

**Los Osos Community Services District
Minutes of the Finance Advisory Committee Meeting
February 2, 2015 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 Storm called the meeting to order at 5:30 p.m. and led the flag salute.</p> <p><u>Roll Call:</u> Jeff Edwards, Committee Member – Present Lisa Gonzalez, Committee Member – Present Gene Heyer, Committee Member – Left at 6:40 p.m. Keith Swanson, Committee Member – Absent Gary Orback, Committee Member - Present Michael Wright, Vice Chairperson – Present Jon-Erik Storm, Chairperson – Present</p> <p><u>Staff:</u> Kathy Kivley, General Manager Mike Doyel, District Accountant Ann Kudart, Administrative/Accounting Assistant III</p>	
<p>4. Review of Board Item Regarding FY 2014/15 Mid-Year Budget and Provide Recommendations to the Board</p>	<p>Chairperson Storm moved this item to be heard at this point in the meeting.</p> <p>General Manager Kivley reported that adjustments in categories where total expenditures are under 50% were not addressed; in Fund 100 a separate revenue category was established to report Homeowners Property Tax Relief revenue to the State. She reported reducing Directors Compensation by \$2000; reducing salaries and wages by \$24,659; increasing Temporary Agency Help to cover temporary accounting services; reducing IT Services by \$1,000; reducing Insurance by \$5,200; adding \$2,000 for replacement costs for computer hardware; and increasing General Supplies & Minor Equipment by \$1,000 to cover cost of office supplies. She reported that the outstanding repayment obligation was reduced to \$4,000 in Fund 100 and Fund 600 will transfer \$21,000. Fund 600 is decreasing Bank Service charges by \$4,000 due to no activity in the account for the first six months of the fiscal year.</p> <p>Public Comment: Richard Margetson, Chuck Snead, and Al Barrow spoke.</p> <p>Committee Member Gonzalez made a motion that the FAC recommended that the LOCS D Board of Directors accept the recommended staff changes for the mid-year budget for the Administration 100, Bayridge 200, Fire 301, Vista de Oro 400, Water 500, Wastewater 600 and Drainage 800 for Fiscal Year 2014/2015 as amended. The motion was seconded by Committee Member Heyer and carried with the following vote:</p> <p>Ayes: Gonzalez, Heyer, Edwards, Orback Nays: None Abstain: None Absent: Swanson</p> <p>General Manager Kivley left the dais.</p>	<p>Action: The Committee recommended that the Board accept the recommended staff changes for the mid-year budget for Funds 100, 200, 301, 400, 500, 600 and 800 as amended.</p>
<p>2. Approve FAC Minutes of August 4, 2014</p>	<p>No Public Comment.</p> <p>Committee Member Edwards made a motion to approve the minutes. The motion was seconded by Committee Member Gonzalez and carried with the following vote:</p> <p>Ayes: Edwards, Gonzalez, Heyer Nays: None Abstain: Orback Absent: Swanson</p>	<p>Action: Receive and File.</p>

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<p>3. Review of Board Item Regarding the Warrant Register for the Month of January 2015</p>	<p>The Committee reviewed and discussed various warrants with staff.</p> <p>Public Comment: Al Barrow, Chuck Snead, and Richard Margetson spoke.</p> <p>Committee Member Edwards moved to recommend that the Board receive and file the Warrant Register. The motion was seconded by Committee Member Gonzales and carried with the following vote:</p> <p>Ayes: Edwards, Gonzalez, Heyer, Orback Nays: None Abstain: None Absent: Swanson</p>	<p>Action: The Committee recommended that the Board receive and file the Warrant Register.</p>
<p>5. Review CIP Funding Options and Provide Recommendations to the Board</p>	<p>Committee Member Edwards provided a brief summary and the Committee discussed the CIP priority list and funding sources including pay as you go, a Community Facilities District, and grant funding.</p> <p>Public Comment: Al Barrow and Richard Margetson spoke.</p> <p>Committee Gonzalez moved that the FAC recommend to the Board that the District explore all available options for funding the Capital Improvement Program adopted on September 4, 2014. The motion was seconded by Committee Member Heyer and carried with the following vote:</p> <p>Ayes: Gonzalez, Heyer, Edwards, Orback Nays: None Abstain: None Absent: Swanson</p>	<p>Action: The Committee recommended to the Board that the District explore all available options for funding the Capital Improvement Program adopted on September 4, 2014.</p>
<p>6. Public Comments on Items Not on the Agenda</p>	<p>Al Barrow commented on the need for affordable housing and that we must assist the ratepayers in saving as much water as possible.</p> <p>Chuck Snead commented on District vehicle purchases.</p> <p>Richard Margetson commented on the need to closely review the mid-year and final budgets line by line.</p> <p>Committee Heyer left the dais.</p>	
<p>7. Schedule FAC Meeting</p>	<p>The next meeting of the Finance Advisory Committee will be held on Wednesday, May 4, 2015, 2015 at 5:30 p.m. at the District Office.</p>	
<p>8. Closing Comments by UAC Committee Members</p>	<p>Committee Member Gonzalez inquired as to the status of the audit.</p> <p>Committee Member Edwards commented on the wastewater project financing sources suggesting it might be time to revisiting the interest rates.</p>	
<p>9. Adjournment</p>	<p>The meeting adjourned at 6:50 p.m.</p>	