

Surfside Colony Community Services District

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Minutes of the June 18th, 2018 General Meeting of the Board of Directors Surfside Office, B-89 6:30 p.m.

Directors Present: President Paul Mesmer, V. John Kriss, and Rudy Lalonde
Directors Absent: Secretary Winnen, Karen Johnson
Staff Present: Clerk Chris Montana, Tony Thrasher of Willdan Financial (Assessor)
Community Present: Steve Rowe, Linda Garofalo and Henry Viets of Surfside Colony
Storm Water Protection District

President Mesmer led all present in the Pledge of Allegiance and called the meeting to order at 6:30 p.m.

Community Input: None.

2018-19 User Fee Assessment: a) Assessor's Presentation – Willdan Financial Services representative Tony Thrasher presented the Surfside Colony Community Services District Fiscal Year 2018-19 Preliminary Assessment Roll to the Board of Directors for their review, discussion and possible approval in the amount of \$40,960.00, same as last year. It was also reported that the Notice of Filing Report had been both published and posted in accordance with Government Code Section 61115.

b) Public Protests and Input – none.

c) Approval of User Fee Assessment – After Board discussion with Assessor, a motion was made to adopt Resolution No. 2018-01 as follows:

MOTION: Director Kriss moved to adopt Resolution No. 2018-01 (attached), to resolve that 1) User Fees are \$80.00 for two undeveloped lots and \$160.00 for 255 developed lots, for a total assessment of \$40,960.00 for 257 lots, and 2) to direct the Orange County Auditor-Controller to add the 2018-19 Assessment to the Tax Roll, with any necessary minor adjustments. Director Lalonde seconded, and the motion passed unanimously.

Review and Possible Approval of the May 21st 2018 General Board Meeting Minutes: After the Board reviewed the May 21st, 2018 General Board Meeting Minutes, President Mesmer moved for approval as presented. Director Kriss seconded; the motion passed unanimously.

Current Bills: Clerk Montana presented check #'s 3525-31 in the amount of \$53,516.65 for payment of June 2018 invoices for administration expenses and Project Costs for review and signature. Checks were signed as submitted. As in the past, the Board agreed to withhold the June 2018 Monthly Security and Maintenance contract payment until the 4th quarter reconciliation of actual expenses to contract payments has been prepared and the final amount due can be determined per the contract.

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Fund Balance and Clerk's Report: Clerk Montana reported the fund balance as of June 18th, 2018 to be \$913,569 and reviewed the trial balance with the Board. The Clerk also reviewed the monthly Surfside Colony project report with the Board.

Surfside Colony, Ltd. 2018-19 Annual Security and Maintenance Contract: The Clerk presented Surfside Colony, Ltd.'s 2018-19 Proposal for Services/Request for Funds dated May 20, 2018 for an annual amount of \$453,636 and conveyed the additional request of \$4,500 to be added for landscaping. The total revised request in the amount of \$458,136 is listed by authorizing code section, as follows:

Parks and Recreation Expenses, Code 61100(e) - \$136,912
Security Expenses, Code 61100(j) - \$291,652
Street Maintenance Expenses, Code 61100(l) - \$16,372
Office Space Rent - \$13,200

MOTION: After Board review and discussion, Director Kriss moved to accept the Surfside Colony, Ltd.'s proposed 2018-19 Annual Security and Maintenance Contract in the amount of \$458,136 (\$38,178 monthly) as presented, with the understanding that quarterly reconciliations of actual expenses incurred to contract amounts will be prepared, with amounts paid in excess of actual expenses incurred by Surfside Colony, Ltd. to be credited against the final June 2019 billing. Director Lalonde seconded and the motion passed unanimously. Clerk Montana agreed to draft correspondence and contract with Surfside Colony, Ltd.

Surfside Colony, Ltd. 2018-19 Capital Projects Proposal/Request for Funds: The Clerk presented Surfside Colony Ltd.'s request for Capital Projects dated May 21, 2018 which included the rollover of prior year unused funds and funding for 2018-19 projects in the amount of \$231,264 as follows:

Street Slurry and Asphalt Maintenance, Code 61100(l) - \$16,000 (rolled over from prior year)
Playground Equipment, Code 61100(e) - \$60,000 (rolled over from prior year)
Tractor Purchase, Code 61100(e) & (l) - \$45,000 (current year request)
Trailer Purchase, Code 61100(e) & (l) - \$3,000 (current year request)
Trash Compactor, Code 61100(e) - \$33,000 (current year request)
Security Cameras, Code 61100(j) - \$25,000 (current year request)
Front Gates, Code 61100(j) - \$30,000 (current year request)
Security Computer Software, Code 61100(j) - \$19,264 (current year request)

Also, a request was made to place funds in reserve for projects identified in Reserve Study from 2018-2027 in the amount of \$183,476. Clerk Montana stated that the District's current amount of Project Repairs/Improvements Reserve currently covered this amount.

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MOTION: After review and discussion, Director Kriss moved to accept Surfside Colony Ltd.'s 2018-19 Fund Request for the above Capital Projects, with the exception of the security gate, for the reasons outlined in the Board's February 2018 meeting minutes. Total Projects approved were \$201,264 with the requirement that three bids are obtained for the tractor purchase. Director Lalonde seconded and the motion passed unanimously.

Review, Discussion and Possible Adoption of the 2018-19 Preliminary Operating Budget, Reserve and Investment Policies: Clerk Montana distributed the 2018-19 Preliminary Operating Budget to the Board and discussed current Reserve and Investment Policies. After deliberation, a motion was made and carried as follows:

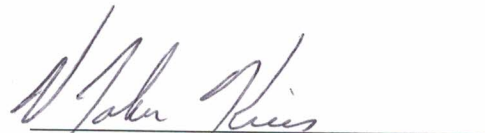
MOTION: Secretary Winnen moved to adopt the 2018-19 Preliminary Operating Budget in the amount of \$1,053,260, with the above changes incorporated and the understanding that amounts may change in the preparation of the final 2018-19 budget submitted to the County of Orange, as final taxes and fees are allocated. No changes were made to the Reserve and Investment policies. Director Lalonde seconded and the motion was passed unanimously.

Board Member Items and New Business: President Mesmer distributed draft public outreach brochures for the Board's review, to better inform the public of the District's responsibilities and accomplishments. Linda Garofalo of Storm Water Protection District commented on the negative structural effects that the trash trucks may be causing when they speed over the Colony's speed bumps.

Adjournment: There being no further business to be brought before the Board, Director Lalonde moved to adjourn the meeting at 7:34 p.m. and to schedule next month's meeting for Monday, July 23rd, 2018. Director Kriss seconded, and the meeting was unanimously adjourned.



Paul Mesmer, President



V.J. Kriss, Director