

MINUTES

Special Meeting of the Board of Directors
Cameron Park Community Services District
Community Center
2502 Country Club Drive, Cameron Park, California

Wednesday, July 29, 2009 at 7:00 PM



Board of Directors

VALERIE SALTZEN COZE, President
RICHARD GREEN, Vice President
Directors, DAVID JOHNSON, ALAN CLARKE, and DALE GERGER

CALL TO ORDER: The meeting was called to order by Director Clarke at 7:00 pm.

1. **PLEDGE OF ALLEGIANCE**
2. **ROLL CALL** Present: Directors: Johnson, Clarke, and Gerger. Absent: Coze and Green
3. **APPROVAL OF AGENDA** Prior to approval of the agenda, Director Clarke commented that Item #1 should read, "Staff has prepared four options..." instead of "three". **Approved:** Ayes—DG, DJ, AC Absent—Coze and Green

DEPARTMENT MATTERS: At the time the Board acts upon the Approval of the Agenda, it may select individual Department Matters to be moved to the Consent Calendar for approval, absent objections and/or requests of the Board, staff, or the public to speak to those matters.

1. **2009-2010 BUDGET REVIEW:** Staff prepared four options to aid in final budget preparation for the board to review and discuss. Battalion Chief Joe Tyler began by explaining the State of California's recent activities; as of today, the Governor signed a budget into place that includes a suspension of Prop1A (8% of tax revenues will go to the State to be repaid by June 30, 2013). The concerns include that the repayment will be made first to school districts and bond debt. With this in place, staff has prepared options to prepare for the cut.

In FY 2008/2009, the District will have received \$3,525,912 in property tax revenue. The effects of the 8% property tax shift to the State of California, can be assumed to be that the District will be required to provide the State approximately \$289,000 (because the 8% is based on 2008/2009 tax revenue). In theory, these funds have already been expended in 2008/2009; the District will have to determine how to make up the funds in FY 2009/2010.

The District currently holds approximately \$514,603 in reserves from overages in tax revenues from 07/08 and 08/09. The 2007/2008 audit is near completion and will be presented soon. The audit will confirm the overages.

There are four options that the Department Heads are requesting the board review:

Alternative #1: Remove the \$514,603 in CSD tax overage funds from the General Fund into a separate interest bearing account to later use the amount to loan to the State. Department Heads will proceed with the 09/10 budgets knowing that each has provided a conservative budget.

Alternative #2: Utilize \$144,500 (4%) of the current CSD tax reserve funds to partially fund the \$289,000 loan to the State. The remaining \$144,500 would be funded through Department reductions in the 09/10 budgets: (Fire: \$101,150) (Parks: \$26,010) (Recreation \$4,335) (Administration: \$13,005).

Alternative #3: Utilize no CSD tax reserve funds to fund the loan. All funding for the approximate \$289,000 loan would come from reductions by all CSD departments in the 09/10 budgets: (Fire: \$202,300) (Parks: \$52,020) (Recreation \$8,670) (Administration: \$26,010).

Alternative #4: Apply for the hardship exemption. This alternative is less viable when one can simply calculate that the District has approximately \$514,600 in tax reserve funds and will most likely have unexpended revenues from 08/09 budgets in the approximate amount of \$500,000.

Staff is recommending Alternative #1 as it maintains funding in the proposed budgets for FY 09/10; the District can continue operating based on those proposed 09/10 budgets; there are no legal issues, no labor issues, no environmental concerns, no interagency concerns, nor short/long term effects to health, welfare, and safety of the community members of staff within District.

Director Johnson asked why the District would move more than 10% of the reserves instead of just the 8% or 10% that may be required. Account Clerk Livia Amidon answered that it is easier for book-keeping purposes to take the lump sum instead of pulling out portions from different fiscal years. It is always an option to do a budget review. Battalion Chief Joe Tyler added that it will be moved into an interest bearing account which would not negatively impact the District's funds.

Director Clarke opened discussion up for public comment. Cameron Park resident Jack O'Camb asked that if all the reserves are moved, is the District left without reserves? Account Clerk Livia Amidon answered that the funds are only a portion, but would still be reserves just sitting elsewhere. Battalion Chief Tyler added that the District can always do a budget review and make another decision to pull monies out, or to leave them in the interest bearing account. Ms. Amidon answered that the District will know where they are at by December 2009 (the first tax installment) because the County will take their percentage off the top and send the District the rest; the second installment will not be affected. Director Gerger chimed in that the Budget and Finance Committee will be doing quarterly reviews and monitor the District closely—this is largely due to the Community Center.

Cameron Park resident Rich Mora asked if the board makes an affirmative decision on Alternative #1, are there any additional steps that take place. Director Gerger answered that the decision will only allow staff to move the funds. Director Clarke added that the budget adoption will be presented at the August board meeting. Mr. Mora asked if the Community Center will be closed, or the amenities under construction delayed. Director Clarke and Gerger answered no. Director Johnson clarified the effects of each Alternative in regards to the budget. Director Gerger answered a resident's question regarding the current operation of the Center: everything that took place March through June in the Center, was not budgeted for—they got by within the 08/09 budget relocating classes that were already offered. Classes offered in the 2009/2010 FY are monitored and measured to show the profitability of the Center. Reports are reviewed by department heads, i.e. staffing hours adjusted as online registration increases.

Director Gerger stated that he will make a motion to approve Alternate #1 with an amendment to only move \$400,000 (the maximum that will be required) in order to track the amount that will be loaned—separate from the funds that will not be loaned. Director Gerger made a motion to approve Alternate #1 at a dollar amount of 400,000 with a mid-year review once the actual loan amount is known. Director Johnson seconded it.

Action: Approve Alternate #1 at a dollar amount of 400,000 with a mid-year review once the actual loan amount is known. Ayes—DG, DJ, AC Absent—Coze and Green

MATTERS TO AND FROM DIRECTORS: Director Clarke stated that there are three options, as he sees it, regarding the next step in addressing the general manager vacancy: hire an interim general manager, begin a full search, or continue with the co-acting general managers that are currently serving. Both he and Director Green have prepared the draft general manager job descriptions as requested at a special board meeting and he feels that they are ready to be presented at the August re-scheduled board meeting. Staff responded that the August board agenda will be very full and dominated

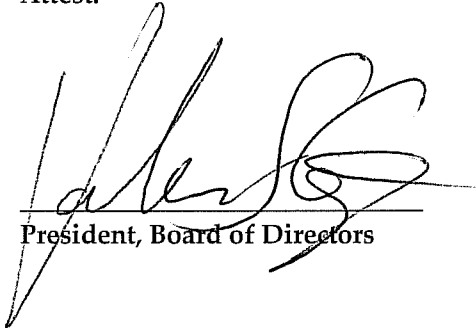
by the budget and items that are directly related to the budget. Director Gerger added that the draft descriptions should be made available to the rest of the board prior to being presented at a board meeting. Director Clarke stated that he will e-mail the draft to the co-acting general managers to be sent to the rest of the board.

Director Gerger offered his feelings on filling the general manager vacancy. He stated that he wants a qualified professional in place soon, but does not want to have to rush the process. An interim is acceptable until a permanent person is hired, but the existing co-acting general managers have served the District well and he is very pleased with the current state of things as the board moves forward in the process. Director Clarke agreed with Director Gerger's statements and thanked the board for allowing him to temperature check the issue.

ADJOURNMENT: Meeting adjourned at 8:05 pm – **Approved.** Ayes—DJ, DG, AC **Absent—**Coze and Green

Attest:

August 26, 2009



President, Board of Directors



Secretary to the Board