

**Los Osos Community Services District  
Minutes of the Finance Advisory Committee Meeting  
January 8, 2019, at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p><b>1. Call to Order, Flag Salute and Roll Call</b></p>	<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>Lisa Gonzalez, Committee Member – Present Cheri Grimm, Committee Member – Absent Bea Jansen, Committee Member – Present Alyce Thorp, Committee Member – Present Joyce Witt, Committee Member – Arrived at 5:35 p.m. Marshall Ochylski, Chairperson – Present</p> <p><u>Staff:</u> Renee Osborne, General Manager Harmony Brown, Administrative Assistant Marti Brand, Administrative Clerk</p>	
<p><b>2. Review of Board Item Regarding Reconciling Fire Reserves for Fiscal Year 2017/2018</b></p>	<p>General Manager Osborne provided a brief summary of the report submitted with the agenda packet, reporting that Fire Reserves received an additional \$102,534.45 due to changes in Schedule A for potential salary increases; that Fire requested this amount to be moved to Vehicle Reserve and recorded within Fiscal Year 2018/2019. She reported that the Fire Reserve account was reconciled post audit; that Fire balance at June 30, 2018 for Fire Reserves should be \$1,639,647 and the bank balance for that account is \$1,563,221; a difference of \$76,426 should be transferred from General Checking to the Fire Reserve.</p> <p>Committee Member Gonzalez asked if the reconciling each year is standard practice and if and setting up Fire’s own Reserve account has helped.</p> <p>General Manager Osborn responded that it is standard practice but it is not a transparent process in MIP.</p> <p>Administrative Assistant Brown responded that it has helped to see the Fire account activities and mistakes quickly.</p> <p>General Manager Osborne reported that going forward annual reconciliation of the funds will enable staff to correct any undetected errors.</p> <p>Public Comments – None</p> <p><b>Committee Member Gonzalez moved that the Committee recommend that the Board approve the transfer of \$76,426 from the General Checking Account to the Fire Reserve Account in order to reconcile Fund 301 and Fire Reserves. The motion was seconded by Committee Member Jansen and carried unanimously.</b></p>	<p><b><u>Action:</u> The Committee recommend that the Board approve the transfer of \$76,426 from the General Checking Account to the Fire Reserve Account in order to reconcile the Fund 301 and Fire Reserves.</b></p>
<p><b>3. Review of Board Item Regarding Bond Refinancing</b></p>	<p>Chairperson Ochylski provided a brief summary of the report submitted with the agenda packet reporting that there are several recommendations to the Board to comply with SEC, State law etc., that require three resolutions. He reported that the District engaged the same legal firm as they had in 2012, interviewed three municipal advisors and selected the advisor in order to make the March 2, 2019 refinancing date.</p> <p>Director Womack reported that we have a reserve to pay the current bond that will have a shortfall without refinancing of approximately \$400, 000 that was pulled out but not replaced. She reported that our saving because of refinancing will be about \$1,400,000 but could have been \$1,800,000 or \$1,900,000; that refinancing will be less interest going forward and fix the deficit in the Reserves. She reported that if we decide to do this in three</p>	<p><b><u>Action:</u> The Committee recommend that the Board adopt Resolution 2019-03 of Intention to Levy Reassessments and to Issue Refunding of Bonds; Resolution 2019-05 approving the issuance of the Bonds, the documents related to the Bonds, and officially designating</b></p>

