



Date: June 23, 2014

TO: LOCSD Board of Directors

FROM: Kathy A. Kivley, General Manager

SUBJECT: **Agenda Item 11H – 7/3/2014 Board Meeting**
Adopt Resolution Setting the Reserves for Fiscal Years
2013/2014 and 2014/2015

President
Craig V. Baltimore

Vice President
R. Michael Wright

Directors
Leonard A. Moothart
Marshall E. Ochylski
Jon-Erik Storm

General Manager
Kathy Kivley

**Interim District
Accountant**
Michael Doyle

Fire Chief
Robert Lewin

Battalion Chief
Phill Veneris

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

Offices:
2122 9th Street, Suite 102
Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

www.locsd.org

DESCRIPTION

Adoption of Resolution Setting the Reserves for Fiscal Years 2013/2014 and 2014/2015 consistent with the adopted final and mid-year budget.

SUMMARY OF STAFF RECOMMENDATION

Staff recommends that the Board adopt the following motion:

Motion: I move that the Board adopt Resolution No. 2014-14 setting the Reserves for Fiscal Year 2013/2014 and Fiscal Year 2014/2015.

DISCUSSION

On June 7, 2012, the Board of Directors adopted Resolution 2012-09 establishing a Budget Reserve Policy for the District. This policy set funding goals for Reserves in Funds 100, 301, 500, 650 and 800, Administration, Fire, Water, Solid Waste and Drainage respectively. On June 5, 2014, the Board adopted a budget with Reserves. For various reasons there are differences between the adopted budgets and the goals outlined within the reserve policy. Attached to the Resolution is an outline that reflects the adopted Reserves for FY 2013/2014 and FY 2014/2015. For simplicity, staff included details that delineate the category and funding goal per the resolution and adopted funding for the two fiscal years.

At this time, Staff is simply ensuring the actual setting of the Reserves because at the time of the Budget Adoption verbiage was omitted from the Resolution. It is important to note that staff plans, in the near future, to revise the Budget Reserve Policy. This revision will take into account the transfer of Solid Waste to the County of San Luis Obispo, and the elimination of Administration as this area is total funded by the Cost Allocation Methodology.

FINANCIAL IMPACT

The recommended action will have no additional financial impact on the District as action is consistent with the Adopted Budgets.

Attachment: Resolution 2014-14

Date: July 3, 2014
Agenda Item No:
() Approved
() Denied
() Continued

RESOLUTION NO. 2014-14

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
LOS OSOS COMMUNITY SERVICES DISTRICT
ESTABLISHING RESERVES FOR FISCAL YEAR 2013/2014 AND FISCAL YEAR 2014/2015**

WHEREAS, the Los Osos Community Services District desires to manage its fiscal affairs according to an adopted budget; and

WHEREAS, the Board of Directors reviewed the Fiscal Year 2014/2015 Budget at public meetings held on May 1, 2014 and June 5, 2014; and notice was published as required by law; and

WHEREAS, at the above meetings, the Board of Directors conducted public hearings in accordance with the law; and

WHEREAS on June 5, 2014, the Board of Directors by Resolution No. 2014-02 adopted a Final Budget for FY 2014/2015 and amended mid-year budget for FY 2013/2014; and

WHEREAS, the Board of Directors Set the Reserves for the two years based on the adopted and amended budgets; and

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER THAT THE FISCAL YEAR 2013/2014 AND 2014/2015 RESERVES AS PRESENTED IN EXHIBIT A ARE THE APPROPRIATIONS FOR RESERVES AS ADOPTED BY THE BOARD ON JUNE 5, 2014 AND THE RESERVE SCHEDULE FOR BOTH FISCAL YEARS.

On the motion of Director _____, seconded by Director _____
and on the following roll call vote, to wit:

AYES: _____
NOES: _____
ABSENT: _____
CONFLICTS: _____

The foregoing resolution is hereby passed, approved and adopted by the Board of Directors of the Los Osos Community Services District this 3rd day of July, 2014.

Craig V. Baltimore
President, Board of Directors
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

Kathy A. Kivley
General Manager and Secretary to the Board

Michael W. Seitz
District Legal Counsel

Adopted Budget Reserves for FY 2013/2014 and FY 2014/2015

Fund Code	Category	Goal	Resolution No 2012-9	Budget FY 2013/2014	Budget FY 2014/2015
301	Fire				
	9504 Vehicle & Equipment Replacement Reserve	*	72,000	161,059	86,100
	9571 Capital Outlay Reserve	5,000,000	10,000	0	0
	9572 General Contingency Reserve	1,300,000	10,000		
301	Total			161,059	86,100
500	Water				
	9988 Rate Stabilization Reserve	205,515	32,000	32,000	32,000
	9572 General Contingency Reserve	1,233,092	25,000	25,000	25,000
	9571 Capital Outlay Reserve	470,000	150,000	65,000	65,000
	9985 Water Quality Reserve		**	0	0
	9983 Water Conservation Reserve	100,000	25,000	0	0
	9980 Basin Management Plan Reserve	1,000,000	***	0	0
500	Total			122,000	122,000
600	Wastewater				
	9502 Debt Reserves	431,859	25,000	25,000	25,000
800	Drainage				
	9571 Capital Outlay Reserve	500,000	10,000	10,000	10,000
	9572 General Contingency Reserve	50,000	5,000	5,000	5,000
800	Total			15,000	15,000

* Equipment Replacement Schedule is prepared by the Fire Chief; maximum funding goal is for the reserve to be equal to the total accumulated depreciation.

** No annual funding set and will only continue to exist as long as there is a balance in the settlement account of water pollution case received in 2005

*** Code 9155 ISJ Costs-Inter-Agency Cost sharing is for the remaining budget balance at the end of the fiscal year transferred into this account