

**Los Osos Community Services District  
Minutes of the Finance Advisory Committee Meeting  
November 04, 2019 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<b>1. Call to Order, Flag Salute and Roll Call</b>	<p>Chairperson Ochylski called the meeting to order at 5:30 p.m. and Committee Member Grimm lead the flag salute.</p> <p><u>Roll Call:</u></p> <p>Sandra Cirilo, Committee Member – Present            Lisa Gonzalez, Committee Member – Present            Cheri Grimm, Committee Member – Present            Bea Jansen, Committee Member – Absent            Alyce Thorp, Committee Member – Present            Christine Womack, Vice Chairperson – Present            Marshall Ochylski, Chairperson – Present</p> <p><u>Staff:</u>            Ron Munds, General Manager            Laura Durban, Administrative Services Manager</p>	
<b>2. Approve FAC Meeting Minutes of September 30, 2019</b>	<p>Chairperson Ochylski presented the minutes for approval.</p> <p>Public Comment – None</p> <p><b>Committee Member Gonzalez made a motion that the Committee approve the minutes of September 30, 2019. The motion was seconded by Committee Member Thorp and the motion carried by unanimous consent.</b></p>	<b>Action: File Approved Minutes.</b>
<b>3. Review of Board Item Regarding Approval of Warrant Register for October 2019</b>	<p>Administrative Services Manager Durban presented the Warrants for the Committee's review.</p> <p>Committee Member Thorp inquired about check number 29262.</p> <p>General Manager Munds responded it was for our Fire Engine Repair</p> <p>Committee Member Cirillo inquired about the amount of employment physicals and Meinke Photography purchase; inquired about the amount for attorney fees/engineering expense in the warrants;</p> <p>Administrative Services Manager Durban responded that there has been a lot of new employees and that we should be finished with physicals for the time being; Meinke Photography was for photographs for the Fire Department.</p> <p>General Manager Munds responded that the attorney fees are three months' worth of fees just now being paid; that Wallace group fees are higher because the District has a lot of capital projects going on at this time.</p> <p>Public Comment – Julie Tacker inquired about the three months of attorney bills, the expenses to the Park Fund and Administrative Fund on those bills, and if the billing includes work done on Election expenses and Directors' Compensation.</p> <p>Vice Chairperson Womack inquired about the check written to SLO County Tax Collector, and if it's for property tax per parcel.</p> <p>Administrative Services Manager confirmed it was for property tax per parcel.</p> <p>Chairperson Ochylski responded that the Election expenses would be brought up at the Board meeting on November 7, 2019 in the Response to Previous Asked Questions section.</p>	<b>Action: The Committee recommended that the Board approve the Warrant Register for October 2019.</b>

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	<p>General Manager Munds responded the legal fees from the Park Fund was tied to the Memorandum and research to get the Term Sheet completed for the Dog Park; the legal fees to Administrative Fund dealt with personnel changes in July/early August.</p> <p>Committee Member Gonzalez inquired if the small tax amounts for Parcels collected by SLO County Tax Collector is for the Fire Tax that each Parcel has to pay.</p> <p>Administrative Services Manager Durban responded that she would research and get back to the FAC committee on that.</p> <p><b>Committee Member Grimm made a motion that the Committee recommend that the Board approve the warrants of October 2019. The motion was seconded by Committee Member Thorp and passed by unanimous consent.</b></p>	
<p><b>4. Review of Board Item Regarding Financial Reports for the Period Ending September 30, 2019</b></p>	<p>General Manager Munds presented the Financial Reports for the Committee's review.</p> <p>Committee Member Cirilo inquired about 8081 vacation pay and why it's so high and out of budget; about 8050 Administrative Leave Pay and what it is for.</p> <p>Administrative Service Manager Durban responded that two employees had separated from the District and their vacation hours earned had been paid out; Administrative Leave Pay is for each Salary/Management Employee, they receive 40 hours per year to assist in the extra hours that they work at various times throughout the year.</p> <p>Committee Member Gonzalez inquired if vacation stopped accruing at a certain point.</p> <p>Administrative Services Manager Durban responded that yes, vacation stops accruing at 480 hours per employee.</p> <p>Committee Member Thorp inquired when we would start working on a mid-year budget review.</p> <p>General Manger Munds responded that we would be doing that soon.</p> <p>Public Comment – Julie Tacker inquired about the new table in the packet with the notes below in reference to Parks and Recreations; about the Community Fund Low Income Assistance sheet for the Sewer, and the bank statement and if we could get the balance of those funds.</p> <p>General Manager Munds responded that the Low-Income Statement should be in the package and it was an oversight and will be included in the future.</p> <p>Committee Member Gonzalez inquired what unbilled AR is on the balance sheet; what is held in the inventory on hand; is the construction in progress the wells, and does the District know when it will be completed; about meter purchases, if that is in inventory, how often do meters need to be replaced and how long do they last.</p> <p>General Manager Munds responded that he would get back to the committee regarding the AR number; responded that the inventory in water includes a lot of parts and materials for water operations; the District is waiting on Grant funding for the 8<sup>th</sup> Street Well, the Test Well will be starting at the end of November, the South Bay Well Transmission Line is going into design; the District is on a 10-15 year schedule to cycle through and replace meters, that meters can last up to 25-30 years but they slow down,</p>	<p><b>Action: The Committee recommended that the Board receive and file the financials for the period ending September 30, 2019</b></p>

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	<p>not giving an accurate read, so we change them at a reasonable time period.</p> <p>Committee Member Cirilo inquired about the penalties for water and the policy.</p> <p>General Manager Munds responded that the penalties listed in the budget is historically what we have collected.</p> <p>Committee Member Grimm inquired about transfers in and out for all funds monthly that had been discussed at a previous meeting, and making sense of the Admin portion.</p> <p>General Manager Munds responded that the Admin Budget would be the reverse of the others as they get their funding through the percentages set from the other funds. Therefore, Admin being at 125% is where it should be.</p> <p>Committee Member Cirilo inquired about Water Distribution GL 7241 and what it is used for.</p> <p>General Manager Munds responded that he believes it is for the Water Meter replacement and will get back to her when he verifies.</p> <p>Richard Margetson inquired about the transfers and total expenditures being the same amount.</p> <p>General Manager Munds responded that he will send the answers after the meeting after he figures out the answer to if that is a typo or not.</p> <p><b>Committee Member Gonzalez made a motion that the Committee recommend that the Board receive and file the Financials of September 30, 2019 with correction to Total Expenditures if needed. The motion was seconded by Committee Member Grimm and passed by unanimous consent.</b></p>	
<b>8. Public Comments on Items NOT on this Agenda</b>	<p>Richard Margetson commented on the Public Facility Fees issue, and that the District is entitled to their portion of the building that is going on around town.</p> <p>General Manager Munds responded that he is looking into it, and that he has a contact in planning and building that is handling those fees.</p> <p>Linde Owen commented on how much the District paid for the Term Contract for the Dog Park, and that the Library is going to propose the new Library in that location; commented that the District should have had a better guarantee that nothing else could be built in that location, and the money spent is meaningless if the County gives it to the Library.</p>	
<b>9. Schedule Next FAC Meeting</b>	The next meeting of the Financial Advisory Committee is scheduled for Monday, December 9, 2019 due to the Board meeting being postponed to December 12, 2019.	
<b>10. Closing Comments by FAC Committee</b>	Committee Member Gonzalez wished everyone a Happy Thanksgiving.	
<b>11. Adjournment</b>	The meeting adjourned at 6:06 p.m.	