

Surfside Colony Community Services District

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Minutes of the May 24th, 2017 General Meeting of the Board of Directors Surfside Office, B-89 6:30 p.m.

Directors Present: President Paul Mesmer, Secretary Gayle Winnen, V. John Kriss, and Rudy Lalonde

Directors Absent: Karen Johnson.

Staff Present: Clerk Chris Montana

Community Present: Henry Viets and Steve Rowe of Surfside Colony Storm Water Protection District; Sandy Kriss of Surfside Colony Ltd.

President Mesmer led all present in the Pledge of Allegiance and called the meeting to order at 6:35 p.m.

Community Input: None.

Review and Possible Approval of the May 1st, 2017 General Board Meeting Minutes: After the Board reviewed the May 1st, 2017 General Meeting Minutes, Secretary Winnen moved for approval as presented. Director Kriss seconded, and the motion passed unanimously.

Current Bills: Clerk Montana presented check #'s 3470-3475 for signature in the amount of \$143,313.77 for May 2017 invoices for expenses and project costs. Discussion ensued regarding whether permits were pulled for the street repair project. Sandy Kriss, Board member of Surfside Colony, Ltd., confirmed with project manager K.C. Coultrup that the City of Seal Beach did not require a permit for street repair work. Checks were signed as submitted.

Fund Balance and Clerk's Report: Clerk Montana reported the fund balance as of May 24th, 2017 to be \$932,130, and reviewed the trial balance with the Board.

Surfside Colony, Ltd. 3rd Quarter 2016-2017 Reconciliation: After review and discussion, a motion was made and passed as follows:

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MOTION: Director Kriss moved to accept the 3rd Quarter Reconciliation as prepared. Director Lalonde seconded and the motion passed unanimously.

Surfside Colony, Ltd. 2017-2018 Annual Security and Maintenance Contract: The Clerk presented Surfside Colony, Ltd.'s Annual 2017-2018 Proposal for Services/Request for Funds dated May 16, 2017 for an annual amount of \$436,540 (\$36,378 monthly) listed by authorizing code section, as follows:

Parks and Recreation Expenses, Code 61100(e) - \$137,662
Security Expenses, Code 61100(j) - \$268,724
Street Maintenance Expenses, Code 61100(l) - \$16,594
Office Space Rent - \$13,200

MOTION: After Board review and discussion, Director Lalonde moved to accept the Surfside Colony, Ltd.'s proposed 2017-2018 Annual Security and Maintenance Contract in the amount of \$436,540 (\$36,378 monthly) as presented, with the understanding that quarterly reconciliations of actual expenses incurred to contract amounts paid would continued to be prepared, with amounts paid in excess of actual expenses incurred by Surfside Colony, Ltd. to be credited against the final June 2018 billing. Secretary Winnen seconded and the motion passed unanimously. Clerk Montana agreed to draft contract with Surfside Colony, Ltd.

Surfside Colony, Ltd. 2017-2018 Capital Projects Proposal/Request for Funds: The Clerk presented Surfside Colony Ltd.'s request for Capital Projects dated May 18, 2017 which included the rollover of prior year unused funds and funding for 2017-2018 projects in the amount of \$209,575 as follows:

Recreation Park Replacement, Code 61100(e) - \$29,550 (rolled over from prior year)
Street Slurry and Asphalt Maintenance, Code 61100(l) - \$16,000 (rolled over from prior year)
Recreation Park Piling Replacement, Code 61100(e) - \$61,025 (rolled over from prior year)
Playground Equipment, Code 61100(e) - \$60,000 (rolled over from prior year)
C-Row Street Repair, Code 61100(l) - \$43,000 (current year additional request)

Also, a request was made to place funds in reserve for projects identified in Reserve Study from 2017-2026 in the amount of \$169,423. Clerk Montana stated that the District's current amount of Project Repairs/Improvements Reserve currently covered this amount.

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MOTION: After Board review and discussion, Director Lalonde moved to accept Surfside Colony Ltd.'s 2017-2018 Fund Request for the above Capital Projects in the amount of \$209,575, and to ensure that a minimum of \$169,423 be set aside in the Project Repairs/Improvements Reserve Fund for future projects as required per their Reserve Study. Secretary Winnen seconded and the motion passed unanimously.

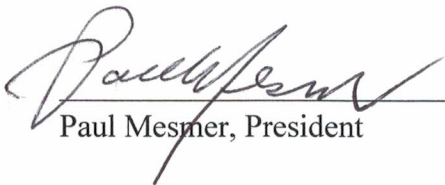
Review, Discussion and Possible Adoption of the 2017-2018 Preliminary Operating Budget, Reserve and Investment Policies: Clerk Montana distributed the 2017-2018 Preliminary Operating Budget to the Board and discussed current Reserve and Investment Policies. After review and discussion, a motion was made and carried as follows:

MOTION: Secretary Winnen moved to adopt the 2017-2018 Preliminary Operating Budget in the amount of \$863,916, with the understanding that amounts may change in the preparation of the final 2017-2018 budget submitted to the County of Orange, as final taxes and fees are allocated. Secretary Winnen seconded and the motion was passed unanimously.

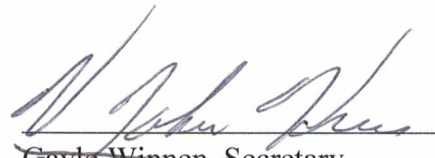
Establishment of 2017-2018 User Fees: After review and discussion, a motion was made and carried as follows:

MOTION: Secretary Winnen moved to establish 2017-2018 User Fees at \$160 for developed lots and \$80 for undeveloped lots. No increase from prior years was to be made. Director Lalonde seconded and the motion passed unanimously.

Adjournment: There being no further business to be brought before the Board, Secretary Winnen moved to adjourn the meeting at 7:35 p.m. and to set the next meeting date for Monday, June 19, 2017. Director Lalonde seconded, and the meeting was unanimously adjourned.



Paul Mesmer, President



Gayle Winnen, Secretary
V. John Kriss