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<b>3. Review of Board Item Regarding Bond Refinancing (continued)</b>	<p>months our savings could be \$500,000 less so it serves us to make this placement in March, yet, we don't know what interest rates will do.</p> <p>Public Comment – Julie Tacker asked about the amount of reduction to tax bills; opposed President Milledge signing the NBS contract, the \$24,000 out of pocket costs, and the style of the contract; that Appendix F is missing; and that the process seemed backward with signing before a presentation to the Board.</p> <p>General Manager Osborne responded that President Milledge signed in preparation of the report; that the \$24,000 is not coming out of pocket but will come out of the refinancing proceeds not directly from the District; and that it will not be paid if the refinancing does not occur.</p> <p>The Committee discussed Resolution 2019-04 Reassessment Engineering Report via telephone conference with Bud Levine and confirmed that savings amount of \$1,300,000 with no out of pocket cost to the District; the Reassessment Report was not included in the packet for Committee review and will not include it in the motion.</p> <p><b>Committee Member Jensen moved that the Committee recommend that the Board adopt Resolution 2019-03 of Intention to Levy Reassessments and to Issue Refunding of Bonds; Resolution 2019-05 approving the issuance of the Bonds, the documents related to the Bonds, and officially designating the finance team with the understanding that Reassessment Report is going to be seen by public and the Board which is 2019-04. The motion was seconded by Committee Member Witt and carried by unanimous consent.</b></p>	<p><b>the finance team with the understanding that Reassessment Report is going to be seen by public and the Board which is 2019-04.</b></p>
<b>4. Approve FAC Meeting Minutes of December 3, 2018</b>	<p>Administrative Clerk Brand presented the minutes for Committee approval.</p> <p>Public Comments – None</p> <p>Committee Member Jansen commented on a name spelling.</p> <p><b>Committee Member Jensen made a motion to approve the minutes of December 3, 2018 as amended. The motion was seconded by Committee Member Thorp and passed 2-0 with Committee Member Gonzalez abstaining.</b></p>	<p><b>Action: File approve minutes as amended.</b></p>
<b>5. Review of Board Item Regarding Approval of Warrant Register for December 2018</b>	<p>General Manager Osborne presented the warrant review for the Committee with no special comments.</p> <p>Public Comments – Julie Tacker commented on 28244.</p> <p>General Manger Osborne responded that she will research the expense.</p> <p><b>Committee Member Gonzalez recommend that the Board approve the warrant register for December 1, 2018 through December 31, 2018. The motion was seconded by Committee Member Thorp and carried by unanimous consent.</b></p>	<p><b>Action: The Committee recommend that the Board approve the warrant register for December 1, 2018 through December 31, 2018.</b></p>
<b>6. Review of Board Item Regarding Financial Reports for the Period Ending November 30, 2018</b>	<p>General Manager Osborne provided a brief summary of the report submitted with the agenda packet.</p> <p>Committee Member Witt questioned the status of the current 602 Wastewater Fiduciary Fund; the reason it is not budgeted; inquired why last month year-to-date and the current period do not get this month's year-to-date.</p>	<p><b>Action: The Committee recommend that the Board receive and file the Financial Reports for the period ending November 30, 2018.</b></p>

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<b>6. Review of Board Item Regarding Financial Reports for the Period Ending November 30, 2018 (continued)</b>	<p>General Manager Osborne responded that Bookkeeper Geidel will need to review this with the Committee at the next meeting and that the 602 has no budget as it is only for bookkeeping purpose of the Fiduciary Fund.</p> <p>Public Comments – Julie Tacker commented on the Director’s Compensation Fund for November of \$300.00.</p> <p>General Manager Osborne responded that they are currently reviewing Director’s compensation and does not have anything to report.</p> <p><b>Committee Member Witt moved recommend that the Board receive and file the Financial Reports for the period ending November 30, 2018. The motion was seconded by Committee Member Gonzalez and passed unanimously.</b></p>	
<b>7. Public Comments on Items NOT on Agenda</b>	None	
<b>8. Schedule Next Meeting</b>	The next meeting of the Finance Advisory Committee is scheduled to be held on Monday, February 4, 2019, at 5:30 p.m. unless otherwise noted.	
<b>9. Closing Comments by FAC Committee Members</b>	Committee Member Gonzalez commented that she looks forward to seeing everyone at the annual Chamber of Commerce meeting where Linda Quesenberry, of Los Osos Cares, will be named, “Citizen of Year.”	
<b>10. Adjournment</b>	The meeting adjourned at 6:41 p.m.	