



**Los Olivos Community Services District
Board of Directors Meeting**

**July 19, 2018, 6:00 p.m.
Los Olivos School, Room 602
2540 Alamo Pintado Avenue, Los Olivos, CA 93441**

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF June 21, 2018 MEETING MINUTES and June 26, 2018 SPECIAL MEETING

5. DIRECTOR COMMENTS:

Directors will give reports on any meetings that they attended on behalf of the District and/or choose to comment on various District activities.

6. PUBLIC COMMENTS:

Members of the public may address the Board on any items of interest within the subject matter and jurisdiction of the Board but not on the agenda today (Government Code - 54954.3). Speakers are limited to 3 minutes and are asked to fill out a speaker slip.

7. REPORTS

A. Ad Hoc Subcommittee Updates

1. Retaining Legal Counsel - Directors Kennedy & Palmer
2. Retaining a General Manager - Director O'Neill
3. Securing District Insurance - Directors Arme & Palmer
4. 2018-19 Budget & Financing - Director Kennedy

8. BUSINESS ITEMS

- A. Agreement to Provide Financial and Accounting Services – Consideration of approval of contract with County of Santa Barbara for provision of financial and accounting services. Consideration of authorizing Board President to designate a Director as liaison to Auditor-Controller's office to facilitate communications between County and District, if applicable.
- B. Adopt Fiscal Year 2018-19 Budget – See documents included with Board Packet.
- C. Resolution 2018-02 - Agreement to Place Direct Charges on the 2018-19 Secured Tax Bills Based on budget adopted, the resulting per parcel tax will be submitted to the County and tax will appear on the 2018-19 Property Tax bill for property owners within the district boundaries.
- D. General Manager Services Agreement – Review and take action on proposed interim general manager agreement for management services provided by MNS Engineers, Inc.
- E. Set Next Board Meeting and Board Workshop Dates

9. CALL FOR FUTURE AGENDA ITEMS

10. ADJOURNMENT

The Los Olivos Community Services District is committed to ensuring equal access to meetings. In compliance with the American Disabilities Act, if you need special assistance to participate in the meeting or need this agenda provided in a disability-related alternative format, please call 805.680.2336 or email to losolivoscscsd@gmail.com. Any public records which are distributed less than 72 hours prior to this meeting to all, or a majority of all, of the District's Board members in connection with any agenda item (other than closed sessions) will be available for public inspection at the time of such distribution at 2540 Alamo Pintado Avenue, Room 602, in Los Olivos, California 93441.

**Los Olivos Community Services District
Board of Directors Meeting**

June 21, 2018, 6:00 p.m.
Los Olivos School, Room 602
2540 Alamo Pintado Avenue, Los Olivos, CA 93441



AGENDA

1. CALL TO ORDER 6:05pm

2. ROLL CALL –

Present: Lisa Palmer (acting President), Mike Arme, Brian O’Neill, Julie Kennedy

Absent: Tom Fayram

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF MAY 24, 2018 MEETING MINUTES

Motion: Approve minutes of May 24, 2018 Los Olivos CSD Meeting

First: Director Kennedy, Second: Director Arme

Motion Passed – Ayes: All, Nays: None, Director Fayram Absent

5. DIRECTOR COMMENTS:

Directors will give reports on any meetings that they attended on behalf of the District and/or choose to comment on various District activities.

Lisa Palmer – Updated activities and CDSA website availability

6. PUBLIC COMMENTS:

Members of the public may address the Board on any items of interest within the subject matter and jurisdiction of the Board but not on the agenda today (Government Code - 54954.3). Speakers are limited to 3 minutes and are asked to fill out a speaker slip.

Pat Gott – inquired about property tax increases and timing

Sam Marmorstein – inquired about time frame for system selection

7. REPORTS

A. Ad Hoc Subcommittee Updates

1. Retaining Legal Counsel - Directors Kennedy & Palmer

Director Palmer reported on legal counsel progress and introduced Ross Trindle, Attorney with Aleshire & Wynder, LLP as the recommended counsel for the Board. Mr. Trindle gave a brief overview of his firm and qualifications.

2. Retaining a General Manager - Director O'Neill

The recommendation is for a part-time general manager and Director O'Neill draft of a job description. The recommendation also included a short-term (current to 90 or 120 days) and a subsequent long-term solution.

