

Los Osos Community Services District
DRAFT Minutes of the Facilities Advisory Committee Meeting
May 25, 2017 at 5:30 p.m. at the District Office

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>1. Call to Order, Flag Salute and Roll Call</p>	<p>Alternate Chairperson Storm called the meeting to order at 5:30 p.m. and led the flag salute.</p> <p><u>Roll Call:</u> Michael Burns, Committee Member – Present Jeff Edwards, Committee Member – Present Lisa Gonzalez, Committee Member – Present Cheri Grimm, Committee Member – Present Christine Womack, Committee Member – Present Jon-Erik Storm, Alternate Chairperson – Present</p> <p><u>Staff:</u> Renee Osborne, General Manager Dale Flynn, Temporary Accountant Greg Alex, Battalion Chief Ann Kudart, Administrative Services Manager</p>	
<p>2. Approval of FAC Meeting Minutes of April 27, 2017</p>	<p>Alternate Chairperson Storm presented the minutes.</p> <p>Public Comment – None</p> <p>Committee Member Gonzalez made a motion to approve the meeting minutes of April 27, 2017. The motion was seconded by Committee Member Burns and carried by unanimous consent.</p>	<p>Action: Approve and file minutes.</p>
<p>3. Review of Board Item Regarding May 2017 Warrant Register for Disbursement</p>	<p>The Committee discussed various warrants of interest including payments to legal counsel for work in Parks and Recreation and payments made to the accountant for training.</p> <p>Public Comment - None</p> <p>Committee Member Gonzalez made a motion to recommend that the Board approve the May 2017 Warrant Register for disbursement. There were no objections.</p>	<p>Action: The Committee recommended that the Board approve the May 2017 Warrant Register for disbursement.</p>
<p>5. Review of Board Item Regarding the Proposed Fiscal Year 2017/2018 Draft Budget</p> <p style="text-align: center;">Fund 301</p>	<p>General Manager Osborne requested the Committee's assistance in providing input and feedback.</p> <p>Chief Alex reported on the Fire Department's draft FY17/18 budget proposal for Fund 301 reviewing department revenues of \$2,666,540; reviewed Expenditures including Reserve Firefighters' salaries and employment expenditures and reporting a decrease in cost of uniforms and safety boots; an increase of Schedule A charges for FY17/18 of \$169,614; increases for insurance, licenses and regulatory fees, and legal and professional services of approximately \$3,946; reviewed general office supplies, rent, utilities, miscellaneous repairs, travel, training expenses. The Chief reviewed Capital Outlay reporting a County mandate to provide a reporting system through Zoll monitoring with needed hardware to communication immediately with hospital care providers at a cost of \$30,000 for both the engine and the medic rescue. Also included is \$30,000 to replace the self-contained breathing apparatus with Fire looking at a possible grant to cover the costs.</p> <p>Committee requested that ESAC review the budget also.</p>	

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5. Review of Board Item Regarding the Proposed Fiscal Year 2017/2018 Draft Budget (continued)

**Fund 100
Administration**

Public Comment – Richard Margetson commented on minimum 2% Property Tax in proposed budget with the County projecting 4%.

Chairperson Storm directed that the CPI be incorporated for next budget review.

Richard Margetson commented that items in the general contingency reserve should be shown under expenses; expensing vehicles; questioned the Transfers Out and the sewer lateral.

General Manager Osborne reported on 0% admin allocations shown in Bayridge and Vista de Oro. Accountant Flynn explained that negative cash cannot be transferred to the general fund as there is no cash there. General Manager Osborne reported bank service charges recorded in Admin and distributed through the allocation plan.

Public Comment – Richard Margetson disagreed with 0% Admin Allocation in Bayridge and Vista de Oro as there is continued responsibility in those areas.

**Fund 200
Bayridge Estates
and
Fund 400
Vista de Oro**

General Manager Osborne reported on repayment of the \$125,000 loan to Bayridge from Water; the salaries for maintaining green space, drainage basin, and responsibility for sewage overflows. Accountant Flynn reported starting with a negative balance from the audit and with revenues, expenditures, loan repayment and transfer to the General Fund there will be a projected negative fund balance.

Public Comment – Richard Margetson disagreed with the increases shown to the assessments in Bayridge and Vista de Oro; and the \$30,000 loan to be repaid from Vista de Oro.

Julie Tacker voiced her concerns regarding the loans to Bayridge and Vista de Oro.

**Fund 500
Water**

General Manager Osborne provided numbers from Engineer Miller on projected water sales revenues for 17/18; property tax revenues decreased due to 25% to Fire; decrease in payroll expenses due to more time in Drainage; decrease in Professional & Consulting Services as work on CIPs will be capitalized; computer hardware and software increased at recommendation of UAC; increase costs to training/travel for electrical training.

The Committee recommended breaking out training costs to other Utility funds including Drainage.

Accountant Flynn reported on a new Loan Administration Fee line item necessitated by the need to separate the admin fee from the interest payment for the I-Bank loan and will be adjusted for 16/17 and 17/18.

General Manager Osborne reported that the final cost of the Intertie Project was \$138,322.22. GSWC will pay half of engineering costs of \$51,086.25.

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7. Schedule Next FAC Meeting	The next meeting of the Finance Advisory Committee is scheduled to be held on Thursday, July 27, 2017 at 5:30 pm unless otherwise noticed.	
8. Closing Comments by FAC Committee Members	<p>Committee Member Burns commented on the water rate increase necessary to provide water and build capital long term.</p> <p>Committee Member Grimm commented on providing staff with much needed resources.</p> <p>Committee Member Womack commented on the need to pay the going rate for a General Manager.</p> <p>Committee Member Gonzalez commented that she will not be available to attend the next meeting and that there are strong accounting skills on FAC and offered to volunteer her time.</p> <p>Jeff Edwards thanked Chief Alex for his time in staying for the entire meeting.</p>	
9. Adjournment	The meeting adjourned at 8:17 p.m.	