



Finance Advisory Committee Meeting

May 03, 2021 at 5:30

TO PARTICIPATE: On your computer
via Microphone or type your public comment into the
Q & A Tab.

On your phone
call (929) 205-6099 or (301) 715-8592
Meeting ID: 843-0045-3957 and
Press *9 to raise your hand via phone.

Please note if you are on your computer but do not have a microphone, you will have to call in to speak, or write your public comment in the Q&A Tab.

Agenda Item 2:

Approve FAC Meeting
Minutes of
March 29, 2021



Agenda Item 3:

Review of Board Item
Regarding Approval of
Warrant Register for
April 2021



Agenda Item 4:

Review of Board Item
Regarding Financial Reports
for the Period Ending
March 31, 2021



Agenda Item 5:

Review of Board Item Preliminary Budget for Fiscal Year 2021-2022



FY 2021-22 Preliminary Budget Review

Report Format

- Major Requests
- Impact to Budget
- Summary w/ a summary table



FY 2021-22 Preliminary Budget Review

Zone A Property Tax Allocation:

- Zone A property tax is a designated tax allocation derived from the property taxes collected community-wide.
- The allocation of these funds, during the budget process, are left to the discretion of the Board.
- The Board will consider the allocation of these funds at their May meeting and will be included in the final budget.



Fund 100 - Administration

Major Requests: Increase in personnel costs related to a recommended 2% CPI increase for the Administrative Services Manager position and other adjustments to benefit costs.

Additionally, the estimated cost for districting as required by the California Voting Rights Act is between \$45,000 and \$50,000. Staff is proposing using Fund 100 fund balance (budget savings from previous fiscal years) to pay for these expenses. By identifying this as the source of revenue, it will not be included in the cost allocations to the other funds.



Fund 100 - Administration

Impact to Budget: Overall personnel costs increase by about \$20,200 in Salaries/Wages, an increase of roughly 7% with an overall increase in Total Personnel of 5.2%. The Services and Supplies budget has been reduced by approximately \$22,000 resulting in a net decrease in the Fund 100 budget of approximately a .6% or \$3,860.00 for FY 2021-22 as compared to FY 2020-21.



Fund 100 – Administration

Fund 100 Budget Category	2019-2020 Budget	2020-2021 Budget	Increase/ (Decrease)
Revenue	\$664,968.42	\$661,110.53	-\$3,857.89
Expenditures			
Personnel	\$350,689.57	\$368,865.50	\$18,175.93
Services & Supplies	\$314,278.85	\$292,245.03	-\$22,033.82
TOTAL Expenditures	\$664,968.42	\$661,110.53	-\$3,857.89
TOTAL Revenue	\$664,968.42	\$661,110.53	-\$3,857.89



Fund 100 – Administration

COST ALLOCATION PLAN

FISCAL-YEAR 2020-2021

TOTAL PROJECTED GENERAL FUND/ADMINISTRATION COSTS **\$661,110.53**

	FIRE	WATER	PARK & REC	DRAINAGE	BAYRIDGE	VISTA DE ORO	WASTE WATER	TOTALS
Allocation Per Cent	10.00%	85.50%	1.00%	2.00%	0.50%	0.50%	0.50%	100.00%
AMOUNT ALLOCATED Current Allocation	\$66,111.05	\$565,249.50	\$6,611.11	\$13,222.21	\$3,305.55	\$3,305.55	\$3,305.55	\$661,110.53



Fund 200 – Bayridge Estates

Major Requests: A request to move Zone F revenue to Fund 800 and decrease the special tax assessment to match the revenue needed to support Fund expenditures.

Impact to Budget: An overall budget decrease of approximately \$10,000 resulting from the interfund loan repayment.



Fund 200 – Bayridge Estates

Fund 200 Budget Category	2019-2020 Budget	2020-2021 Budget	Increase/ (Decrease)
Revenue	\$25,471.00	\$12,400.00	-\$13,071.00
Expenditures			
Services & Supplies	\$6,974.16	\$6,974.16	\$0.00
Capital Outlay	\$0.00	\$0.00	\$0.00
Debt Service	\$10,000.00	\$0.00	-\$10,000.00
Transfers	\$3,324.84	\$3,305.55	-\$19.29
TOTAL Expenditures	\$20,299.00	\$10,279.71	-\$10,019.29
TOTAL Revenue	\$25,471.00	\$12,400.00	-\$13,071.00



Fund 301 – Fire

Major Requests: Increase in Services and Supplies, increase in unfunded accrued liabilities for retirements.

