

# FINANCIAL ADVISORY COMMITTEE MEETING MINUTES

## TOMALES VILLAGE COMMUNITY SERVICES DISTRICT

January 31, 2018

**PRESENT:** Melinda Bell (Chairperson), Deborah Parrish (TVCSO Board Member),  
Venta Leon (Committee Member), Donna Clavaud (VP Board Member)

**ABSENT:** Chick Peterson (Committee Member), absent

The meeting was called to order at 6:30pm by Melinda Bell and Donna Clavaud recorded the meeting minutes. There was a quorum to conduct business.

### AGENDA

#### 1. TVCSO Policies

Work continues on district policies. We reviewed CSDA sample policy table of contents to determine other policies we might want to draft. We plan to obtain CSDA's sample policy manual to cross-check additional policies TVCSO might draft to add to our current work to date. Updates will follow.

#### 2. TVCSO By-Laws

It has been determined that the TVCSO By-Laws were created to reflect that our special district was a public benefit corporation and this explained the inclusion of sections on Members. The district was formed with the inclusion of the non-profit community park and utilized this non-profit status to form its legal document. It has always been confusing to be both a non-profit and a government agency. Recently, we have been reviewing the By-Laws to amend and update them.

Melinda Bell reports that we have not been filing non-profit reports since 2010. We would like to remove the Membership sections of the By-Laws since we actually have ratepayers and not members. We agree to make desired changes to

the By-Laws and submit them with the original TVCSD By-Laws to legal review. We will seek legal review from CSDA since we do have a free hour as CSDA members.

### **3. NSU Invoice**

We reviewed a recent invoice to get familiar with their billing protocol.

### **4. Reserve Balances and Reserve Policy**

In our effort to determine appropriate reserve balances for TVCSD, we asked why we should set aside operation emergency funds, how much we should set aside for emergency operations and how often we should re-calculate these funds.

We agreed that it is essential to have reserve emergency operational reserves in case we need them for unexpected expenses. We agreed that a 3-month reserve fund would be sufficient rather than a 6-month reserve.

We are recommending a Reserve Operations Fund of \$44,572, which is 25% of our annual budget and a Reserve Capital Fund of \$40,000 for the next fiscal year budget. The remainder will be shown on our sewer balance sheet as Unrestricted Cash Assets. This Reserve Policy will become effective July 1, 2018 and the amounts will be set each year during the Annual Budget process.

While we originally considered a 6-month emergency operations reserve fund, FAC will now be recommending that we change the number of months to allow TVCSD to have a Capital Reserve Fund.

We will complete our draft Reserve Policy and it will be presented at the regular TVCSD Board Members meeting in February, 2018 with the Financial Manager's Report. We are requesting a vote from the Board to accept the recommended FAC TVCSD Reserve Policy.

The next meeting will be in February. The meeting was adjourned at 7:35pm.

Approved on:

2-14-18

Signed:

Donna Cleveland