

**Los Osos Community Services District
Minutes of the Finance Advisory Committee Meeting
December 9, 2019 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 Ochylski called the meeting to order at 5:30 p.m. and Committee Member Grimm lead the flag salute.</p> <p><u>Roll Call:</u></p> <p>Sandra Cirilo, Committee Member – Present Lisa Gonzalez, Committee Member – Present Cheri Grimm, Committee Member – Present Bea Jansen, Committee Member – Absent Alyce Thorp, Committee Member – Absent Christine Womack, Vice Chairperson – Present Marshall Ochylski, Chairperson – Present</p> <p><u>Staff:</u> Ron Munds, General Manager Laura Durban, Administrative Services Manager</p>	
<p>2. Review of Board Item Regarding Draft Fiscal Year 2018-2019 Audit</p>	<p>General Manager Munds introduced the Draft Audit to the Finance Advisory Committee and C.P.A. Adam Guise a Partner at Moss, Levy and Hartzheim LLP to present the Draft Audit for 2018-2019 to the FAC Committee.</p> <p>C.P.A. Guise gave an overview of the Draft Audit highlighting the Opinion Letter, Management Discussion and Analysis, Statement of Net Position, Reconciliation Statements, Special Item for Elimination of Debt, Capital Assets, the procedure for collecting information for the Audit, Pension Liability, and Summary of Retiree Health Plan.</p> <p>Committee Member Cirillo inquired about the Pension Plan and if the District relies on CalPERS solely.</p> <p>C.P.A. Guise responded that the amounts from CalPERS are fully audited numbers and that the District relies on the actuarial CalPERS numbers.</p> <p>Committee Member Cirillo inquired about the internal reports.</p> <p>Committee Member Gonzalez inquired if the items from last year had been cleaned up; if the District has any outstanding Pension or if the Pension is being paid on a timely basis.</p> <p>C.P.A Guise commented that there were two recommendations that needed checks and balance in place; that the items from the previous year had been cleaned up; that there is no outstanding Pension amount due;</p> <p>Public Comment – Richard Margetson inquired what the review process for the Draft Audit is.</p> <p>GM Munds responded that we have a couple of weeks until the Audit is complete and to those that have comments to get them to GM Munds and he will pass them along to the audit team unless he can answer the questions; requested that the FAC members review and get any questions or concerns to him in the next week so it can be looked at by Moss, Levy and Hartzheim before the final audit is brought to the Board in January.</p>	<p><u>Action:</u> None</p>
<p>3. Approve FAC Meeting Minutes of November 4, 2019</p>	<p>Chairperson Ochylski presented the minutes for approval.</p> <p>Public Comment – Richard Margetson inquired about the Public Facility Fee status.</p> <p>General Manager Munds responded that the County has not been collecting fees for Los Osos because we do not have a contract with the County to do so; the District can start that if we would like; will review with</p>	<p><u>Action:</u> File Approved Minutes.</p>

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	<p>the Chief because as those fees have to go to specific things regarding new growth in the community. The fees amount to around \$5,000 per year, but GM Munds will review with the Chief before he brings back to the FAC or the Board.</p> <p>Committee Member Grimm wanted on the minutes for tonight that the Revenue and Expenditure discussed in the November 4th meeting was discovered to be different than stated in the last minutes and that General Manager Munds emailed to the FAC members and interested community members that Revenue and Expenditure Statement- 100-Administration-Transfers (9512)- Turns out this was a data entry error where a negative number should have been entered at the beginning of the fiscal year. Adrienne will be correcting it as part of the audit. It doesn't impact the overall accounting for this fund and that it is a software issue that District Accountant Geidel is working to fix.</p> <p>Committee Member Gonzalez made a motion that the Committee approve the minutes of November 4, 2019. The motion was seconded by Committee Member Grimm and the motion carried by unanimous consent.</p>	
<p>4. Review of Board Item Regarding Approval of Warrant Register for November 2019</p>	<p>Administrative Services Manager Durban presented the warrants for approval.</p> <p>Committee Member Cirilo inquired about the Fire Department Fundraiser; Med-Stop Physicals, and Filipponi & Thompson warrant.</p> <p>ASM Durban responded that there were no expenses deducted from the Gross as 100% of proceeds were for Alivia Gonzales, the fire burn victim; the food purchase at the event came out of the Fire Department budget; the Med-Stop physicals were for the new Reserve Fire Fighters and the Fire Department have more physicals that need to be completed for that position.</p> <p>General Manager Munds responded that the District will be reimbursed for a lot of the Filipponi & Thompson as that is a Basin Management item shared with Golden State and S&T Mutual; that every employee gets a physical before they begin working.</p> <p>Committee Member Gonzalez inquired about the warrant purchasing sand and if the septic project is complete.</p> <p>GM Munds responded that the septic project is complete and that the District came in under budget.</p> <p>Public Comment - None</p> <p>Committee Member Grimm made a motion that the Committee recommend that the Board approve the warrants of November 2019. The motion was seconded by Committee Member Cirillo and passed by unanimous consent.</p>	<p>Action: The Committee recommended that the Board approve the Warrant Register for November 2019.</p>
<p>5. Review of Board Item Regarding Financial Reports for the Period Ending October 31, 2019</p>	<p>General Manager Munds presented the Financial Reports for approval, commenting that after the District wraps up the audit, then the District will move into Mid-Year Adjustments pointing out that in reviewing where the District is at, the Administration 100 fund, will be the most problematic in terms of mid-year adjustments. A lot of the issue is the GM salary and some assumptions that didn't get taken into account. The total for the other funds are mostly in line with where the District should be in expenditures at this time of year.</p> <p>Committee Member Gonzalez inquired when the District will be getting the Property Tax Funds; commented on in the past having to designate what</p>	<p>Action: The Committee recommended that the Board receive and file the financials for the period ending October 31, 2019</p>

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	<p>the District funds where for so that the State could not take funds from the District.</p> <p>GM Munds responded that he believes the District receives the Property Tax in January and May.</p> <p>Vice Chairperson Womack commented that the State took/borrowed funds from the LAIF account and that is why the District moved a lot of the finances out of LAIF and placed it into an interest-bearing account at Pacific Premier.</p> <p>Public Comment – None</p> <p>Committee Member Grimm inquired about GL 6100 charge in Admin, Fire and Water.</p> <p>ASM Durban responded that is the new payroll software that will be coming from the Admin Reserve Budget.</p> <p>Vice Chairperson Womack inquired what fund 602 is.</p> <p>GM Munds responded that it is the Waste Water Bond Refinance, but still trying to understand what the numbers mean.</p> <p>Committee Member Grimm made a motion that the Committee recommend that the Board receive and file the Financials of October 31, 2019. The motion was seconded by Committee Member Gonzalez and passed by unanimous consent.</p>	
6. Public Comments on Items NOT on this Agenda	<p>Public Comment – Lynette Tornatzky inquired what the status is of the Cabrillo Estates Lighting and if the District is paying for it.</p> <p>GM Munds responded that the District has no financial involvement in the Cabrillo Estate Lighting anymore.</p>	
7. Schedule Next FAC Meeting	The next meeting of the Financial Advisory Committee is scheduled for Monday, January 6, 2019 unless otherwise noted.	
8. Closing Comments by FAC Committee	General Manager Munds commented that any questions about the audit to please let him know as soon as possible.	
9. Adjournment	The meeting adjourned at 6:26 p.m.	