Impact to Budget: The increase in the Services and Supplies budget is \$46,157, increase in unfunded accrued liabilities for retirement costs of about \$10,400.



Fund 301 – Fire

Fund 301 Budget Category	2019-2020 Budget	2020-2021 Budget	Increase/ (Decrease)
Revenue	\$3,125,817.05	\$3,181,632.75	\$55,815.70
Expenditures			
Total Personnel	\$267,317.00	\$276,864.00	\$9,547.00
Services & Supplies	\$2,575,351.97	\$2,621,509.66	\$46,157.69
Capital Outlay	\$805,609.00	\$80,363.04	-\$725,245.96
Reserves	\$192,549.24	\$183,713.00	-\$8,836.24
Transfers	\$66,496.84	\$66,111.05	-\$385.79
Total Expenditure	\$3,907,324.05	\$3,228,560.75	-\$678,763.30
Total Revenue	\$3,125,817.05	\$3,181,632.75	\$55,815.70



Fund 301 – Fire

FIRE RESERVE

LOS OSOS COMMUNITY SERVICES DISTRICT

Balance Sheet
As of 3/31/2021

		<u>Current Period Balance</u>
LIABILITIES & EQUITY		
Other Liabilities		
Other Liabilities		
Replacement Reserve - Vehicle, Equip & Fire Engines	3110	1,011,661.02
General Contingency Reserve	3111	209,926.27
Public Facilities Fees Reserve	3115	40,334.00
Capital Outlay Reserve	3160	<u>540,562.42</u>
Total Other Liabilities		<u>1,802,483.71</u>
Total Other Liabilities		1,802,483.71
Equity		
Equity		
Fire Mitigation Fund	3161	<u>135,448.89</u>
Total Equity		<u>135,448.89</u>
Total Equity		<u>135,448.89</u>
Total LIABILITIES & EQUITY		<u><u>1,937,932.60</u></u>



Fund 400 – Vista de Oro

Major Requests: There are no major requests for this fund.

Impact to Budget: There are no budget impacts to this fund.



Fund 400 – Vista de Oro

Fund 400 Budget Category	2019-2020 Budget	2020-2021 Budget	Increase/ (Decrease)
Revenue	\$15,768.00	\$15,768.00	\$0.00
Expenditures			
Services & Supplies	\$2,960.00	\$3,000.00	\$40.00
Debt Service	\$6,711.49	\$6,711.49	\$0.00
Transfers	\$3,324.84	\$3,305.55	-\$19.29
TOTAL Expenditures	\$12,996.33	\$13,017.04	\$20.71
TOTAL Revenue	\$15,768.00	\$15,768.00	\$0.00



Fund 500 – Water

Major Requests: Increase in Salaries and Wages per SLOCEA MOU extension (percentage still to be determined), increase in Capital Outlay for Capital Improvement Projects (CIP) and vehicle/equipment replacement.

Impact to Budget: Salaries and Wages will increase by approximately 5% (+/-); unfunded accrued liabilities for retirement will increase by about \$5,000 and CIP will increase by \$157,000 for the projects identified in the CIP table. The Services and Supplies budget has been reduced by approximately \$64,500 resulting in a net increase in the Fund 500 budget of approximately a 3.2% or \$117,000.00 for FY 2021-22.



Fund 500 – Water

FY 2021-22 Capital Improvement Projects

Budget Code	FY 2020-21 Project	Budgeted (Estimated)	FY 20/21 Expenditures	Carryover Balance	Comments
500/9006	Program "C" Well Planning	\$200,000.00	\$112,022.00	\$0.00	Move to construction phase
500/9006	SCADA	\$400,000.00	\$26,280.00	\$0.00	Implementation deferred
500/9006	8th Street Well Construction	\$315,824.00	\$9,351.00	\$306,473.00	\$240K grant funding pending
		Sub-total	\$147,653.00	\$306,473.00	
	FY 21/22 Projects				
500/9006	Program "C" Well Construction	\$750,000.00		\$750,000.00	New
500/9006	16th St. Tank South Rehabilitation	\$352,150.00		\$352,150.00	New
			CIP TOTALS	\$1,408,623.00	
500/9059	Replacement Utility Truck Unit H	\$50,000.00		\$50,000.00	New
			Vehicle Replacement TOTAL	\$50,000.00	
			TOTALS	\$1,458,623.00	



