



June 4, 2020

TO: LOCSO Board of Directors
FROM: Christine Womack, Vice President
SUBJECT: **Agenda Item 4H - FAC Report from May 4, 2020 Meeting**

President
Charles L. Cesena

Vice President
Christine M. Womack

Directors
Matthew D. Fourcroy
Vicki L. Milledge
Marshall E. Ochylski

General Manager
Ron Munds

District Accountant
Robert Stilts, CPA

Unit Chief
Scott M. Jalbert

Battalion Chief
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Meeting called to order 5:35pm via Zoom.

Committee Member Gonzalez made a motion that the Committee approve the minutes of March 2, 2020.

Director Ochylski did an excellent presentation on the Brown Act.

The Committee recommended that the Board approve the Warrant Register for April 2020.

Action: The Committee recommended that the Board receive and file the financials for the period ending March 31, 2020

General Manager Munds presented the Approved FAC Work Plan for Fiscal Year 2020/2021

General Manager Munds presented the Preliminary Budget for Fiscal Year 2020/2021 as presented in the Agenda Packet discussing the changes that are planned for the new Fiscal Year.

The next meeting of the Financial Advisory Committee is scheduled for Monday, June 1, 2020 unless otherwise noted.

Chairperson Ochylski commented that Committee Member Grimm stepped down from the FAC and that a Notice of Vacancy will be posted soon.

Committee Member Gonzalez thanked Committee Member Grimm for her hard work, and inquired about the auditors.

I appreciate Cheri Grimm's work on the committee.

**Los Osos Community Services District
DRAFT Minutes of the Finance Advisory Committee Meeting
March 02, 2020 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>Chairperson Womack called the meeting to order at 5:30 p.m. and Committee Member Thorp lead the flag salute.</p> <p><u>Roll Call:</u></p> <p>Sandra Cirilo, Committee Member – Arrived at 5:33 Lisa Gonzalez, Committee Member – Present Cheri Grimm, Committee Member – Present Bea Jansen, Committee Member – Present Alyce Thorp, Committee Member – Present Christine Womack, Vice Chairperson – Present Marshall Ochylski, Chairperson – Absent</p> <p><u>Staff:</u> Ron Munds, General Manager Laura Durban, Administrative Services Manager</p>	
<p>2. Approve FAC Meeting Minutes of January 6, 2020 and February 04, 2020</p>	<p>Vice Chairperson Womack presented the minutes for approval.</p> <p>Committee Member Grimm commented that at the January 6, 2020 meeting she was absent and did not second a motion for item number 4.</p> <p>Administrative Services Manager Durban commented that she will listen to the meeting and update accordingly.</p> <p>Committee Member Jansen made a motion that the Committee approve the minutes of January 6, 2020 and February 4, 2020 making one change to January 6, 2020 meeting in item 4 with correct Committee Member that seconded the motion. The motion was seconded by Committee Member Grimm and the motion carried by unanimous consent.</p>	<p>Action: File Approved Minutes. Adjust Committee Member Grimm in item 4 of January 6, 2020 minutes to Committee Member Jansen as seconded in January meeting.</p>
<p>3. Review of Board Item Regarding Approval of Warrant Register for February 2020</p>	<p>General Manager Munds presented the Warrants for approval commenting on various items to explain charges that occurred.</p> <p>Vice Chairperson Womack inquired about the Wallace Group Warrants and the concrete slab warrant.</p> <p>Committee Member Cirilo inquired about the Stanley Security cost and about the overdraft fee Warrant.</p> <p>Committee Member Grimm commented on the Use Tax Warrant; inquired about Directors Compensation forms and when the Directors get paid.</p> <p>Public Comment – None.</p> <p>Committee Member Gonzalez made a motion that the Committee recommend that the Board approve the warrants of February 2020. The motion was seconded by Committee Member Jansen and passed by unanimous consent.</p>	<p>Action: The Committee recommended that the Board approve the Warrant Register for February 2020.</p>
<p>4. Review of Board Item Regarding Financial Reports for the Period Ending January, 31 2020</p>	<p>General Manager Munds presented the Financial Reports for approval as presented in the packet commenting on the Fire Tax in the Financial Report for Fund 301 and providing a handout made available to the Committee and the public, on GL 4035 in fund 200, 500 and 800, and on Reserve amounts.</p> <p>The Committee discussed the Financial reports including total expenditures, penalties, and if there were any areas of concern.</p> <p>Committee Member Gonzalez commented on Los Osos Cares helping with Utility Bills for those in need.</p>	<p>Action: The Committee recommended that the Board receive and file the financials for the period ending January 31, 2020</p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
	<p>Public Comment – Richard Margetson inquired if the Admin budget increase had been divided by 6 for the first 6 months; about property taxes for the different funds; how much the water CIP will be used this fiscal year.</p> <p>General Manager Munds responded to the inquiry about property taxes.</p> <p>Committee Member Grimm made a motion that the Committee recommend that the Board receive and file the Financials of January 31, 2020. The motion was seconded by Committee Member Thorp and passed by unanimous consent.</p>	
<p>5. Review of Board Item Regarding a Financial Audit Proposal from Moss, Levy & Hartzheim LLP for Audit Services.</p>	<p>General Manager Munds presented the Board Item regarding the financial audit proposal from Moss, Levy & Hartzheim LLP for Audit Services for fiscal year 2019/2020, commenting on the history with the auditing firm and that there would be a change in the lead auditor.</p> <p>General discussion amongst the Committee about the pros and cons to continuing audit services with Moss, Levy & Hartzheim LLP.</p> <p>Public Comment – Richard Margetson commented that one more year would not be an issue due to the staff turnover in the last year, but a fresh set of eyes is important as the District has had issues in the past that needed to get fixed.</p> <p>Committee Member Thorp made a motion that the Committee recommend that the Board Approve the Financial Proposal from Moss, Levy & Hartzheim LLP for Audit Services for one more year with change in lead auditor. The motion was seconded by Committee Member Grimm and passed with a 3-2 vote.</p>	<p>Action: The Committee recommended to the Board that the District continues to utilize Moss Levy and Hartzheim LLP for the District’s Auditing Service for 2019/2020.</p>
<p>6. Public Comments on Items NOT on this Agenda</p>	<p>None</p>	
<p>7. Schedule Next FAC Meeting</p>	<p>The next meeting of the Financial Advisory Committee is scheduled for Monday, March 30, 2020 unless otherwise noted.</p>	
<p>8. Closing Comments by FAC Committee</p>	<p>Committee Member Grimm commented on the Chamber of Commerce Business Expo on Friday March 20, 2020 and that a Tri-Tip BBQ for \$10 will be available that night.</p>	
<p>9. Adjournment</p>	<p>The meeting adjourned at 6:37 p.m.</p>	