Los Osos Community Services District Minutes of the Finance Advisory Committee Special Meeting April 2, 2018 at 5:30 p.m. at the District Office

AGENDA ITEM	DISCUSSION	FOLLOW-UP
NOTHER TOTAL		FOLLOW-UP
Call to Order, Flag Salute and Roll Call	Chairperson Ochylski called the meeting to order at 5:32 p.m. General Manager Osborne led the flag salute.	
	Roll Call: Lisa Gonzalez, Committee Member – Present Cheri Grimm, Committee Member – Present Bea Jansen, Committee Member - Absent Christine Womack, Committee Member – Present Marshall Ochylski, Chairperson – Present	
	Staff: Renee Osborne, General Manager Adrienne Geidel, District Bookkeeper Jose Acosta, Utility Systems Manager Ann Kudart, Administrative Services Manager	
2. Approval of FAC Meeting Minutes of February 26, 2018	Committee Grimm noted that Chairperson Ochylski's name was omitted from her closing comments.	Action: Approve and file minutes.
	Public Comment – None	
	Committee Member Grimm made a motion to approve the meeting minutes of February 26, 2018. The motion was seconded by Committee Member Gonzalez and carried 2-1-1.	
3. Review of Board Item Regarding Approval of Warrant Register for March 2018	The Committee requested that a date range be used when processing the Brownstein, Hyatt, Farber, Schreck invoice.	Action: The Committee recommended that the Board approve the March 2018 warrants.
	Public Comment – Julie Tacker commented on the accountants warrant and that there was no accounting on the Low Income Assistance Funds that have been expended.	
	Steve Best commented on the possibility of downloading AT&T bills to the accounting program.	
	Committee Member Gonzalez recommended that the Board approve the March 2018 Warrant Register. The motion was seconded by Committee Member Womack and carried by unanimous consent.	
4. Review of Board Item Regarding Financial Reports for the Period Ending February 2018	There was no Committee discussion and Chairperson Ochylski call for Public Comment.	recommended that the
	Public Comment – Richard Margetson commented on the Bayridge Special Taxes and Assessments 4550 correction and that 4920 should be shifted down; he also commented that the Year-to-Date Interfund Transfer Outs 9511 throughout the report are incorrect.	Board receive and file the Financial Reports for the Period Ending February 2018.
	Ms. Geidel responded that when the funds comes in from the County it is called a Service Charge however she will code to the Special Taxes and Assessments 4550.	
	The Committee requested a summary sheet with Budget Year-to-Date versus the Actual Year-to-Date and a summary of the transfers.	
	Committee Member Grimm recommended that the Board receive and file the Financial Reports for the Period Ending February 2018. The motion was seconded by Committee Member Womack and carried by unanimous consent.	

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5. Review of Board Item Regarding Utility Vehicles a. Purchase of New Utility Vehicle	Utility Systems Manager Acosta reported that this item was presented to UAC on March 21 st and they recommended that the Board approve the purchase of a replacement utility vehicle from Mullahey Ford; however, the initial quotes provided by Mullahey Ford did not include taxes and fees, and that Perry Ford was able to provide an updated quote of \$32,602.28 including taxes, fees, and a trade-in value for the vehicle being replaced.	Action: The Committee recommended that the Board approve the purchase of a replacement dump bed for Unit C.
	Public Comment – Julie Tacker asked if the trade-in had the water conservation wrap on it and Mr. Acosta responded that it only had the door insignia.	
	Steve Best commented on warranty issues with vehicles that had utility beds.	
	Richard Margetson asked if Perry Ford offered service options.	
	Committee Member Gonzales recommended that the Board approve the purchase of the Utility replacement vehicle from Perry Ford. The motion was seconded by Committee Member Womack and carried by unanimous consent.	
b. Purchase of Replacement Dump Bed for Unit C	Mr. Acosta reported that Unit C is in need of repairs and replacement of the dump bed as these issues present safety concerns. The lowest responsive bid was from R&R Custom Truck Bodies and Equipment in the amount of \$9,035.	
	Public Comment – Steve Best commented on the specifications of the dump bed.	
	Committee Member Grimm recommended that the Board approve the purchase of a replacement dump bed for Unit C. The motion was seconded by Committee Member Gonzalez and carried by unanimous consent.	
6. Review of Board Item Regarding the Transfer of \$116,874 from the Water Rate Stabilization Reserve Fund to the General Contingency Reserve	General Manager Osborne reported that the current total in this fund is \$256,856; that the reserve has surpassed its goal of 10% of the total annual water Ops and Maintenance budget which is \$1,339,821; and, that UAC recommended \$139,982 be left in the reserve and move the remaining \$116,874 into the General Contingency Reserve.	Action: The Committee recommended that the Board return this item to both Utilities and Finance Committees for further review and then bring
Ŭ ,	Public Comment – Richard Margetson commented that the Operations and Maintenance budget should not include Capital Improvements or debt service and believes it is closer to \$1.1 million.	back to the Board for approval.
	Julie Tacker asked if there had been any discussion regarding adjusting the annual \$32,000 funding goal.	
	The Committee discussed various options recommended it go back to UAC for additional review and recommendation.	
	Committee Member Womack recommended that the Board send this item back to Utilities Advisory Committee for additional review and recommendation and that Finance Advisory Committee review at their next meeting and that committee recommendations be provided to the Board. The motion was seconded by Committee Member Gonzalez and carried by unanimous consent.	
7. Review of Board Item Regarding Establishing Money Market Account for District Fire Reserves	General Manager Osborne reported that Fire Fund Reserves have a balance of \$1,561,305, and that they be moved to a Money Market Account where the funds can gain their own interest and allow better tracking of these specific reserves. Pacific Premier Bank had the highest interest rate with the lowest monthly charges.	Action: The Committee requested staff look at LAIF rates and that the Committee revisit this item at their next meeting.

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7. Review of Board Item Regarding Establishing Money Market Account for District Fire Reserves (continue)	Public Comment – Richard Margetson commented on the bank pledging securities against the amount being deposited by government agencies; did not recall the Board approving an increase of \$25,000 this year to Fire Mitigation Fund; and, inquired as to the Fire funds in LAIF. The Committee agreed to revisit this at their next meeting and requested staff bring back the performance rate of LAIF.	
8. Review of Board Item Regarding 2018 Finance Advisory Committee Work Plan	Chairperson Ochylski reported that he had amended Item 2 on the work plan to include "monthly review of income and expenditures", added Item 6 regarding excess funds in the Low Income Community Fund, and that there may be a potential addition regarding review of the Fire budget. Public Comment – Richard Margetson recommended that the item regarding the review of the Audit be conducted as a joint FAC/UAC meeting. Chairperson Ochylski responded that a joint meeting with UAC is covered under Item 5 of the Work Plan. Committee Member Grimm recommended that the Board approve the Work Plan as submitted. The motion was seconded by Committee Member Womack and carried by unanimous consent.	
Public Comments on Items NOT on Agenda	None	
10. Schedule Next Meeting	The next meeting of the Finance Advisory Committee is scheduled to be held on Monday, April 30, 2018 at 5:30 pm unless otherwise noticed.	
11. Closing Comments by FAC Committee Members	Chairperson Ochylski commented on the vacancies on the Committee. Committee Member Grimm congratulated General Manager Osborne and the CSD for the Water Conservation program at the Business Expo. Committee Member Gonzalez thanked staff for the vehicle replacement reporting.	
12. Adjournment	The meeting adjourned at 6:47 p.m.	