

Surfside Colony Community Services District

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Minutes of the June 15th, 2015 General Meeting of the Board of Directors Surfside Office, B-89 6:30 p.m.

Directors Present: President V. John Kriss, Secretary Gayle Mueller Winnen, Director Paul Mesmer.

Directors Absent: Michael Farrell, Karen Johnson.

Staff Present: Chris Montana, Clerk.

Community Present: Don Karich, John Cahoon, and Gino Salegui of Surfside Colony Storm Water Protection District; Sandy Kriss of Surfside Colony Ltd.

President Kriss called the meeting to order at 6:33 p.m.

Community Input: No input from community. However, President Kriss reviewed correspondence sent by the Districts to Surfside Colony Ltd. (after District Board members received electronically and reviewed-see attached) summarizing laws that pertain to tax district expenditures. Items discussed were (1) Project expenditures funded by Districts must go out to bid, (2) Districts may only fund services/projects that Districts are authorized to provide, and (3) Contractors must register with the state for projects over \$1,000.

Minutes of the May 11th, 2015 General Meeting of the Board: After review of the Minutes of the May 11th, 2015 General Meeting of the Board, a motion was made by Director Mesmer to approve as presented. President Kriss seconded, and the motion was passed unanimously.

Current Bills: Clerk Montana presented check #'s 3388-3390 for signature in the amount of \$36,694.00 for June 2015 invoices. After discussion of the 3rd Quarter Reconciliation showing an overpayment of \$13,809, the Board unanimously agreed to withhold the June 2015 payment of \$32,244 to Surfside Colony Ltd. until the final fiscal year 2014-2015 Reconciliation has been prepared. President Kriss and Secretary Winnen signed other checks as submitted, and Clerk agreed to withhold Surfside Ltd. pending year-end reconciliation.

Fund Balance Report: Clerk Montana reported the fund balance as of June 15th, 2015 to be \$593,154, and reviewed the trial balance with the Board.

Surfside Colony, Ltd. 2015-2016 Proposal for Services/Request for Funds: President Kriss reviewed current cash balances and forecasts with the Board. Surfside Colony, Ltd. Board Member Sandy Kriss presented Surfside Colony Ltd.'s Annual 2015-2016 Proposal for Services/Request for Funds (see attached) for an annual amount of \$410,938 (\$34,245 monthly) listed by authorizing code section, as follows:

Parks and Recreation Expenses, Code 61100(e) - \$130,510

Security Expenses, Code 61100(j) - \$250,185

Street Maintenance Expenses, Code 61100(l) - \$17,043

Office Space Rent - \$13,200

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MOTION: After Board review and discussion, Director Mesmer moved to accept the Surfside Colony, Ltd.'s 2015-2016 Proposal in the annual amount of \$410,938 (\$34,245 monthly) as presented, with the condition that quarterly reconciliations of actual expenses incurred to proposed amounts billed would be prepared. If total actual expenses incurred by Surfside Colony, Ltd. at year-end are less than billed amounts, the District may withhold the difference from the June 2016 billing. Secretary Winnen seconded and the motion passed unanimously. Clerk Montana agreed to draft contract and correspondence to Surfside Colony, Ltd.

Surfside Colony, Ltd. 2015-2016 Capital Projects Proposal/Request for Funds: Sandy Kriss presented to the Board a request for Capital Projects which included the rollover of prior year unused funds and funding for 2015-2016 projects in the amount of \$38,500 as follows:

Slurry Seal A-Row at Sewer Replacement, Code 61100(l) - \$5,000

Recreation Park Replacement, Code 61100(e) - \$15,000 (\$14,400 rolled over from prior year + \$600)

Disaster Preparedness Supplies, Code 61100(j) - \$14,000

Anderson Fence Repair & Maintenance, Code 61100(j) - \$4,500

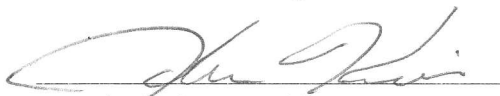
Also, a request was made to increase future capital reserves by \$39,601, in addition to previous capital reserves of \$40,000, in accordance with Surfside Colony, Ltd.'s Reserve Study. Clerk Montana explained that since the District's current Reserve Policy states that the Project Repairs/Improvements Reserve Fund is annually increased by any excess unappropriated funds at year-end, this Fund will automatically be budgeted to exceed the \$79,601 that Surfside Colony, Ltd. recommends reserving for.


MOTION: After Board review and discussion, Director Mesmer moved to accept Surfside Colony Ltd.'s Proposal to fund 2015-2016 Projects and Disaster Preparedness Supplies in the amount of \$38,500, and to ensure that a minimum of \$79,601 be set aside in the Project Repairs/Improvements Reserve Fund for future projects as presented in the Reserve Study. Secretary Winnen seconded and the motion passed unanimously.

Review, Discussion and Possible Adoption of 2nd Draft of 2015-2016 Preliminary Operating Budget: Clerk Montana distributed the 2nd draft of the 2015-2016 Preliminary Operating Budget for the Board's review. After review and discussion, a motion was made and carried as follows:

MOTION: Secretary Winnen moved to adopt the 2015-2016 Preliminary Operating Budget in the amount of \$612,767, with the understanding that amounts may change in the preparation of the final 2015-2016 budget submitted to the County of Orange, as final taxes and fees are allocated. Director Mesmer seconded and the motion was passed unanimously.

Adjournment: There being no further business to be brought before the Board, Director Mesmer moved to adjourn the meeting at 7:44 p.m.; Secretary Winnen seconded, next month's meeting was set for July 20, 2015, and the motion was passed unanimously.


V. John Kriss, President


Gayle Mueller Winnen, Secretary