

Surfside Colony Community Services District

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Minutes of the June 28th, 2021 General Meeting of the Board of Directors Surfside Office – B89 - 6:30 p.m.

Directors Present: President Paul Mesmer, Secretary Gayle Winnen, Tara Amundson, and Karen Johnson
Directors Absent: Rudy Lalonde.
Staff Present: Clerk Chris Montana, Assessor Tony Thrasher of Willdan Financial Services.
Community: John Kriss, Dave Chamberlain, Henry Viets, Don Karich, and Linda Garofalo of Surfside Colony Storm Water Protection District; Sandy Kriss and K.C. Coultrup of Surfside Colony, Ltd.

President Mesmer called the meeting to order at 6:30 and led all in the pledge of allegiance.

Community Input: - None.

2021-22 User Fee Assessment:

(a) Assessor's Presentation of the 2021-22 User Fee Assessment Roll: Tony Thrasher of Willdan Financial Services presented the Surfside Colony Community Services District Fiscal Year 2021-22 Preliminary Assessment Roll to the Board of Directors for review and discussion, in the amount of \$40,960.00. The Assessor reported that the Notice of Filing Report had been published in accordance with Code Section 61115 and that the residential user fees for security and maintenance remained unchanged at \$160 for developed lots and \$80 for undeveloped lots.

(b) Board Hearing of Public Input and Protests: No written or oral protests were received.

(c) Review, Discussion, and Possible Approval of User Fee Assessment: After Board members reviewed and discussed the FY 2021-22 Preliminary Assessment Roll, a motion to adopt Resolution 2021-01 was made and carried as follows:

MOTION: Secretary Mueller-Winnen moved to adopt Resolution No. 2021-01 (attached) to resolve 1) that User Fees are \$80.00 for two undeveloped lots and \$160.00 for 255 developed lots, for a total 2021-22 assessment of \$40,960.00 (same as last year), and 2) to direct the Orange County Auditor-Controller to add the 2021-22 Assessment to the Tax Roll. Director Johnson seconded and the motion passed unanimously.

Review and Possible Approval of the May 24th, 2021 General Board Meeting Minutes: After Board members reviewed the May 24th, 2021 General Board Meeting Minutes, Secretary Mueller-Winnen moved for approval as corrected, Director Amundson seconded, and the motion passed unanimously.

Surfside Colony, Ltd. Project Updates: K.C. Coultrup, project manager, reported that Section 4 of the Street Replacement project had been completed, and that residents were happy. Clerk Montana distributed the project template to close out the project. K.C. Coultrup reported that the Street Replacement Project for Sections 5 & 6 would go out to bid soon, and contracts were expected to be presented for approval at the District's August meeting.

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Current Bills: Clerk Montana distributed the first draft of the 4th quarter reconciliation of 2020-21 Surfside Colony Ltd. Security and Maintenance Contract Reconciliation for review. The majority of the District's \$11,451 underpayment was due to Surfside Colony Ltd.'s Repairs and Maintenance expense overage. Sandy Kriss stated that repairs and maintenance entirely attributable to Surfside Colony, Ltd. would be backed out for the final reconciliation. Since the District's total annual contract payments were still expected to be under total expenses incurred by Surfside Colony Ltd. in fulfilling the contract, the Board unanimously agreed to pay the June billing in full, with the understanding that any overpayment would be credited next month. Clerk Montana presented check #'s 3675-3680 for a total amount of \$209,230.48, consisting of \$41,996.00 for the monthly Security and Maintenance billing, \$162,967.04 for Project Costs, and \$4,267.44 for general administrative expenses. After review, checks were approved and signed as presented.

Clerk's Report, Fund Balance and Review of Trial Balance: Clerk Montana reported the fund balance as of June 28th, 2021 to be \$605,122, and reviewed the trial balance with the Board.

Review, Discussion, and Possible Approval of Surfside Colony, Ltd.'s 2021-22 Proposal for Security and Maintenance Services: Sandy Kriss of Surfside Colony, Ltd. re-presented the 2021-22 Proposal for Security and Maintenance Services dated May 18, 2021 for review and discussion (see attached), for an annual amount of \$538,851 (\$44,904 monthly), as follows:

Parks and Recreation Expenses, Code 61100(e) - \$149,541
Security Expenses, Code 61100(j) - \$332,094
Street Maintenance Expenses, Code 61100(l) - \$44,016
Office Space Rent - \$13,200

After review and discussion between District Board members and Surfside Colony Ltd. representatives K.C. Coultrup and Sandy Kriss, a motion was made and carried as follows:

MOTION: Director Amundson moved to accept Surfside Colony Ltd.'s 2021-22 Annual Security and Maintenance Proposal in the amount of \$538,851 (\$44,904 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 2022 billing. Director Johnson seconded and the motion passed unanimously. Clerk Montana agreed to draft correspondence and the annual contract.

Review, Discussion, and Possible Agreement to Set Aside Funds for Revised Surfside Colony, Ltd. 2021-22 Capital Projects Proposal: K.C. Coultrup of Surfside Colony, Ltd. presented the 2021-22 Revised Request for Project Funding dated June 25th, 2021 (see attached) in the amount of \$545,787 as follows:

A & B Row Street Section 5 - \$291,942
A & B Row Street Section 6 - \$253,845

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After review and discussion of the above request for project funding, in conjunction with 2021-22 projected revenues and reserves, a motion was made and carried as follows:

MOTION: Director Johnson moved to set aside funding for the above projects in the amount of \$545,787 with the actual approval and subsequent payment for each project to be made after the procedures per the District's Capital Improvement Project Approval Policy are complied with. Secretary Winnen seconded and the motion passed unanimously.

Review, Discussion and Possible Adoption of the 2021-22 Preliminary Operating Budget, Reserve and Investment Policies: Clerk Montana presented the 2021-22 Preliminary Budget, in the amount of \$1,142,088 with the understanding that amounts may change in the preparation of the Final 2021-22 County of Orange budget once the year-end books are closed. After review and discussion, the following motion was made:


MOTION: Secretary Mueller-Winnen moved adopt the 2021-22 Preliminary Operating Budget in the amount of \$1,142,088 (attached) and to amend the Reserve Policy accordingly. The Investment Policy did not change. Director Johnson seconded, and the motion passed unanimously.

Clerk Montana distributed a CSDA Board of Directors Election Ballot for Seat A – Southern Network and a nomination letter for Jo MacKenzie, the incumbent. Clerk Montana stated that none of the other candidates had contacted the District at this time, and a motion was made and carried as follows:

MOTION: Secretary Mueller-Winnen moved to vote for Jo MacKenzie for Seat A – Southern Network of the CSDA Board of Directors, and to authorize Clerk Montana to cast the vote electronically. Director Johnson seconded, and the motion passed unanimously.

Board Member Items and New Business: None.

Adjournment: There being no further business to be brought before the Board, Secretary Mueller-Winnen moved to adjourn the meeting at 7:18 p.m. and to schedule the next two Board meetings for July 19th and August 16th. Director Johnson seconded and the meeting was unanimously adjourned.


Paul Mesmer, President


Gayle Mueller-Winnen, Secretary