



SAN MIGUEL COMMUNITY SERVICES DISTRICT

FINANCE & BUDGET COMMITTEE

MEETING SUMMARY NOTES

For Tuesday, February 16, 2016 – 9:30 am

- I. Called to Order at 9:50 a.m. by Chair Dawes**
- II. Pledge of Allegiance**
- III. Roll Call – Director Buckman – Present (late arrival -9:49am)**
Director Dawes – Present
- IV. Public Comment – None**
- V. AGENDA**

1. Discuss and Review Statement of 2016 Investment Policy

Staff reviewed its written report to Committee requesting approval of the annual District Statement of Investment Policy for 2016. The District had adopted the current investment policy in 2015. There is a requirement to establish, each year, the annual investment policy.

Staff is not recommending any changes to the 2016 Investment Policy. The District has initiated an investment portfolio in accordance with recent Board authorization. There will be quarterly reports submitted for Committee and Board review.

There were no questions by Committee Members.

There were no public comments.

Chair Dawes made a motion to recommend approval of the 2016 District Investment Policy as recommended by staff. Second by Director Buckman. Vote was unanimous.

2. Review and Discussion of District Debt Status Report—January 2016

Staff also reviewed the submitted written report for current District Debt Status and debt obligations. Staff also corrected prior information regarding the interest rate percentage for the USDA Certificate of Participation issue which was previously listed as a zero interest rate percentage (0%). Further research indicates that the USDA issue has a 4.375% interest rate charge over the 40 year term that equates to total interest payment of \$1,418,854.98 to the District. There are 33 years remaining for the loan.

Staff also presented draft strategy measures for Committee discussion. Committee reviewed and discussed means to reduce debt obligations or at a minimum reduce cash flow payments wherever possible. Staff noted that overall District debt is not unrealistic or out of line with debt ratios to revenues for a district of this size.

Committee members discussed strategy measures and asked Staff to bring back more information regarding potential refinancing of 2 debt issues, the USDA CoP and the State of California water improvement financing. Also staff directed to bring back additional information as a part of the debt reduction strategies presented.

Committee also stated its continued support for Board authorizing an early payoff of Ferrara fire vehicle final payment.

3. Discuss and Review of January 2016 Monthly Financial and Treasurer's Reports

Staff provided a written report to Committee for the January 2016 financial reports. Committee Members reviewed and discussed individual documents and financial information. Committee asked that Staff to delete the payroll expense report in future monthly reports. Information is available in Statement of Expenses detailed report.

Chair Dawes questioned when Fund 10 transfers would occur and be shown on monthly reports. Staff answered that transfers had been delay until the annual audit was ready; however, the transfers can be done now to show the expense accounting. Committee members agreed.

On the Statement of Revenues and Expenditures, the Committee requested that the detailed reports be continued for Committee and Board reviews. There were comments about the Capital projects summary reports that were answered by Staff.

There were questions about the Detail Report of Statement of Revenues and Expenses which were answered or staff asked to provide follow-up information.

Chair asked if there were any public questions. There was no public in attendance.

There were no further questions. Committee recommend approval by the Board of Directors for the January 2016 Monthly Financial Reports as presented. Chair Dawes

made a motion to recommend approval to Board. Second by Director Buckman. Voice vote was unanimous.

4. Review and Discuss a proposal to repair SLT Wellhouse roof due to damages.

Staff gave a written report regarding need for making roof repairs at this time. Unexpected damage had occurred at the Wellhouse requiring roof repairs. Staff reviewed a recommendation to forward a Committee recommendation for approval to Board of Directors.

Committee discussed the request and requested that the Utility Supervisor answer some questions regarding the anticipated repair work. Committee commented that additional bids be obtained for presentation to the Board along with photos of damage.

Chair Dawes also asked questions about the Mission Booster pump not being used consistently. Utility Supervisor answered the questions as needed for fire flow pressure requirements, originally. Now, it is not as necessary but should be retained in an operational condition.

Public Comment

There were no public comments.

Chair Dawes made a motion to make a recommendation to the Board to approve the repair work needed and to appropriate funding. Chair also modified motion to include securing at least 2 additional bids prior to presenting the request to the Board of Directors. Second by Director Buckman. Motion carried by a unanimous voice vote.

Committee's confirmation action can be considered at next meeting. Director Buckman agreed to table for this stated reason.

VI. COMMITTEE COMMENTS

Chair Dawes asked that staff revisit the cell phone expenses and evaluate data plans that might lower costs in the future budgets. There were no other comments or questions.

Chair adjourned meeting at 12:07 pm

Next meeting is tentatively scheduled for Wednesday, March 16, 2016 10am or as scheduled by Committee Chair.

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