

Surfside Colony Community Services District

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Minutes of the June 20th, 2016 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, Michael Farrell, Paul Mesmer and Karen Johnson.

Directors Absent: None.

Staff Present: Clerk Chris Montana.

Community Present: Don Karich, John Cahoon and Steve Rowe of Surfside Colony Storm Water Protection.

President Kriss called the meeting to order at 6:30 p.m.

Community Input: None.

Review and Possible Approval of the May 16th, 2016 General Board Meeting Minutes: After the Board reviewed the May 16th, 2016 General Board Meeting Minutes, Director Mesmer moved for approval as presented. Secretary Winnen seconded, and the motion passed unanimously.

Current Bills: Clerk Montana presented check #'s 3424-3425 for signature in the amount of \$1,237.00 for June 2016 invoices, which excluded the June 2016 payment to Surfside Colony Ltd. pending the year-end reconciliation. President Kriss and Secretary Winnen signed checks as submitted.

Fund Balance and Clerk's Report: Clerk Montana reported the fund balance as of June 20th, 2016 to be \$703,577, and reviewed the trial balance with the Board.

a) Surfside Colony, Ltd. 2016-2017 Annual Security and Maintenance Contract: The Clerk presented Surfside Colony, Ltd.'s Annual 2016-2017 Proposal for Services/Request for Funds dated May 23, 2016 for an annual amount of \$414,877 (\$34,573 monthly) listed by authorizing code section, as follows:

Parks and Recreation Expenses, Code 61100(e) - \$134,813

Security Expenses, Code 61100(j) - \$249,781

Street Maintenance Expenses, Code 61100(l) - \$17,083

Office Space Rent - \$13,200

MOTION: After Board review and discussion, President Kriss moved to accept the Surfside Colony, Ltd.'s proposed 2016-2017 Annual Security and Maintenance Contract in the amount of \$414,877 (\$34,573 monthly) as presented, with the condition that quarterly reconciliations of actual expenses incurred to contract amounts would be prepared, and 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 2017 billing. Secretary Winnen seconded and the motion passed unanimously. Clerk Montana agreed to draft contract and correspondence to Surfside Colony, Ltd.

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Surfside Colony, Ltd. 2016-2017 Capital Projects Proposal/Request for Funds: The Clerk presented Surfside Colony Ltd.'s request for Capital Projects dated May 18, 2016 which included the rollover of prior year unused funds and funding for 2016-2017 projects in the amount of \$174,880 as follows:

Recreation Park Replacement, Code 61100(e) - \$18,000 (\$15,000 rolled over from prior year + \$3,000)

A-Row Slurry Seal and Asphalt Maintenance, Code 61100(l) - \$16,000 (\$5,000 from prior year + \$11,000)

C-Row Landscaping, Code 61100(e) - \$12,500

C-Row Pacific Ave. Down Lighting, Code 61100(g) - \$20,000

C-Row Pacific Ave Street Repair and Maintenance, Code 61100(l) - \$75,000

Fiber Optic Connection between Office and Maint. Bldg, Code 61100(j) - \$24,880

Front Exit Gate, Code 61100(j) - \$8,500

Also, a request was made to place funds in reserve for projects identified in Reserve Study from 2016-2025 in the amount of \$112,499. 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 this request.

MOTION: After Board review and discussion, President Kriss moved to accept Surfside Colony Ltd.'s 2016-2017 Fund Request for the above Capital Projects in the amount of \$174,880, and to ensure that a minimum of \$112,499 be set aside in the Project Repairs/Improvements Reserve Fund for future projects as presented in the Reserve Study. Director Johnson seconded and the motion passed unanimously.

b) Establishment of 2016-2017 User Fees: After review and discussion, a motion was made and carried as follows:

MOTION: Secretary Winnen moved to establish 2016-2017 User Fees at \$160 for developed lots and \$80 for undeveloped lots. No increase from prior years was to be made. Director Mesmer seconded and the motion passed unanimously.

Review, Discussion and Possible Adoption of the 2016-2017 Preliminary Operating Budget: Clerk Montana distributed the 2016-2017 Preliminary Operating Budget to the Board. After review and discussion, a motion was made and carried as follows:

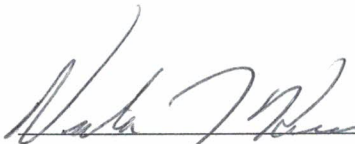
MOTION: President Kriss moved to adopt the 2016-2017 Preliminary Operating Budget in the amount of \$641,302, with the understanding that amounts may change in the preparation of the final 2016-2017 budget submitted to the County of Orange, as final taxes and fees are allocated. Secretary Winnen seconded and the motion was passed unanimously.


Discussion Regarding Board Member Expiring Terms and Upcoming Election: Clerk Montana reported that the following Board members were up for re-election: Mike Farrell. Director Farrell reported that he did not intend to run for re-election. The Clerk agreed to post a Notice of Upcoming Election.

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Board Member Items: None.

Adjournment: There being no further business to be brought before the Board, Secretary Winnen moved to adjourn the meeting at 7:26 p.m., and to set the next meeting date for July 18, 2016. Director Farrell seconded, and the meeting was unanimously adjourned.


V. John Kriss, President


~~Gayle Winnen, Secretary~~
Paul Mesmer