

**TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
BOARD MEETING**

Minutes of Meeting held June 12, 2013

Board Members Present: Walter Earle, Patty Oku, Hope Sturges, Sue Sims and Eric Knudsen
Board Members Absent: None

DRAFT

Also Present: Karl Drexel, Administrator

Donna Clavaud
Paul Duffey

Terry Duffey
Deborah Parrish

Nicole Vigeant

Board President Walter Earle called the meeting to order at 6:10 p.m.

Approval of Minutes:

The Chair asked for additions or corrections of the May 8, 2013 board meeting minutes. Being none:

Eric Knudsen made a motion to approve the minutes of the May 8, 2013 Regular Board Meeting. Motion seconded by Hope Sturges. M/S/U.

Financial Report:

A. **&B.** The Administrator submitted the financial reports and a list of payables for the months of May and June along with copies of the check registers for the month of May. The Administrator indicated there was one extraordinary expense for the month and that was for Fibar and Safety Mats for the play surfaces at the Park.

Patty Oku made a motion to accept bank statements, accept the financial reports, and approve expenditures for May and June. Seconded by Eric Knudsen. M/S/U.

C. Proposed Draft Budget for 2013 – 2014

The Administrator presented the Draft Budget for 2013-2014. He reported he included the changes requested by the Board at the Public Hearing, specifically line items for a rate study and efficiency audit, Board stipends and a bookkeeper. He noted the cost increased the expenses by \$18,000. Eric Knudsen indicated that he felt the ideas for the studies and the other additions were strong idea, but he felt like it was getting a little “spendy” and that it looked like “we are trying to create income that isn’t there.” The Administrator noted that the efficiency audit and rate study were earmarked for funding from Reserves. Eric also questioned if there was a payment from the Park loan budgeted. The Administrator indicated that he changed the proposed payment from \$4211 to \$5,000 because he did not feel the Park could afford a payment during the current fiscal year because of the unexpected cost of the Play surface and safety mats. Terry Duffey asked if the Park could pay off the sewer loan with Measure A funds. The Administrator noted that no expenses before Measure A was passed could be reimbursed by Measure A funds, but other income from fundraisers and donations can be used.

Paul Duffey questioned the reduction in charges to the SUSD and wondered where the savings came from. The Administrator directed him to the Draft Budget Summary spread sheet and showed the percentage of reduction by each line item. That spreadsheet, which was included in the budget packet showed a reduction in costs for Health Insurance Allowance, Office Expenses, Legal Fees, Equipment Expenses, Maintenance, Travel and Meetings and Telephone and Internet services.

Eric Knudsen made a motion to adopt the Income and Expense Budget for 2013 – 2014. The motion was seconded by Hope Sturges. M/S/U.

The Administrator submitted Resolution 13-02 maintaining the current sewer service fees and Resolution 13-03 maintaining the current hook-up fee and ad-valorem tax. These resolutions are required by the County to collect fees on the tax rolls.

Patty Oku made a motion to adopt Resolution 13-02 and Resolution 13-03. The motion was seconded by Eric Knudsen. M/S/U.

Phillips & Associates Report:

- A. The Administrator reported that one of the original 100 gpm irrigation guns was not working. Phillips was looking for costs to replace it, but it appears he may have been able to fix it. Sue Sims asked if he had an estimate for replacing the guns and an estimate of how long the fix might last. The Administrator said he did not know either of those answers but would try and find out. It was suggested that Steve attend the next meeting to discuss the costs of things that might need replacing and what items should be budgeted.

Committee Reports:

A. Newsletter Committee

The Board acknowledged Terry for another fine Newsletter and thanked Eric for picking them up and mailing them.

B. Fundraising Committee

Nothing to report on fundraising

C. Park Advisory Committee

- 1. There was no new information to report on the entrance gate.
- 2. Eric and Patty reported on Party in the Park. Eric noted that there were a lot of fun things for kids this year. H mentioned that Clover Stornetta donated 500 cups of ice cream we will be giving away. He also reported there were 18 booths this year. He noted that Nicole Vigeant had put the music program together and Patty was in charge of the live and silent auctions as well as the raffle and getting the beer and ice cream. Hope has the oyster booth together.

Patty reported that Beth had designed aprons for the TVCSD booth workers. She reported that there were currently three live auction items so far: an original oil painting by Kathryn LeMieux, the Victorian doll house by Barbara Taddei and day at the beach for 20 that Patty, Hope and Eric will put on. Donna Clavaud suggested her cottage might be available as an auction item. She and Patty will discuss it.

- 3. Nicole Vigeant related a big thank you from David for all of the help on the work day for the park. There were a total of 19 volunteers helping on Saturday and more volunteers on other days.

D. Financial Advisory Committee

- 1. Donna Clavaud presented the minutes of the May 13 Financial Advisory Committee regular meeting, which were also included in the Board packets. Those minutes included the Committee's follow-up with efficiency audit consultants who bid on the efficiency audit and requesting bids from some others. They discussed the need for getting the word out for the upcoming election. The minutes also included discussion about the proposed budget process and the upcoming public hearing. The proposed budget process was presented to the Board at the May meeting and it was determined it would be put on the July Board meeting agenda. They called a special meeting for May 20 to discuss the upcoming budget and submitted minutes of that meeting. The May 20th meeting developed some questions and recommendations for the budget that were presented at the public hearing on May 22 and are contained in those minutes.

Donna discussed the necessity of outreach for the election and talked to Jane Healy about finding a qualified school employee to run for the Board. Walter Also volunteered to work with the Administrator to post notices.

