



MINUTES

FINANCE COMMITTEE

Wednesday, February 6, 2019 at 5:30 P.M.

Board Conference Room, 138 S. Brandon Road, Fallbrook CA 92028

Committee Members Present: Chair Jennifer Jeffries, Barbara Mroz, Howard Salmon and Kate Schwartz-Frates.

Others Present: Administrative Assistant Linda Bannerman, Accountant, Kathy Bogle and Bookkeeper, Wendy Lyon and Roy Moosa.

1. Call to Order/Roll Call

Committee Chairperson Jennifer Jeffries call the meeting to order at 5:30 p.m.

2. Public Comments

None

3. Review of Financial Statements for December 2018

1) Balance Sheet Comparison of December 2018 to November 2018

As of December 31, 2018, cash in the bank totaled more than \$700,000, an increase over last month's total of \$526,000 due to property tax revenue and a transfer of funds reimbursing the operating account for community investment funds used. Total current assets were ahead \$270,000. Fixed assets included an unbudgeted expense of \$21,000 for the E. Mission Rd. property fencing. Accounts Payable was reduced by a decrease in cost for temporary staff. Total liabilities & equity reflected a positive change of \$291,080.46.

2) Income Statement for the Month Ended December 31, 2018 & Fiscal Year to Date

This report is also contained in the next report

3) Profit & Loss Actual vs Budget – July 2018 through December 2018

Property tax revenue is expected to catch up by fiscal year-end. The LAIF and CalTRUST accounts have earned interest \$115,000 over the past 6 months, and the unearned loss in CalTRUST is \$13,000. Kathy Bogle explained that CalTRUST is not just a savings account, it has investments. You do not realize the interest unless you remove the account. The interest fluctuates with the market; it is unearned equity. The interest could be a gain or loss. Jennifer Jeffries said the sidewalk project on Elder Street, which is listed under category 450 shows expenses of \$2,590. She said the cost of this project will grow significantly and is part of the expense of the sale of the building and property. This was known at the time of the sale. Regarding the MedPlus Urgent Care, we receive rent for the property, and this reduces the total amount of support we provide to \$5,200 monthly. Office expense is being underspent, and the total Admin, Expenses and Overhead shows it being underspent by \$28,000 which is deceptive because some of the consulting and other

fees have been moved to separate categories. Ms. Jeffries said in actuality it is closer to breaking even. Blue Zone Designation expense is to Galvanized Strategies which has been on hold while under consideration. She noted the landscape expenses at the E. Mission property more than doubling the budget and she said she has some ideas for avoiding that type of over-expenditure in the future. The overbudget for Independent Contract Services (temporary staff) will not happen again and temporary staff are no longer at the District. The total of \$45,756 over budget for 570 (E. Mission Rd.) was the temporary staff, landscaping, interns and Galvanized Strategies. Looking at 590 (S. Brandon Rd.) the expenses were under budget. Property tax revenue was below budget by \$119,000, however it is anticipated it will increase prior to fiscal year-end.

- 4) Profit & Loss Budget Overview July 2018 through June 2019
Providing for review.
- 5) Local Agency Investment Fund (LAIF) Statement – December 2018
The balance in the account was \$1.48 million.
- 6) CalTRUST Statement – December 2018
The balance in CalTRUST was \$6.8 million dollars. Discussion ensued on the unearned equity. An alternative investment account is being considered.
- 7) Property Tax Revenue – Fiscal Year to Date
Property Tax Revenue received through December 31, 2018 totaled \$1.1 million.
- 8) Check Detail Report – December 2018
Presented for review.
- 9) Checkbook Report – December 2018
The Community Investment Account was discussed. Quarterly transfers of funds from this account to the operating account have been approved by the Board in the amount of those expenditures related to the E. Mission Road property.

4. Discussion Items

- 1) Consideration of district credit card
There was discussion regarding the old AMEX account and preferring to use a VISA account. Ms. Jeffries said she would develop protocols for use of the District card in conjunction with President Salmon and they would be brought to the full board for approval.
- 2) Consideration of plans and specifications for East Elder Street Sidewalk improvements (recommend advance for Board approval)
The engineering standards required are in place for this project and were in the finance committee packet for the committee to review and discussion. Following discussion, it was determined to recommend approval to the full board.

5. Adjournment

There being no further business, the meeting was adjourned at 5:57 p.m.


Jennifer Jeffries, Finance Chairperson