

AGENDA

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

Monday, June 12, 2017

5:30 p.m. Special Meeting



Board of Directors

SCOTT MC NEIL(SM), President

HOLLY MORRISON (HM), Vice-President

Directors: AMY BLACKMON (AB), MARGARET MOHR (MM), GREG STANTON (GS)

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

ADOPTION OF THE AGENDA

Board members, staff and members of the public may request an item be pulled from the Consent Calendar for discussion. The Board will make any necessary additions, deletions, or corrections to the Agenda, determine matters to be added to or removed from the Consent Calendar, and with one motion adopt the Agenda and approve the Consent Calendar.

OPEN FORUM

At this time, members of the public may speak on any item not on the agenda that falls within the jurisdiction of the Board of Directors. Comment during the Open Forum is limited to four minutes per person. Public testimony will be received on each agenda item as it is called. Principal party on each side of an issue (where applicable) is allocated 10 minutes to speak, individual comments are limited to four minutes except with the consent of the Board, individuals shall be allowed to speak on an item only once. The Board reserves the right to waive said rules by a majority vote. For the public's information, we are now taking email requests for future notification of Community Services District meetings.

DEPARTMENT MATTERS

For Purposes of the Brown Act §54954.2 (a), the numbered items on this Agenda provide a brief description of each item of business to be transacted or discussed. Recommendations of the staff, as shown, do not prevent the Board from taking other action.

1. CONTINUE DISCUSSION ON NEXT STEPS FOR INTERVIEWING GENERAL COUNSEL CANDIDATES TO PROVIDE LEGAL SERVICES TO THE DISTRICT

Recommended Action: Review, Discuss and Provide Direction as Appropriate

2. REVIEW PROPOSALS FROM FULL-SERVICE ACCOUNTING FIRMS AND CONSIDER AUTHORIZING THE INTERIM GENERAL MANAGER TO RETAIN A FIRM AS ACTING FINANCE DIRECTOR

Recommended Action: Review, Discuss, Select a Full-Service Accounting Firm and Authorize the Interim General Manager to Retain the Firm as Acting Finance Director

ADJOURNMENT

An AGENDA in FINAL FORM is located in the Reception area in the District Office as well as each of the Cameron Park Fire Stations. Additionally, a copy of the FINAL AGENDA is available on the District's website at www.cameronpark.org. Support material is available for public inspection at the receptionist counter in the District Office. Sessions of the Board of Directors may be recorded and members of the audience are asked to give their name and address before addressing the Board.

Any written document that relates to an agenda item for an open session of a regular meeting of the Board of Directors of the District which is distributed less than 72 hours prior to the meeting shall be made available for public inspection at the same time the writing is distributed to all, or a majority of all, of the members of the Board of Directors of the District. Such written documents will be made available at the District Offices located at 2502 Country Club Drive, Cameron Park, CA 95682.

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Such writings will be made available in appropriate alternative formats upon request by a person with a disability, as required by Section 202 of the Americans With Disabilities Act of 1990 (42 U.S.C. § 12132) and the Federal Rules and Regulations adopted in implementation thereof.

A person with a disability who requires a modification or accommodation in order to participate in a public meeting of the Board of Directors may, five (5) days prior to the date scheduled for a regular meeting of the Board of Directors, contact the District Office at 2502 Country Club Drive, Cameron Park, CA 95682, phone number: (530) 677-2231 to request a disability related modification or accommodation in order to attend the meeting, or to request auxiliary aids or services in order to enable such person to understand the proceedings at such meeting.

*Cameron Park
Community Services District*

Agenda Transmittal

DATE: June 12, 2017

FROM: Richard J. Ramirez, Interim General Manager

AGENDA ITEM #1: **CONTINUE DISCUSSION ON NEXT STEPS FOR
INTERVIEWING GENERAL COUNSEL CANDIDATES TO
PROVIDE LEGAL SERVICES TO THE DISTRICT**

RECOMMENDED ACTION: Review, Discuss and Provide Direction as Appropriate

BUDGET ACCOUNT: N/A

BUDGET IMPACT: N/A

This Board conducted first interviews with General Counsel candidates on May 22nd and 23rd. At this time, the board has the opportunity to discuss the candidates' proposals and decide if second interviews would be appropriate and with which candidates.

