



SANTA YNEZ COMMUNITY SERVICES DISTRICT
FINANCE COMMITTEE MEETING
Minutes of January 7, 2021

NOTE: This meeting was held via teleconference, pursuant to the Governor's Executive Order N-29-20 (March 17, 2020)

1. 3:00 CALL TO ORDER/ROLL CALL:

Wendy Berry called the meeting to order at 3:05 PM. Staff present: General Manager Jose Acosta, Secretary/Treasurer Wendy Berry and Director Beard and Director D'Ambra

2. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

No public comment

3. REVIEW AND RECOMMENDATION TO THE BOARD OF RFP ON AUDITING SERVICES

The CSD is required to have the District's financial records audited by an outside auditor on an annual basis. Generally, auditing firms are hired for a three-year contract, however the contract can be terminated after the first year. Staff released the request for proposals (RFP) in November of 2020. The CSD received 7 RFP's and each has been reviewed by staff for completeness, responsiveness, costs proposals, and technical proposals. The Finance Committee reviewed the information and will make a recommendation to the Board based on the vendor with the most responsive RFP that demonstrates the best qualifications for performing the services requested and required of the district, in performing their annual auditing services. Fedak & Brown, the District's current auditor's first three-year contract was \$30,000 for 90 hours of service each year and their second three-year contract was \$32,910 for 90 hours of service each year. After review and discussion, the Finance Committee will recommend Nigro & Nigro and Moss, Levy, & Hartzheim, LLP to the Board of Directors at the January 20, 2021 regular board meeting. Below is a summary of the proposal cost and hours from each firm who submitted an RFP.

SYCSD Financial Auditing Services RFP's					
Firm Name	Year 1 Costs	Year 2 Costs	Year 3 Costs	Cost Summary	Hours
Harshwal & Company LLP	\$7,980.00	\$8,299.00	\$8,630.00	\$24,909.00	60
Nigro & Nigro PC	\$9,500.00	\$9,500.00	\$9,500.00	\$28,500.00	94
RT Dennis Accounting	\$10,100.00	\$10,600.00	\$11,100.00	\$31,800.00	50
Moss, Levy & Hartzheim LLP	\$10,625.00	\$10,945.00	\$11,275.00	\$32,845.00	141
Fedak and Brown LLP	\$11,096.00	\$11,096.00	\$11,096.00	\$33,288.00	92
David Farnsworth	\$13,589.00	\$13,996.00	\$14,416.00	\$42,001.00	92
Fechter & Company	\$15,500.00	\$15,888.00	\$16,285.00	\$47,673.00	125

4. REVIEW, DISCUSS AND RECOMMENDATION ON SYCSD 10-YEAR CAPITAL IMPROVEMENT PLAN (CIP) REVIEW 10 YEAR CAPITAL IMPORVEMENT PLAN

The CIP is a plan and timeline of projects and purchases the District wishes to accomplish within a ten-year period. The CIP is reviewed annually and modified based on the funds available and the prioritization of each project or purchase.

The fiscal implication that would be realized by the CSD will occur when and if the project is undertaken and completed from the CIP list. The 10-year CIP is also included in compilation of the wastewater rate study.

Staff discussed increasing the West Side Extension to \$2 million, looking at an electric work truck and purchasing a camera in 21/22. Staff will make the changes on the CIP for Board approval at the January regular board meeting. A cost analysis will be done for all purchases.

5. REVIEW AND DISCUSS WASTEWATER RATE STUDY.

A wastewater rate study is conducted every 5 years. The current wastewater rate study is set to expire on June 30, 2021. Staff will need to notify Tuckfield and Associates of the preferred financing option for Horizon Drive project along with the ten-year CIP to complete both the wastewater rate study and capacity charges for the Horizon Drive project.

Tuckfield and Associates will begin the compilation of the wastewater rate study once they receive a finalized CIP and can compile the capacity charges for the Horizon Drive project. Staff recommends using the 3% interest rate quote from CSDA as a place holder so Tuckfield & Assoc. can move forward with the rate study. A mandatory Prop 218 process must be initiated and completed prior to the implementation of any rate increases, if needed.

6. REVIEW, DISCUSS AND RECOMMENDATION ON FINANCIAL SOFTWARE.

The District currently uses QuickBooks to maintain and conduct all accounting practices for District funds. QuickBooks software is not intended to be used for governmental or fund accounting and presents some challenges. The upgrade in software will allow more comprehensive reports to be generated, the ability to perform governmental and fund accounting and more practical for staff use.

Staff contacted three software firms regarding their product and services who have experience with California Special Districts. Each firm was given an opportunity to make an online presentation of their product, for staff, and asked to submit a quote for their product. Staff received quotes for cloud-based software and District based servers. The District based servers are the more expensive alternative. Staff checked with the District's IT person and he recommended the cloud-based server option because the District based server option is expensive to purchase the hardware and expensive to keep the information safe. Below is a 10-year cost comparison for each software firm.

Financial Software Comparative Analysis

Cloud Based Quotes

Software Company	Initial Price	Annual Recurring	10 Year Comparative	Notes
Black Mountain	\$35,950.00	\$6,230.00	\$98,250.00	Includes one time conversion fee, GL, Bank Rec, PO's, budget, Payroll, A/P, A/R. Online training -no minimum
Tyler Technologies	\$39,910.00	\$19,500.00	\$234,910.00	GL, Bank Rec, PO's, budget, Payroll, A/P, A/R, Doesn't include hardware historical data extra charge, travel expense
Caselle	\$27,473.00	\$19,548.00	\$222,953.00	Includes one time conversion fee, GL, Bank Rec, PO's, budget, Payroll, A/P, A/R project, asset, materials . Includes setup and conversion. History conversion is additional

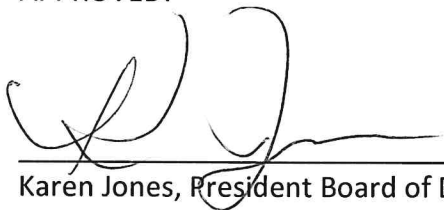
District Server Based Quotes

Software Company	District Server	Annual Recurring Fees		Notes
Black Mountain	N/A	N/A	N/A	
Tyler Technologies	\$63,627.00	\$7,364.00	\$137,267.00	GL, Bank Rec, PO's, budget, Payroll, A/P, A/R, Doesn't include hardware historical data extra charge
Caselle	\$65,423.00	\$12,168.00	\$187,103.00	Includes one time conversion fee, GL, Bank Rec, PO's, budget, Payroll, A/P, A/R project, asset, materials . Includes setup and conversion. History conversion is additional

* 10 Year analysis includes product initial costs plus 10 years worth of annual fees.

7. ADJOURNMENT. Wendy Berry adjourned the meeting at 4:14 P.M.

APPROVED:



 Karen Jones, President Board of Directors

ATTEST:



 Wendy Berry, Secretary Board of Directors