2. Donna also reported that she had put out additional RFPs to the consultants recommended by other districts on the CSDA list serv. She received two responses from BHI and Matrix. His proposal for an efficiency audit was for \$18,000. Matrix proposal was for a rate study and an efficiency audit for \$10,000 for each study for a total of \$20,000. She also explained that both companies could be negotiated with. Donna and Eric both thought BHI was exceptional for special districts, but too expensive. There was further discussion of all of the bidders and questions to ask going forward. Patty said she would like to be able to talk to a district that has had an efficiency audit done by these bidders to see what they got out of the audit, what they expected, if they saved any money, and maybe get copies of some that have been done. Especially any CSDs or other special districts. Donna agreed to continue to try to get references from them and report back.

Pending Business:

A. Grant Writing

1. Measure A Funding for Special Districts

The Administrator had nothing new to report. The County has not presented the Special District formulation to the Board of Supervisors.

2. Dean Witter Foundation Grant

The Administrator reported that the Dean Witter Foundation grant is waiting on matching funding.

3. Land and Water Conservation Grant

Nothing new to report on the LWCF grant.

B. Capital Improvement Projects

1. Nothing new to report

2. Nothing new to report.

C. Policy Manual

1. Walter Earle submitted a Draft Policy relating to Committees and their functions. He noted that he was still working on other policies, but he wanted to start with this because committees were so new to the District. He requested that members review it and bring back questions or changes. Sue Sims questioned the section about duties regarding reviewing monthly financial statements and expenditure details with staff and reporting to the Board. She said she felt this should be the responsibility of a bookkeeper or accountant rather than the FAC. Walter explained that he felt the FAC might see something the Board doesn't and have other concerns, but the description could be removed. Donna suggested the Finance Committee review it at their next meeting and report their input.

2. Sue Sims reported that she asked the Administrator to put on the agenda for a discussion by the Board new policies unilaterally publish by a Board member prior to discussion by the whole Board. It stemmed from the policy for speakers at the public hearing requiring speaker cards be filled out along with a formal format for questions and discussions that wasn't previously discussed by the Board. She said that it seemed like it was a policy being formed without the input of the rest of the Board. Hope said she felt that it seemed like a policy as well. Patty Oku explained that when it was determined that she was going to be the chair of the public hearing, she investigated ways to keep the public hearing moving smoothly from other districts and cities. The use of speakers' cards and the format for questions and discussion was a common way of running a public meeting, but it isn't something that has to be followed by any other meeting chair or any other meetings, so it isn't a policy. Walter explained that the chair of the meeting has the ability to run the meeting as they see fit, within any guidelines the District policy lays out, which the TVCSD does not have yet.

D. 2012 Audit

The Administrator submitted copies of the 2012 audit for Board review and approval. Paul Duffey noted that the Auditor used the term that a policy manual was "required by law", even

though there was discussion about there not being a law requiring a manual. The Administrator explained that the reference to there being a law was a misstatement. The law declares the Board of Directors is charged with developing policy and it makes sense to write it down somewhere, but there is not law per se requiring a specific policy manual. It was decided that the District will continue to pursue a policy manual even though there is no law requiring it.

Walter Earle asked who gets copies of the Audited Financial Statements. The Administrator reported that the SWRCB, the State Controller, the County Auditor and the bond company all get copies of the Audited Financial Statements. Terry Duffey questioned the Auditor's comment that rates should be increased 4-5% a year for the next several years. The Administrator reminded her that every other audit has that same recommendation because the District does not cover the expense of depreciation with rates. The District has a positive net income at the end of each year before depreciation is calculated. However, best accounting practices suggest depreciation should be expensed each year.

Eric Knudsen made a motion to accept the 20112 Audit. Sue Sims seconded the motion. M/S/U.

E. Median Household Income Survey

The Administrator noted that the Rural Community Assistance Corporation is a government funded non-profit organization that provides assistance to rural communities and they have offered to perform a Median Household Income survey to determine where the community ranks in relationship to the State average. The reason this is important is that the State and other grant funders are only offering funding to low income communities. He noted that he tried to get them to do this study last year, but they didn't have any money for it. This year they offered to do it. The Administrator submitted a copy of an introductory letter, and then they will submit the survey. If they don't get enough responses they will go door to door trying to get the information. They need a 72% return in order for it to be considered an official survey.

F. Complaints and Correspondence

None

New Business

A. SDRMA Elections

1. The Administrator submitted the ballot for SDRMA Board member election. He submitted a Resolution 13-04 electing up to four candidates.

Hope Sturges made a motion to adopt Resolution 13-4 selecting Muril Clift, Jean Bracy, Dennis Mayo, and David Aranda for the SDRMA Board of Directors. Seconded by Sue Sims. M/S/U.

B. LAFCO Call for Nominations

The Administrator submitted a request from LAFCO for nominations for the Alternate Special District member. The Board took no action.

Administrator's Report:

The Administrator submitted a written report of the month's activities.

Open Communication:

Walter Earle mentioned that Venta Leon had requested the use of the District's pop up canopies for Founders Day. The consensus of the Board was to loan them. Donna Clavaud suggested that a table be set up to outreach to the public for the election. Donna and Sue will set up and man a table with the Ticket sales.

Correspondence

There was no action taken on correspondence

Adjourned at 8:53 PM

Next Meeting: July 10, 2013 6:00 PM.



Approved

July 10, 2013

Date