Agenda Transmittal

DATE: June 12, 2017

FROM: Richard J. Ramirez, Interim General Manager

AGENDA ITEM #2: **REVIEW PROPOSALS FROM FULL-SERVICE ACCOUNTING FIRMS AND CONSIDER AUTHORIZING THE INTERIM GENERAL MANAGER TO RETAIN A FIRM AS ACTING FINANCE DIRECTOR**

RECOMMENDED ACTION: Receive, Discuss, Select a Full-Service Accounting Firm and Authorize the Interim General Manager to Retain the Firm as Acting Finance Director

BUDGET ACCOUNT: N/A

BUDGET IMPACT: N/A

Background

With the abrupt resignation of the former General Manager Mary Cahill in late April, staff has struggled to keep programs and systems operational given that management had not developed a robust succession plan. To that end, delegation and sharing of information was rather compartmentalized, cross training and sharing of information was limited. One critical area significantly being impacted by the alluded-to management style is the District's financial operations.

To staff credit, since January of 2017, several efforts have been underway to address the above deficiency:

- Tam Resovich and JR Hichborn completed a detailed audit of the Landscape and Lighting Assessment Districts (LLADs). The audit of electrical services provided by PG&E and water provided by EID, alerted the staff to a number of issues. Based on their work, it appears some of the LLADs will be due a refund of monies from these utilities; amounts have yet to be determined. Any refunds will be applied to the benefiting LLAD, thereby helping to mitigate future increases in assessments. In a similar fashion, while trying to "close the books" for FY 2015/16, Finance staff identified duplicative

insurance cost, and following certified training of Parks staff, District insurance expenses will be up to \$19,000 lower in FY 2017/18.

- Finance staff successfully migrated payroll to a private contractor (Pay Check). This accomplishment will result not only in a more reliable reporting of payroll transaction for the District's general ledger, budget monitoring and withholdings, but the District will realize an estimated net-net savings of over \$17,000 in FY 2017/18.

These very positive accomplishments are overshadowed by the fact the FY 2015/16 audit has not commenced because the District was unable to close its books at year end. There are several reasons for this not the least of which former staff had literally hundreds of miscodings in the general ledger. Each of these had to be backed out and reposted in the appropriate expense and revenue account. As reported earlier, transfers to the District from other funds have not occurred, thereby misrepresenting cash fund balances.

Going Forward Objectives

This work is ongoing.

Again, thanks in large measure to Finance staff and the support by the operating departments, the confidence level of the District's financial position for FY 2015/16 is now about at a 65% level, a significant improvement from just April 2017. Nevertheless, much work needs to be completed on FY 2015/16. With the need to "close" FY 2016/17 around the corner and the fact the adoption of the FY 2017/18 budget will be delayed due to the aforementioned conditions, the District needs to consider appointing a "full-service" accounting firm as Acting Finance Officer. This will enable the District to accelerate the close of both FY 2015/16 and 2016/17, thereby enabling the FY 2017/18 budget to come forward with a financial confidence level that is higher than 65%. It will also provide the deep support and expertise needed to codify internal controls while assisting in recommend how best to staff the Finance operation: contract, in-house or a combination of both approaches.

To that end, attached are proposals from three full-service accounting firms:

- Maze & Associates of Pleasant Hill
- Price, Paige and Company of Clovis
- VTD of Sacramento

From a quality standpoint, all three firms have excellent histories, talent and capacity to serve as Acting Finance Officer. Both Maze and Price would be considered regional firms, yet fully capable of providing the staffing and expertise to achieve the alluded to objectives of restoring and bring current the District's financial systems. VDT is a national firm, with able resources to meet the tasks outlined in Exhibit A.

From a billing standpoint, assuming 350 hours is required to achieve the objectives of closing both FY 2015/16 and 2016/17, and assist in the preparation of the budget, they all appear to be within a range of \$40,000+/-.

Recommendation

After reviewing the proposals, VTD is the recommended firm given they have a major office in Sacramento. They can take over the Acting Finance Officer position immediately while providing additional staffing to accelerate the stated objectives: the close of FY 2015/16 and ready the FY 2015/16 audit, close FY 2016/17 and ready the audit, while assisting with establishing codified internal controls and producing the FY 2017/18 budget.

Accounting Firm Tasks

The firm's staff, in consultation with current District staff, will focus on the following tasks:

- 1) Assess the financial system and test the accuracy of the assumptions in Exhibit A;
- 2) Working with the existing staff, reconcile the FY 16 General Ledger to a year end position and facilitate the closing of FY 16 so the GM can authorize the FY 16 audit
Note: the desire is to close the books to the greatest extent possible even at the risk of a qualified audit;
- 3) Based on your review of the condition of the financial system, assess any material weakness or misstatements in the FY 15 audit (including the Management Letter);
- 4) Given the existing financial accounting software ("Fintrac") will no longer be supported sometime after January 2018, assist the District in selecting and implementing a new financial accounting system vis-à-vis the District's volume of financial transactions;
- 5) Identify significant issues beyond the test of statements, including but not limited to: need to strengthen internal controls;
- 6) Recommend options for a long-term solution to staffing the District's financial operation considering your analysis and the District's available resources.