Director Palmer asked Mr. Trindle about short-term timelines, he suggested 6 months would be typical. For a long-term solution, we would pursue through the RFP process. Mr. Trindle confirmed the Board could sole-source for the short-term.

Director Arme suggested the short-term objective cover the administrative needs and a long-term focus to include more of an engineering focus.

Director O'Neill indicated they would have a candidate for consideration by next meeting.

3. Securing District Insurance - Directors Arme & Palmer

Director Arme reported some challenges due to lack of new CSD formation. Newly formed, and without history, is giving many insurers pause. However he found a few insurers, one requirement is the CSD needs to become a member of the CDSA. He also noted several insurers indicated we need to be insured once funding to the CSD is available.

Director Palmer asked about Golden State Risk Management as an option. A question of timeline for procuring insurance was asked of Mr Trindle, who explained that some CSDs are self-insured.

Director O'Neill suggested a presentation would be helpful.

4. 2018-19 Budget & Financing - Director Kennedy (Director Fayram absent)

Director Kennedy updated the Board on the budget and finance activities she and Director Fayram have been managing. Director Kennedy fielded questions asked about budget process and timing. Mr. Trindle gave some information concerning the posting process and timeline as mandated by California Code.

Director Kennedy also noted a request had been submitted to the County Auditor-Controller's Office for a draft agreement for financial services supplied by the County and to expect an agreement ready for approval at the next board meeting.

Director O'Neill requested as part of the County process for the tax roll, we secure a map in a format that would easily assist the upcoming engineering process, and the agreement with the County be flat-fee, instead of transaction-based.

8. BUSINESS ITEMS

- A. Steps Needed to Enable District Receipt of Tax Revenue - Director Kennedy gave overview of the process, including the upcoming APN Direct Charges Process for the 2018-19 Tax Roll.
- No Action Taken -
- B. Resolution 2018-01 to appoint the Auditor-Controller of Santa Barbara County as the Treasurer of the Los Olivos Community Services
- No Action Taken -
- C. Approve Contract with Santa Barbara County for the Collection of Special Taxes, Assessments and Other Charges.

Motion: Approve contract, with an amendment to authorize Lisa Palmer to sign in absence of Director Fayram

First: Julie Kennedy Second: Mike Arme

Motion Passed – Ayes: All, Nays: None, Director Fayram Absent

- D. Set July and August Meeting and Board Workshop Dates

Motion: Set next Los Olivos CSD Board meeting date of July 19, at 6pm, in order to provide the requisite time for the posting of the legal notice regarding the budget.

First: Julie Kennedy, Second: Mike Arme

Motion Passed – Ayes: All, Nays: None, Director Fayram Absent

9. Call for Future Agenda Items

Future Agenda Items for the Board to consider are Conflict of Interest Code, establish Board Policies

10. ADJOURNMENT

Motion to Adjourn at 7:30pm

First: Director Arme Second: Julie Kennedy

Motion Passed – Ayes: All, Nays: None, Director Fayram Absent

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**Los Olivos Community Services District
Board of Directors Meeting
June 26, 2018, 6:00 p.m.
Los Olivos School, Room 602**

**2540 Alamo Pintado Avenue, Los Olivos, CA 93441
&
Residence Inn
1245 Los Vallecitos Boulevard, San Marcos, CA 92069**

SPECIAL MEETING AGENDA

1. CALL TO ORDER Meeting called to Order at 6:02pm

2. ROLL CALL

Present: Lisa Palmer (acting President), Brian O'Neill, Julie Kennedy, Mike Arme (at remote address listed above)

Absent: Tom Fayram

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENTS:

Members of the public may address the Board on any items of interest within the subject matter and jurisdiction of the Board but not on the agenda today (Government Code - 54954.3).

Speakers are limited to 3 minutes. Due to the requirements of the Ralph M. Brown Act, the District cannot take action today on any matter not on the agenda, but a matter raised during Public Comments can be referred to District staff for discussion and possible action at a future meeting.

