroll costs. Payroll costs are expected to be \$1,431,740 in FY 2011-12. Salaries and benefits for District employees will only account for 16% of the total operating budget of \$9 million, which is far less than the average spending on local government employees in California, where 2009 estimates show local governments consume 54% of their total budgets on personnel costs. (Source: CIV FI at <http://civfi.com/2011/02/17/how-much-of-california%E2%80%99s-state-and-localbudgets-are-personnel-costs/>) For more information about the Costa Mesa Sanitary District visit www.cmsdca.gov.

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