

**Los Osos Community Services District  
Minutes of the Finance Advisory Committee Meeting  
June 3, 2019 at 5:30 p.m. at the District Office**

| AGENDA ITEM   | DISCUSSION   | FOLLOW-UP   |
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| <b>1. Call to Order, Flag Salute and Roll Call</b>  | <p>Chairperson Ochylski called the meeting to order at 5:32 p.m. and led the flag salute.</p> <p><u>Roll Call:</u></p> <p>Sandra Cirilo, Committee Member – Present<br/>           Lisa Gonzalez, Committee Member – Absent<br/>           Cheri Grimm, Committee Member – Present<br/>           Bea Jansen, Committee Member – Absent<br/>           Alyce Thorp, Committee Member – Present<br/>           Christine Womack, Vice Chairperson – Present<br/>           Marshall Ochylski, Chairperson – Present</p> <p><u>Staff:</u><br/>           Renee Osborne, General Manager<br/>           Adrienne Geidel, District Bookkeeper<br/>           Ann Kudart, Administrative Services Manager<br/>           Jose Acosta, Utility Systems Manager</p> |   |
| <b>2. Approve FAC Meeting Minutes of April 1, 2019 and April 29, 2019</b>                           | <p>President Ochylski presented the minutes for approval.</p> <p>Public Comment – None</p> <p><b>Committee Member Grimm made a motion that the Committee approves the minutes of April 1, 2019 and April 29, 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 Adoption of Fiscal Year 2019/2020 Budget for Fund 301 Fire</b> | <p>General Manager Osborne reported that the only change to Fund 301 Fire budget was that the funds for the project to paint the exterior of the building would not come out of Public Facility Fees but out of Repairs and Maintenance.</p> <p>Public Comment – Richard Margetson commented on the limited use of Public Facility Fees; and, inquired as to why so much was being put into the General Contingency Fund.</p> <p><b>Committee Member Grimm moved that the Committee recommend that the Board adopt the Fiscal Year 2019/2020 Fire Fund 301 budget. The motion was seconded by Committee Member Thorp and passed by unanimous consent.</b></p>  | <b>Action: The Committee recommended that the Board adopt the Fiscal Year 2019/2020 Budget for Fund 301 Fire.</b>   |
| <b>4. Review of Board Item Regarding Approval of Warrant Register for May 2019</b>                  | <p>Administrative Services Manager Kudart presented the warrant registers for review.</p> <p>Public Comments – None</p> <p><b>Committee Member Grimm made a motion that the Committee recommend that the Board approve the warrants of May 2019. The motion was seconded by Committee Member Thorp and passed by unanimous consent.</b></p>  | <b>Action: The Committee recommended that the Board approve the warrant register for May 2019.</b>  |
| <b>5. Review of Board Item Regarding Financial Reports for the Period Ending April 30, 2019</b>     | <p>District Bookkeeper Geidel presented the Financial Reports for the Committee's recommendations to the Board.</p> <p>Public Comment – Julie Tacker voiced her disappointment that there was no formal accounting regarding Director Compensation and commented on Fund 600 debt.</p>   | <b>Action: The Committee recommended that the Board receive the financials for the period ending April 30, 2019 with staff updates regarding the Fund 600 Admin charge and the Loan Receivable from District GL 1160.</b> |

