

Surfside Colony Community Services District

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**Minutes of the June 10th, 2019
General Meeting of the Board of Directors
Surfside Office, B-89
6:30 p.m.**

Directors Present: President Paul Mesmer, Secretary Gayle Winnen, and Tara Amundson

Directors Absent: Rudy Lalonde, Karen Johnson

Staff Present: Clerk Chris Montana

Community: Henry Viets, Steve Rowe, Linda Garofalo and Steve Rowe of Surfside Colony Storm Water Protection District; Saundra Jacobs and Jim Leach of Santa Margarita Water District; Jim Fisler and Stacy Taylor of Mesa Water District; Chris Palmer of CSDA

President Mesmer led all in the Pledge of Allegiance and called the meeting to order at 6:34 p.m.

Community Input: Saundra Jacobs of Santa Margarita Water District and Jim Fisler of Mesa Water District individually introduced themselves, summarized their qualifications, and requested the Board's vote to elect them as the regular, voting, special-district member of LAFCO. Chris Palmer of CSDA reviewed the benefits provided to the district as a member of the association.

Review and Possible Approval of the May 13th, 2019 General Board Meeting Minutes: After the Board reviewed the May 13th, 2019 General Board Meeting Minutes, Director Amundson moved for approval as presented. President Mesmer seconded, and the motion passed unanimously.

Current Bills: Clerk Montana presented check #'s 3573-3577 in the amount of \$36,321.34, consisting of \$33,793.34 for Project Cost Reimbursement requests and \$2,528.00 for administrative expenses, for review and signature. The June 2019 invoice for the Security and Maintenance Contract would not be presented until after the 2018-19 year-end reconciliation was completed in July. After review and discussion, the following motion was made and carried:

MOTION: Director Amundson moved to pay project cost reimbursement invoices only in the amounts that the District had previously agreed to fund, with the exception of the pass-through lift rental expense, for a total of \$27,679.74, and administrative expenses of \$2,528, for a total of \$30,207.74. Secretary Winnen seconded and checks were signed as amended.

Fund Balance and Clerk's Report: Clerk Montana reported the pro-forma June 30, 2019 fund balance to be \$1,053,722, and reviewed the trial balance with the Board.

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Review and Discussion of Surfside Colony Ltd.'s 2019-20 Re-submitted Security and Maintenance Contract Proposal: Clerk Montana presented Surfside Colony, Ltd.'s Re-submitted 2019-20 Proposal for Security and Maintenance Services/Request for Funds dated May 18, 2019 for an annual amount of \$481,382, listed by authorizing code section, as follows (see attached):

Parks and Recreation Expenses, Code 61100(e) - \$136,582
Security Expenses, Code 61100(j) - \$311,906
Street Maintenance Expenses, Code 61100(l) - \$19,694
Office Space Rent - \$13,200

The Clerk also presented a prior-year comparative cost analysis of the amounts above (see attached). After review and discussion, the following motion was made and carried as follows:

MOTION: President Mesmer moved to accept Surfside Colony Ltd.'s 2019-20 Annual Security and Maintenance Proposal in the amount of \$481,382 (\$40,115 monthly) as presented, with the understanding that quarterly reconciliations of actual expenses incurred to contract amounts will be prepared and any amounts paid in excess of actual corresponding expenses incurred by Surfside Colony Ltd. will be credited against the final June 2020 billing. Director Amundson seconded and the motion passed unanimously. Clerk Montana agreed to draft correspondence and the annual contract.

Surfside Colony, Ltd. 2019-20 Capital Projects Proposal/Request for Funds: The Clerk presented Surfside Colony Ltd.'s request for Capital Projects dated May 21, 2019 in the amount of \$645,100 as follows, consisting of \$76,000 rolled over from prior year and \$569,100 in new requests.

Street Slurry & Asphalt Maintenance, Code 61100(l) - \$16,000 (rolled over from prior year)
Playground Equipment, Code 61100(e) - \$100,000 (\$60,000 rolled over from prior year)
Maintenance Yard Gate, Code 61100(l) - \$15,000 (current year new request)
C Row Street Replacement, Code 61100(l) - \$120,000 (current year new request)
A Row Street Replacement, Code 61100(l) - \$120,000 (current year new request)
Security Cameras, Code 61100(j) - \$68,000 (current year new request)
Wi-fi System, Code 61100 (j) - \$20,000 (current year new request)
Front Gates, Code 61100(j) - \$30,000 (current year re-request)
Tractor Claw, Code 61100(e) - \$15,000 (current year new request)
Navy Parking Lot Expansion, Code 61100(l) - \$80,000 (current year new request)
Street Cleaner System, Code 61100(l) - \$32,000 (current year new request)
Street Scrubber, Code 61100(l) - \$12,500 (current year new request)
Security Consultant, Code 61100(j) - \$10,000 (current year new request)
Security Gate Transponder Readers, Code 61100(j) - \$6,600 (current year new request)

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After review and discussion, a motion was made and carried as follows:

MOTION: Secretary Winnen moved to set aside funding for the above projects with the exception of the Navy Parking Lot Expansion (\$80,000) and the Playground Equipment (\$100,000), until a more definitive starting date and plan is established. In addition, the Board agreed that the portion of the Street Cleaner that was allocated to Storm Water (\$20,000) should be funded by Community Services. Total 2019-20 Project Funding, with the above changes being made, totaled \$485,100. In addition, while the Board agreed to set aside funding for the above projects, actual payment for each individual project is to be made only after the procedures per the District's Capital Improvement Project Approval Policy are complied with.

The Board also expressed that they would like for the security consultant (approved above) to report on the Front Gates Project before approval.

Also, a request was made to place funds in reserve for projects identified in the 2019-2029 Reserve Study in the amount of \$458,181. It was determined that after the above changes, the Project Repairs/Improvements Reserve would adequately cover this amount.

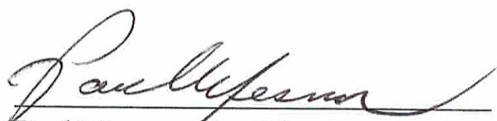
Review, Discussion and Possible Adoption of the 2019-20 Preliminary Operating Budget, Reserves and Investment Policies: Clerk Montana presented the 2019-20 Preliminary Operating Budget, in the revised amount of \$1,117,457 after the above changes to project funding were made, and with the understanding that amounts may change in the preparation of the Final 2019-20 County of Orange budget once the year-end books are closed. After review and discussion, the following motion was made and carried:


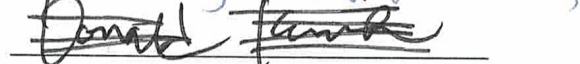
MOTION: Secretary Winnen moved adopt the 2019-20 Preliminary Operating Budget in the amount of \$1,117,457. No changes were made to the Reserve or Investment Policies. Director Amundson seconded, and the motion passed unanimously.

Review, Discussion and Possible Approval of Purchase of Street Cleaner and Sweeper: After review and discussion, the board unanimously agreed to table approval of payment until more clarification and discussion took place with the board members of Surfside Colony, Ltd.

Board Member Items: None

Adjournment: There being no further business to be brought before the Board, Secretary Winnen moved to adjourn the meeting at 8:35 p.m., and to schedule the next Board meeting for Monday, July 8th, 2019. Director Amundson seconded, and the meeting was unanimously adjourned.


Paul Mesmer, President



Gayle Winnen, Secretary