Fund 500 – Water

Fund 500 Budget Category	2019-2020 Budget	2020-2021 Budget	Increase/ (Decrease)
Revenue	\$2,906,251.30	\$2,969,847.00	\$63,595.70
Expenditures			
Total Personnel	\$763,181.13	\$792,185.02	\$29,003.89
Services & Supplies	\$675,310.90	\$610,737.81	-\$64,573.09
Capital Outlay	\$1,301,762.28	\$1,458,623.00	\$156,860.72
Debt Service	\$275,556.50	\$275,556.50	\$0.00
Reserves	\$57,000.00	\$57,000.00	\$0.00
Transfers	\$568,548.00	\$565,249.50	-\$3,298.50
TOTAL Expenditures	\$3,641,358.81	\$3,759,351.83	\$117,993.02
TOTAL Revenue	\$2,906,251.30	\$2,969,847.00	\$63,595.70



Fund 500 – Water

WATER RESERVE

LOS OSOS COMMUNITY SERVICES DISTRICT

Balance Sheet
As of 3/31/2021

		<u>Current Period Balance</u>
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
Trust Liability		
Water Quality Trust Reserve	3050	<u>91,517.27</u>
Total Trust Liability		<u>91,517.27</u>
Total CURRENT LIABILITIES		91,517.27
Other Liabilities		
Other Liabilities		
Replacement Reserve - Vehicle, Equip & Fire Engines	3110	144,644.25
General Contingency Reserve	3111	528,183.00
Capital Outlay Reserve	3160	1,999,562.85
Water Stabilization Reserve	3163	158,456.00
Basin Management Reserve	3165	50,031.00
Water Conservation Reserve	3167	<u>59,288.00</u>
Total Other Liabilities		<u>2,940,165.10</u>
Total Other Liabilities		<u>2,940,165.10</u>
Total LIABILITIES & EQUITY		<u><u>3,031,682.37</u></u>



Fund 600 – Wastewater

Major Requests: Increase in the fee charged by NBS for property tax assessment and collection services (TBD).

Impact to Budget: NBS fee increase TBD.



Fund 600 – Wastewater

Fund 600 Budget Category	2019-2020 Budget	2020-2021 Budget	Increase/ (Decrease)
Revenue	\$21,517.84	\$21,498.55	-\$19.29
Expenditures			
Services & Supplies	\$18,193.00	\$18,193.00	\$0.00
Debt Service	\$0.00	\$0.00	\$0.00
Transfers	\$3,324.84	\$3,305.55	-\$19.29
TOTAL Expenditures	\$21,517.84	\$21,498.55	-\$19.29
TOTAL Revenue	\$21,517.84	\$21,498.55	-\$19.29



Fund 800 – Drainage

Major Requests: Proposed minor increases in Services and Supplies line items for increases in regulatory fees and drainage basin maintenance. Proposed transfer of Zone F revenue from Fund 200.

Impact to Budget: There will be an overall decrease in budget of \$24,775 mainly due to the deferral of the SCADA project to FY 2024-25. Increase in revenue of about \$11,000 from Zone F if approved.



Fund 800 – Drainage

Fund 800 Budget Category	2019-2020 Budget	2020-2021 Budget	Increase/ (Decrease)
Revenue	\$126,738.00	\$135,339.00	\$8,601.00
Expenditures			
Total Personnel	\$9,200.00	\$9,200.00	\$0.00
Services & Supplies	\$26,251.96	\$29,584.24	\$3,332.28
Capital Outlay	\$43,000.00	\$15,000.00	-\$28,000.00
Reserves	\$0.00	\$0.00	\$0.00
Transfers	\$13,299.37	\$13,222.21	-\$77.16
TOTAL Expenditures	\$91,751.33	\$67,006.45	-\$24,744.88
TOTAL Revenue	\$126,738.00	\$135,339.00	\$8,601.00



Fund 800 – Drainage

DRAINAGE RESERVE

LOS OSOS COMMUNITY SERVICES DISTRICT

Balance Sheet

As of 3/31/2021

		<u>Current Period Balance</u>
LIABILITIES & EQUITY		
Other Liabilities		
Other Liabilities		
General Contingency Reserve	3111	32,238.22
Capital Outlay Reserve	3160	<u>202,296.60</u>
Total Other Liabilities		<u>234,534.82</u>
Total Other Liabilities		<u>234,534.82</u>
Total LIABILITIES & EQUITY		<u><u>234,534.82</u></u>



Fund 900 – Parks & Recreation

Major Requests: There are no major requests for funding at this point in time for FY 2021-22 though the Ferrell Avenue Pathway Project will still be in progress during the upcoming fiscal year.