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| <p><b>5. Review of Board Item Regarding Financial Reports for the Period Ending April 30, 2019 (continue)</b></p>   | <p>Richard Margetson commented on Fund 600 Wastewater Admin charge; that the Fire Reserves shown on the Balance Sheet differs from the Fire Reserve page included with this report; and, asked for an explanation regarding Loan Receivable from District 1160 and the Drainage Reserves amount.</p> <p><b>Committee Member Grimm moved that the Committee recommend that the Board receive the Financial Reports for the period Ending April 30, 2019 and staff provide updates regarding the \$25,000 Fund 600 Wastewater Admin charge and the Loan Receivable from District 1160. The motion was seconded by Committee Member Thorp and passed by unanimous consent.</b></p>  |   |
| <p><b>6. Review of Board Item Regarding Designating the Local Agency Investment Fund (LAIF) as the Drainage and Parks and Recreation Account</b></p>  | <p>General Manager Osborne provided a brief summary of the reconciled balances presented in the report as submitted with the agenda packet.</p> <p>Public Comment – Richard Margetson commented on the difference in the Audit amounts as compared to the balance sheet amounts and opposed approval of the item as funds are not accurate; and, are we sure the remaining balance is water money.</p> <p>Julie Tacker commented that the numbers in the report are incorrect for Fund 900 Parks and Recreation and that they need to be accurate before approving.</p> <p><b>Committee Member Grimm moved that the Committee recommend 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 with 32.43% to Drainage and 67.57% to Parks and Recreation. The motion was seconded by Committee Member Thorp and passed by unanimous consent.</b></p>                  | <p><b>Action:</b> The Committee recommended 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 with 32.43% to Drainage and 67.57% to Parks and Recreation.</p>                |
| <p><b>7. Review of Board Item Regarding the Transfer of the Water Reserves from Rabobank Money Market Account into the Pacific Premier Money Market Account</b></p>   | <p>General Manager Osborne provided a brief summary of the report as submitted in the agenda packet.</p> <p>Public Comment – Richard Margetson voiced his disapproval of moving all the money into one bank and opposed transferring the funds.</p> <p><b>Committee Member Grimm moved that the Committee recommend that the Board approve the transfer of the remaining funds of \$969,505.66 from Rabobank Money Market account to the new Water Reserve Money Market Account at Pacific Premier Bank. The motion was seconded by Committee Member Cirilo and passed 2-1.</b></p>  | <p><b>Action:</b> The Committee recommended that the Board approve the transfer of the remaining funds of \$969,505.66 from Rabobank Money Market account to the new Water Reserve Money Market Account at Pacific Premier.</p>   |
| <p><b>8. Review of Board Item Regarding Adoption of Fiscal Year 2019/2020 Budget for Admin Fund 100, Bayridge Estate Fund 200, Vista de Oro Fund 400, Water Fund 500, Wastewater Fund 600, Drainage Fund 800, and Parks and Recreation Fund 900</b></p> | <p>General Manager Osborne reported the changes and/or additions to the budget compared to the 2018/2019 fiscal year budget.</p> <p>Public Comment – Julie Tacker opposed the reallocation of 12.5% to Fund 600 as it does not benefit the entire District but only those in the Prohibition Zone; and, opposed spending funds on the snail study at the Ferrell Avenue site until there is progress on the Habitat Conservation Plan.</p> <p>Richard Margetson commented on the need for clarification regarding the reported \$114,371 engineering fees incurred after the County took over the wastewater project; and, the upcoming Water Rate Group's presentation at the June 6<sup>th</sup> Board meeting.</p> <p><b>Committee Member Thorp moved that the Committee recommend that the Board accept the budget as presented pending questions regarding the reallocation of Wastewater funds. The motion was seconded by Committee Member Grimm and passed by unanimous consent.</b></p> | <p><b>Action:</b> The Committee recommended that the Board accept the budget as presented pending the answer to questions regarding the reallocation of Wastewater funds.</p> <p><b>The Committee requested clarification for the Board regarding the reported \$114,371 fees incurred in Fund 600.</b></p> |

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| <b>9. Public Comments on Items NOT on this Agenda</b> | Richard Margetson commented that the past accountant provided a breakout of how much each fund had in the District checking account and asked if that practice could be brought back. |           |
| <b>10. Schedule Next FAC Meeting</b>                  | The next meeting of the Financial Advisory Committee is scheduled for July 8, 2019, unless otherwise noted.   |           |
| <b>11. Closing Comments by FAC Committee</b>          | None  |           |
| <b>12. Adjournment</b>                                | The meeting adjourned at 7:01 p.m.  |           |