

SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
OCTOBER 19, 2017 SPECIAL MEETING MINUTES

MEETING HELD AT DISTRICT OFFICES
1150 MISSION STREET
SAN MIGUEL, CA 93451

- I.** Meeting Called to Order by Vice President Reuck – 6:00. p.m.
- II.** Pledge of Allegiance lead by Vice President Reuck.
- III.** Roll Call: Directors Present: Buckman, Reuck and Parent.
Director Absent: Kalvans, Green
District Staff in attendance: Rob Roberson, Kelly Dodds, Tamara Parent,
Paola Freeman
District General Counsel Schweikert
- IV.** Adoption of Special Meeting Agenda:
Motion by Director Buckman to adopt Special Meeting Agenda as presented.
Seconded by Director Parent Motion was approved by vote of 3 AYES and 0 NOES 2
ABSENT.
- V. Public Comment and Communications (for items not on the agenda):**
No Public Comment
- VI. BOARD WORKSHOP:**
1. Discussion on district financials;
PowerPoint presentation on Restricted and Unrestricted District funds (PP on file)

Interim General Manager/Fire Chief Rob Roberson, informed the Board that this meeting was called because The Board of Directors has not seen any financials for a long time and this was due to previous management. This meeting is to establish a common ground between the Board and District staff, and update the Board on how the financials are being handled. This Meeting will have information regarding what is Restricted, Unrestricted funds and how the funds are identified correctly. Bookkeeper, Paola Freeman and Director of Utilities, Kelly Dodds presented a PowerPoint presentation and Discuss on Restricted and Unrestricted District funds.

Staff Comment: Director of Utilities Kelly Dodds explained the Fire Impact Fees/Public Facility Fees can only be used for Capital Projects, Public Facilities and Equipment. The District must report the use of these funds on a quarterly basis to the County of SLO. If the District doesn't show that the money is being spent correctly then the County can withhold the funds.

Board Comment: Director Parent asked about how Impact Fees are set and if it requires a Prop 218 to raise the Impact Fees.

District Counsel Schweikert, explained that it is not a Prop 218 requirement because it is not a utilities fee. The Board of Directors sets the fees by resolution or ordinance.

Public Comment: Laverne Buckman San Miguel Resident, asked about who specifically at the San Luis Obispo County collects these funds. Director of Utilities, Kelly Dodds explained that the Planning Department Collects the fees when the developer gets permits from them and the San Luis Obispo County Auditor/Controller office holds the funds and sends the check distribution to the district.

Mrs. Buckman also asked about Connection Fees and had a comment that these funds are restricted funds but in the past, they have been put into the general fund and would like to know if these funds should be put into a restricted fund account to keep track of them better. She would like to see a better check and balances system.

District Counsel Schweikert explained that Connection Fees are a Prop 218 process, and have requirement that need to be met before rates can be increased.

Discussion Ensued about how the fee is established.

Interim General Manager/Fire chief Rob Roberson, explained that he would like the help of the board by asking about these funds before approving any expenditures. Mr. Roberson updated the Board on how money is processed in the office, and how the District Staff have set up a process of having two different office staff check the deposit before and after the deposit goes to the bank.

Public Comment: Nannette Roe, San Miguel Resident asked about the Black Mountain Software fund numbers and percentages used in the District financials.

Discussion Ensued about Black Mountain Software fund numbers, property tax and revenue and capital reserve appropriations.

Public Comment: Laverne Buckman, voiced that she would like to see a difference in Operating Revenue and Budget Revenue. She would like to be able to see what the difference is in operating expenses each year, and not an incorporation with projects. Mrs. Buckman feels that the Operating and Restricted funds are an important piece to the finances of the District.

Director of Utilities Kelly Dodds, explained that this would not explain anything until the next year, but said it would be easy to fix in the reports and this has been done in the past. Interim General Manager/Fire chief Rob Roberson, explained that previous management went away from that and is one of the ways we have gotten into a problem trying to explain were these funds have been spent. He would like to make it easily identifiable in the future, but explains that we are working through it and waiting for Audit.

Bookkeeper Paola Freeman, explained that we have not transferred any moneys out of Pacific Premier Bank into any other District bank accounts. She updated the Board on what

District Bank Account the District currently has. She would also like clarification on why and what these accounts were set up for. Director of Utilities, Kelly Dodds explains that the money has not been transferred within the two District accounts at Pacific Primer Bank. Mrs. Freeman explained that when she transfers money from the Capital Reserves account, she gets an invoice it gets coded and she receives the Board Resolution for documentation and makes the transfer and has someone else in the office initial that the correct amount was transferred out of that account.

Board Comment: Director Parent asked if this was how things have been done in the past, and it was explained to him that “no”, one person in the office, typically the General Manager looked at these fund transfers and made the decision on how much to transfer and for where, then makes the transfer. Interim General Manager/Fire chief Rob Roberson that this process is not transparent and is not going to proceed.

Interim General Manager/Fire chief Rob Roberson, informs the Board that there will not be borrowing money from other funds like it has been done in the past and if it does happen that there will be a Resolution detailing how the money will be paid back to that funds.

Public Comment: Laverne Buckman San Miguel Resident, voiced that she feels that it is very important that the Board approves the financials monthly on each agenda but would like the Directors to ask more questions and take it more seriously.

Interim General Manager/Fire chief Rob Roberson, explains that it is the exactly the reason he has moved the approval of the District Monthly Financials, to the Action Item on the agenda. The staff wants and needs the Directors and Public to be involved and have a discussion to make this all work correctly.

Board Comment: Director Buckman reminded the Staff about the USDA Loan account and informed the staff that as soon as we see that the USDA Loan payment has been made we are to put the next payment into the account.

Director of Utilities, Kelly Dodds explains that the account they are referring to is an account for “just in case”, and the money just sits there, never moves and if we keep the payment that comes due into an account that the lender can take for payment twice a year we have no problems. The “just in case” account is just a backup account and part of the stipulations of the loan. There are two accounts, all in Pacific Premier Bank

Discussion ensued about the other District Bank accounts, and this issue will be coming back to the Board of Directors asking for direction on these accounts.

Director Buckman explained that he would like the Admin account to go away, and in the past this account has only caused problems. District Staff agreed.

Discussion ensued with Nannette Roe and Lavern Buckman about how to read the reports that are given to the Board of Directors each month.

VII. BOARD COMMENT:

Director Parent, Thanks staff for the information, and that the information was very helpful. He also, spoke about the Groundwater GSP meeting he attended, and feels it will be a productive group.

Director Buckman, asked about the accounts list for Black Mountain seeing that the Farrar Fire engine was still on report. It was explained to him that all the Account Codes will stay in Black Mountain Software even if it was only used once, due to reports that might be needed in the future or for reports.

Director Reuck explained that he will be moving and closing escrow very soon.

VIII. ADJOURNMENT: Director Reuck adjourned meeting **Time: 8:10 P.M.**