No Public Comments

5. ACTION CALENDAR

A. Legal Services Agreement – Review and take action on proposed interim general counsel agreement for legal services provided by Aleshire & Wynder, LLP (See Attachment 1)

Motion: Approve the Legal Services Agreement with Aleshire & Wynder, LLP

First: Director Kennedy, Second: Director O'Neill

Motion Passed – Ayes: All, Nays: None, Director Fayram Absent

6. ADJOURNMENT

Motion: Adjourn Meeting at 6:12pm

First: Director Kennedy, Second: Director O'Neill

Motion Passed – Ayes: All, Nays: None, Director Fayram Absent

The Los Olivos Community Services District is committed to ensuring equal access to meetings. In compliance with the American Disabilities Act, if you need special assistance to participate in the meeting or need this agenda provided in a disability-related alternative format, please call 805.946.0431 or email to losolivoscscd@gmail.com. Any public records, which are distributed less than 72 hours prior to this meeting to all, or a majority of all, of the District's Board members in connection with any agenda item (other than closed sessions) will be available for public inspection at the time of such distribution at a location to be determined in Los Olivos, California 93441.

**AGREEMENT TO PROVIDE FINANCIAL AND ACCOUNTING SERVICES TO
Los Olivos Community Services District**

This agreement is made by and between the County of Santa Barbara for services of the Auditor-Controller's Office ("County") and Los Olivos Community Services District, an independent special district ("LOCSD") and is effective July 1, 2018 (Effective Date), with respect to the following:

WHEREAS, the County Treasurer is the Treasurer of LOCSD, and LOCSD has its funds in the County Treasury; and

WHEREAS, LOCSD is in need of financial and accounting services in connection with the execution of its duties; and

WHEREAS, the Auditor-Controller is authorized to provide financial and accounting services to LOCSD at a cost not to exceed the actual costs of providing similar services to County departments and other special districts, and at rates effective during the term of the agreement;

NOW THEREFORE, to accomplish these objectives, County and LOCSD enter into this service agreement ("Agreement"), as follows:

1. **Term of Agreement.** The Agreement shall cover the period of time from and including July 1, 2018 to and including June 30, 2020. This Agreement will renew each fiscal year thereafter with an annual amendment for each fiscal year's costs to update Section 3 of this agreement and as agreed to by both parties. Early termination may be made by either party upon ninety (90) days notice in writing.
2. **Scope of Services.** The County of Santa Barbara, through the Auditor-Controller's Office, shall provide enhanced financial and accounting services as requested by LOCSD, as follows:
 - Processing of eForms in FIN Web to electronically process vendor payments, journal entries, deposit journal entries, budget, and warrant cancellations;
 - Electronic document retention;
 - 1099 IRS Reporting including TIN matches;
 - Processing vendor garnishments and liens, upon provision of required legal documentation;
 - Verification of correct sales and use tax rate charged by vendors, to the best of County's ability;
 - Filing of quarterly sales tax report with Board of Equalization (BOE) and work with BOE auditors when audited;
 - Payment of vendors by warrant or Automated Clearing House (ACH);
 - Daily reconciliation with Treasury pool;
 - Maintenance of LOCSD fund structure, budget reporting and financial reporting.

3. **Services and Costs.**

a. **Financial and Accounting Services.** LOCSD shall pay the County \$2,000 per fiscal year. The \$2,000.00 rate will apply to the two fiscal years FY 2018-19 and FY 2019-20. Thereafter, the billing rate shall be the costs allocated as part of the County of Santa Barbara Cost Allocation Plan for use in the fiscal year that is the subject of the agreement

b. **Billing.** The method of billing for the costs of services under this Agreement shall be consistent with the normal billing processes established by the Santa Barbara County Auditor-Controller.

4. **Policies and Procedures.** LOCSD agrees that, for the services rendered under this contract, the Auditor-Controller will not be required to establish separate policies and procedures from those applicable to the County. Such policies and procedures include but are not limited to guidelines on contracts, County ordinances, and claims against the County reimbursement for County employee expenses.

5. **Communication.** The Auditor-Controller shall maintain an ongoing relationship with LOCSD by providing a designated liaison from the Auditor-Controller's organization that will have the primary responsibility for providing financial and accounting services. The Auditor-Controller will meet as needed with the LOCSD designated Director or District General Manager to assist with the provision of the financial and accounting services.

