



May 17, 2019

TO: LOCSO Board of Directors
FROM: Renee Osborne, General Manager
Adrienne Geidel, Bookkeeper

SUBJECT: **Agenda Item 11F – 6/6/2019 Board Meeting**
Designate the Local Agency Investment Fund (LAIF) as the Drainage and the Parks and Recreation Reserve Account

President
Marshall E. Ochylski

Vice President
Charles L. Cesena

Directors
Matthew D. Fourcroy
Vicki L. Milledge
Christine M. Womack

General Manager
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DESCRIPTION

Staff would like to designate the LAIF account to Drainage and Parks and Recreation reserves only. Interest would be divided between Drainage (32.43%) and Parks and Recreation (67.57%) funds.

SUMMARY STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, staff recommends that the Board adopt the following motion:

Motion: I move that the Board designate the Local Agency Investment Fund as the Drainage and Parks and Recreation Reserve account and divide interest between Drainage and Parks and Recreation. 32.43% will go to Drainage, and 67.57% will go to Parks and Recreation, and move \$226,024.78 from LAIF to the Rabobank Money Market Account for Water.

DISCUSSION

The LAIF account has a total of \$657,643.09. Presently, LAIF interest is divided between Administration 44.43%, Water 22.58%, Drainage 1.83%, and Parks 31.16%.

As of April 30, 2019, Fund 800 Drainage has \$139,962.74 in reserves and Fund 900 Parks and Recreation has \$291,655.59 in reserves. Staff would like to split the LAIF interest between Drainage (32.43%) and Parks (67.57%).

Water should get 0% interest since it is receiving 100% from the Rabobank Money Market account and 100% of the Premier Money Market account. Fund 100 Administration should not be receiving interest income. The District Auditor said that, "only the Water, Fire, Drainage, and Parks funds should be getting interest income."

SUMMARY

Staff is recommending that the LAIF fund be designated strictly to Drainage and Parks and Recreation reserves. The requested changes would help with cleaner bookkeeping.

FINANCIAL IMPACT

LAIF made \$3,950.13 in interest in the 4th quarter of 2018. If Drainage and Parks and Recreation split the interest 32.43%/67.57%, Drainage would receive \$1,280.93 and Parks and Recreation \$2,669.20; compared to \$72.28 for Drainage and \$1,230.82 for Parks and Recreation.

Attachments

RESERVE BALANCES

DRAINAGE RESERVES

LOS OSOS COMMUNITY SERVICES DISTRICT

Balance Sheet
As of 4/30/2019

		<u>Current Period Balance</u>
LIABILITIES & EQUITY		
Other Liabilities		
Other Liabilities		
General Contingency Reserve	3111	
800 - Drainage	800	32,238.22
Capital Outlay Reserve	3160	
800 - Drainage	800	<u>107,724.52</u>
Total Other Liabilities		<u>139,962.74</u>
Total Other Liabilities		<u>139,962.74</u>
Total LIABILITIES & EQUITY		<u><u>139,962.74</u></u>

PARKS & RECREATION RESERVES

LOS OSOS COMMUNITY SERVICES DISTRICT

Balance Sheet

As of 4/30/2019

		<u>Current Period Balance</u>
LIABILITIES & EQUITY		
Other Liabilities		
Other Liabilities		
Restricted Park and Rec	3090	
900 - Parks & Recreation	900	<u>291,655.59</u>
Total Other Liabilities		<u>291,655.59</u>
Total Other Liabilities		<u>291,655.59</u>
Total LIABILITIES & EQUITY		<u><u>291,655.59</u></u>

al Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
May 01, 2019

LOS OSOS COMMUNITY SERVICES DISTRICT

GENERAL MANAGER
P.O. BOX 6064
LOS OSOS, CA 93412

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

April 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
4/15/2019	4/12/2019	QRD	1604081	SYSTEM	4,125.28

Account Summary

Total Deposit:	4,125.28	Beginning Balance:	657,643.09
Total Withdrawal:	0.00	Ending Balance:	661,768.37

RECONCILIATION OF RESERVES

APPROVED REPORT

January 22, 2019



Date: January 22, 2019
To: Finance Advisory Committee
From: Renee Osborne, General Manager
 Adrienne Geidel, Bookkeeper
Subject: Board Item Water, Drainage, and Parks and Recreation Reserve transactions for the 2017-2018 fiscal year.

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DESCRIPTION

Discussion of Fund 500 (Water), Fund 800 (Drainage), and Fund 900 (Parks and Rec) Reserve transactions for the 2017-2018 fiscal year.

STAFF RECOMMENDATION: *I move that the board approve transferring \$32,000 from Water Stabilization Reserves to Water Capital Outlay Reserves.*

DISCUSSION:

This is a summary report of report transactions during fiscal year 2017/2018 for the following reserve funds:

FUND 500 WATER

6.30.17 Water Reserves Balance	1,249,940.00
Additions/savings	
Board Directed: Replacement Reserve (Water Yard)	100,000.00
Board Directed: Capital Outlay (Utility Building)	100,000.00
Board Directed: Capital Outlay	92,873.00
Budgeted: General Contingency	57,000.00
Budgeted: Capital Outlay	500,000.00
Budgeted: Water Stabilization	32,000.00
Uses	
(none)	-

6.30.18 Water Reserves Balance	2,131,813.00
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The District set aside \$380,000 for Capital Improvements (8th Street Well) in the 2017/2018 fiscal budget. However, only Engineering was completed during that budget cycle at \$64,568.21. Revenues of \$2,746,234.06 exceeded operation expenses and capital improvements. No Reserve funds were necessary to cover any capital improvements or expenses.

It was determined by the Board and the Utility Advisory committee in 2018 that the Water Stabilization Reserve was over its designated amount of 10% of the Water Operation costs. We will need to move \$32,000 that was transferred into the Water Stabilization reserve to the Water Capital Outlay Reserve. The \$32,000 amount was in the original fiscal budget for 2017/2018, subsequently the bookkeeper followed the budget.

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FUND 800 DRAINAGE

Drainage Reserves Report	
General Contingency Reserve	32,238.22
Capital Outlay Reserve	<u>195,055.40</u>
6.30.18 Drainage Reserves Balance	227,293.62
Proposed Reduction (2017/2018 CIP Uses)	
01/05/18 Control Panel for 8th St Drainage Pump	1,454.96
1/5/18 Control Panel for 8th St. Drainage Pump	19,646.51
01/17/18 Cust#644067 Pioneer Pump @ 8th St & El Moro	59,174.23
01/29/18 Infrastructure CIP 8th St Drainage Pump	<u>7,055.18</u>
	87,330.88
Ending Reserves Balance with transfer	
General Contingency Reserve	32,238.22
Capital Outlay Reserve	<u>107,724.52</u>
Drainage Reserves Balance	139,962.74

During the 2017/2018 fiscal year, \$87,330.88 was spent in capital improvements. This reduces our Drainage Capital Outlay Reserves, from \$195,055.40 to \$107,724.52. During 2017/2018 we budgeted using \$16,471.69 of reserves but instead spent \$19,848. This is \$3,376 more than expected.

FUND 900 PARKS AND RECREATION

There were no major expenses during the 2017/2018 fiscal year. Expenses were \$875 and an Administrative transfer of \$5,076.37 totaling \$5,951.37. Fund 900 reserve balance for June 30, 2018 is \$291,656.

FUND 100 ADMINISTRATION

Final Administrative Allocation Costs for fiscal year 2017/2018 were \$507,637.19 versus \$544,322 that was budgeted. Attached is the final cost allocation distribution.