Impact to Budget: The allocation of Zone A funds are still to be determined.



Fund 900 – Parks & Recreation

Fund 900 Budget Category	2019-2020 Budget	2020-2021 Budget	Increase/ (Decrease)
Revenue	\$52,375.65	\$48,675.65	-\$3,700.00
Expenditures			
Services & Supplies	\$11,200.00	\$1,600.00	-\$9,600.00
Transfers	\$0.00	\$58,000.00	\$58,000.00
TOTAL Expenditures	\$6,649.68	\$6,611.11	-\$38.57
TOTAL Revenue	\$17,849.68	\$66,211.11	\$48,361.43



Fund 900 – Parks & Recreation

PARKS RESERVE

LOS OSOS COMMUNITY SERVICES DISTRICT

Balance Sheet
As of 3/31/2021

		<u>Current Period Balance</u>
LIABILITIES & EQUITY		
Other Liabilities		
Other Liabilities		
Restricted Park and Rec	3090	<u>279,129.18</u>
Total Other Liabilities		<u>279,129.18</u>
Total Other Liabilities		<u>279,129.18</u>
Total LIABILITIES & EQUITY		<u><u>279,129.18</u></u>



FY 2020-21 Preliminary Budget Review

Comments & Recommendation to the Board



Agenda Item 6:

Review of Board Item Annual Audit Services Agreement



Audit Services Agreement

Working Group formed to evaluate the proposals consisting of:

- Two members of the FAC (Lisa & Sandra)
- The District Accountant
- General Manager



Audit Services Agreement

Three proposals received:

Firm	Cost
Fechter & Company	\$22,000 (+2.5%/yr.)*
Rogers, Anderson, Malody & Scott	\$20,330 (+2.0%/yr.)*
Moss, Levy & Hartzheim	\$19,200 (+2.5%/yr.)*

*Each firm included a cost escalator for subsequent years.



Audit Services Agreement – Top Two Proposals

Fechter & Company

PROS	Cons
Small Independent Firm	Out of the area
Clear, detailed proposal	Unfamiliar with district operations
Schedule & hours dedicated reasonable	Cost for service



Audit Services Agreement – Top Two Proposals

Moss, Levy & Hartzheim

PROS	Cons
Familiar with District operations	Amount of time as Auditor
Proven track record	
Cost for service	
Experience & continuity in service	



Audit Services Agreement

Comments & Recommendation to the Board



Agenda Item 7:

Review of Board Resolution 2021-10 Regarding District Fees



Review of Board Resolution 2021-10 Regarding District Fees

The LOCSD Fee Schedule has not been modified for many years. Per Government Code statutes, staff conducted a cost analysis of time spent on each fee.



Review of Board Resolution 2021-10 Regarding District Fees

3 proposed new fees:

- **Owner Application Penalty Fee:** this fee is a penalty for, mainly, property management companies that are non-responsive to staff's request for current property owner information when a property changes ownership. **\$35.00**
- **Lien Fee:** this fee will recoup the cost of staff time to process the paperwork required to have delinquent water bill balances added to the property tax assessment by the County. **\$25.00**
- **Collection Fee:** similar to the Lien Fee, this fee will recoup the cost to process the paperwork for unpaid accounts sent to a collection agency for partial payment recovery. **\$25.00 or 20%**



Review of Board Resolution 2021-10 Regarding District Fees – Fee increases

Fee	Current	Proposed
Lock Out/Reactivation	\$75.00	\$80.00
Cut Lock Charge	\$110.00	\$180.00
Water Meter Flow Test	\$75.00	\$275.00
Meter Set Fee	\$68.50	\$80.00
Trouble Call-after business hours	\$80.00	\$160.00
Backhoe/Mini Excavator hourly fee	\$40.00	\$90.00
72 Hour Notice – Door Hanger	\$10.00	\$20.00



Review of Board Resolution 2021-10 Regarding District Fees

Comments & Recommendation to the Board



Agenda Item 8:

Public Comments on Items
NOT on this Agenda



Agenda Item 9:

Schedule Next FAC Meeting

TUESDAY June 1, 2021 at
5:30pm



Agenda Item 10:

Closing Comments by FAC Committee Members



Agenda Item 11:

Adjournment