6. **Indemnification.** In lieu of and notwithstanding the pro rata risk allocation which might otherwise be imposed between the parties pursuant to California Government Code Section 895.6, the parties agree that all losses or liabilities incurred by a party shall not be shared pro rata but instead all parties agree that pursuant to California Government Code Section 895.4, each of the parties hereto shall fully indemnify and hold each of the other parties, their officers, board members, employees and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined by California Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying party, its officers, board members, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such party under this Agreement. No party, nor any officer, board member, employee or agent thereof shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of other parties hereto, their officers, board members, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such other parties under this Agreement.

7. **Liability.** In no event, will County's liability to LOCSD exceed the amount paid by LOCSD to County during the one year period immediately preceding the event that gave rise to a claim. County shall not be liable to LOCSD for any incidental, consequential, indirect or punitive damages.

8. **Insurance.** Each party shall maintain its own insurance coverage, through commercial insurance, self-insurance or a combination thereof, against any claim, expense, cost, damage, or liability arising out of the performance of its responsibilities pursuant to this Agreement.
9. **Amendment.** Except as otherwise provided herein, this Agreement may be modified or amended only in writing and with the prior written consent of both parties.
10. **Severability.** If any provision of the Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.
11. **Venue.** The venue for any legal action filed by either party in State court to enforce any provision of this Agreement shall be Santa Barbara, California.
12. **Entirety of Contract.** This Agreement constitutes the entire agreement between the parties relating to the specific subject of this Agreement and supersedes all previous agreements, promises, representations, understanding and negotiation, whether written or oral, among the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement and it is effective as of the Effective Date.

LOS OLIVOS COMMUNITY SERVICES DISTRICT

By: _____

Name:

Title: Chair and President of the Board of Directors

Date: _____

Attest:

By: _____

Name:

Title: Secretary, Board of Directors

Date: _____

[Signatures continued on next page]

COUNTY OF SANTA BARBARA

By:

Chair, Board of Supervisors

Date: _____

ATTEST:
Mona Miyasato
Clerk Of The Board

By: _____
Deputy Clerk

APPROVED AS TO FORM:
Michael C. Ghizzoni
County Counsel

APPROVED AS TO ACCOUNTING FORM:
Theodore A. Fallati, CPA
Auditor-Controller

By: _____
Deputy County Counsel

By: _____
Deputy

APPROVED AS TO FORM:
Risk Management

By: _____
Risk Management

Los Olivos Community Services District Preliminary Budget for FY 2018-19



Notes for Budget

This initial 2018-19 is based on:

- The Year One estimated operational budget in the [October 2016 Plan for Services & Feasibility Study](#) Table 8, page 35.
- The amount authorized by the voters in the January 2018 election.
- A Year One budget needing to cover July 2018 - December 2019 (18 months).

Other Information

As a governmental agency, all accounting activities will adhere to GASB (Governmental Accounting Standards Board) policies and procedures. In addition, the Los Olivos CSD will be entering into an agreement with the Santa Barbara County Auditor-Controller's Office for the provision of financial and accounting services to the CSD. Therefore the budget is built around the anticipated categories of revenues and expenses to comply with the proper accounting standards in order for the public to review how resources received are being spent on behalf of our constituents and the goals and objectives of the Los Olivos CSD.

As we move throughout the year, a YTD budget vs. actual will be produced and reviewed by the board. It will be made available to the public at these board meetings and posted on our website.

The following is a line-by-line explanation of the budget and calculus:

Use of Funds

Salaries and Employee Benefits – the anticipated the cost of a part-time general manager (District Directors are all volunteer).

Services and Supplies

Audit & Accounting Fees – the costs for financial and accounting services provided by the County and annual audit expenses.

Memberships – currently the expense for the CSDA annual membership and possible other.

Office Expense – covers the normal office expenses of postage, printing services, office supplies

Professional & Special Services – outsourced services such as consulting services.

Legal Fees – costs for legal counsel for the CSD (approximately 110 hours).

Contractual Services – required by the County and/or State. Covers expense for elections, tax collection, Board of Equalization fees, etc.

Publications & Legal Notices – certain filings and legal notices pertaining to the activities of the CSD must be published in the newspaper for the benefit of the public.

Board Training – state law requires all board members to participate in a number of training courses to serve and represent the public interest.

Other Charges

Rent & Leases – anticipated rent expense for CSD office.

Communication Services – Internet and phone expense for CSD office.

Beginning and Ending Fund Balance – the beginning fund balance shows the amount of revenues on hand at the beginning of the fiscal year, and the ending fund balance shows the net revenues at the end of the fiscal year. The fiscal year begins on July 1 and ends on June 30 of the following year. Our budget shows a large fund balance as we expect to operate with fiscal responsibility and we will need to cover expenses for an 18 month period our first year of operation.

Los Olivos Community Services District	
Fiscal Year 2018-19 Preliminary Budget	
Source of Funds	FY 2018-19 Budget
Intergovernmental Revenue	195,500.00
Miscellaneous Revenue	0.00
Total Source of Funds	195,500.00
Use of Funds	
Salaries & Employee Benefits	
Regular Salaries	50,000.00
Total Salaries & Benefits	50,000.00
Services & Supplies	
Audit & Accounting Fees	10,000.00
Memberships	3,000.00
Office Expense	3,000.00
Professional & Special Services	4,000.00
Legal Fees	20,000.00
Contractual Services	24,000.00
Publications & Legal Notices	300.00
Board Training	6,000.00
Total Services & Supplies	70,300.00
Other Charges	
Rent & Leases	0.00
Communication Services	3,000.00
Insurance	3,500.00
Total Other Charges	6,500.00
Total Use of Funds	126,800.00
Beginning Fund Balance	0.00
Changes in Fund Balance	68,700.00
Ending Fund Balance	68,700.00

County of Santa Barbara
Office of the Auditor-Controller
Property Tax Division

Agreement to Place Direct Charges
on the 2018-19 Secured Tax Bills

Fund No	Direct Charge Description	Phone Number to appear on Tax Bill	Preliminary Parcel Count	Preliminary Charge Total
0000	Los Olivos Community Services District	(805) 946-0431	391	\$195,500.00
		()		
		()		
		()		
		()		
		()		
		()		
	Totals		391	\$195,500.00

I certify that I am an authorized signer for the Los Olivos Community Services District Public Agency, and I have read and understood the 2018-19 Direct Charge instruction letter explaining the requirements for Direct Charges and agree to the terms stated therein for all Direct Charges submitted above. If so indicated below, I also authorize the consultant(s) noted below to act on our behalf.

Tom Fayram

Name
President, Los Olivos Community Services District

Date
805-946-0431

Title

Phone

Signature

The following consultant is authorized to act on our behalf

Los Olivos Community Services District

Public Agency Name

Contact Person

Phone

PO Box 345

Los Olivos, CA 93441

Firm Name

Mailing Address

Mailing Address

losolivoscsd@gmail.com

Email Address

Email Address

Data File Submission Instructions

To submit your Direct Charges for inclusion on the secured tax bill, please send us an electronic file containing the data identified in the File Layout section as an Excel spreadsheet (if unable to submit as Excel – please contact us).

A separate file with two tabs, as outlined below, should be created for each taxing fund that is being submitted. Please use the following naming convention for each file: NNNNYYYYMMDD.(ext) where NNNN is four digit fund number and YYYYMMDD is the date submitted. Email this file to us at:

auditorproptaxfc@co.santa-barbara.ca.us.

**** Remember** you will also need to send us your signed Agreement to Place Direct Charges (Attachment 1), Prop 218 Compliance Statement (Attachment 2) and approved Board Resolution via regular mail before we can finalize your submission.

Excel File Layout Details

Tab 1

Include on the **Summary Info** tab of the Excel File the following information:

1. District Name
2. Description of direct charge
3. Tax Year
4. Contact Information
5. Total # of assessments and amount total (these amounts should automatically be calculated from the **Data** tab.)

Tab 2

On the **Data** tab of the workbook provide these three data columns only, in this order:

Column Field	Length	Remarks
FundNumber	4	The fund number to which the charges being assessed are associated
ParcelNumber	11	9 digit APN (parcel number) including hyphens (999-999-999)
Amount	unlimited	Include decimals to recognize cents (no commas)

Does and Don'ts:

- Do submit only one charge per parcel per taxing fund
- **Do Not** include parcels with zero charge amounts
- **Do Not** include any blank rows between parcel records
- Do sort parcel records in numeric order