



SANTA YNEZ COMMUNITY SERVICES DISTRICT
FINANCE COMMITTEE MEETING
Minutes of March 11, 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 3:01 PM. Staff present: General Manager Jose Acosta, Secretary/Treasurer Wendy Berry and Director Beard and Director D'Ambr

2. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

No public was in attendance

3. REVIEW City of Solvang's Invoice for fiscal year 2019/2020.

Staff received the final invoice and back up documentation from the City of Solvang. The District's total flows for the year were 45.269 million gallons which equates to 19.795% of the WWTP total flow. The district is responsible for their share of 19.795% of total expenses, administrative fees, and project costs under \$50,000.00. The following are the amounts reflective of these obligated costs: Total annual expenditures, \$250,973, administrative fee, \$49,680, capital costs under \$50k, \$14,308.

For projects with capital costs over \$50,000.00 the District is responsible for 20% of the costs; the costs for this item were pertaining to the land acquisition for the WWTP upgrade, in the amount of \$14,391. The District pays \$20,000.00 per month to offset the costs, for a total of \$240,000. Total expenses, billed to the CSD, for the year were \$329,352.00, with the deposit of \$240,000, the CSD has a remaining balance of \$89,352.00.

The Finance Committee recommends having staff clarify the questions and then bring the invoice to the Board for approval.

4. REVIEW of District's banking services and fees

The District has adopted Resolution 11-03, amending the statement of investment policy which regulates what the District does with its monies.

Government Code §53600 regulates investing, reinvesting, purchasing, acquiring, selling and managing the District's funds and Government Code §53630 et seq. requires public funds be collateralized at the financial institution.

Last year, Rabobank switched to Mechanics Bank. At that time, the District's checking account was switched from a flat fee service charge of \$75-115.00 based on wire and ach's to an analysis service charge based on bank balance and transactions. The service charges increased between \$166.40 - \$287.03, however the District did receive credits to offset the charges which brought the services fees down between \$91.77-\$150.95. The \$150.95 is February's bank service fees. With the District being on analysis, the District is charged for

every transaction and then given an earning credit based on bank balance to offset the bank service charges, however this earning credit is subject to change based on the financial market and the interest earned in the accounts is used in their calculation to offset the fees. Based on the February analysis, the District would need \$1,028,000.00 in deposit with Mechanic's bank to avoid any fees.

Currently, the District's bank balance in checking is \$16,207.00 and money market is \$461,255.00.

Staff contacted three local banks and the only bank that can adhere to the Government Code regulations for public funds is Montecito Bank and Trust.

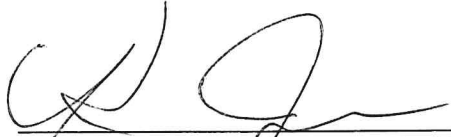
Montecito Bank and Trust would put us on an analysis service charge as well, but their rates and interest rates are more competitive. In their checking account the District would have to maintain an average balance of \$185,000.00 in order to avoid any fees. This would give us to direct deposit, ach and wire transactions and interest.

Five Star Bank is willing to give the District free checking, free services and also earn interest on the accounts. One reason is because the District has a money market with them that has a balance of \$3.8 million. One possible issue with Five Star Bank is that they are not local but they will provide a remote deposit machine to make deposits that will automatically credit to our account.

The Finance Committee supports moving the accounts to Five Star Bank.

5. ADJOURNMENT. Wendy Berry adjourned the meeting at 3:59 P.M.

APPROVED:



Karen Jones, President Board of Directors

ATTEST:



Wendy Berry, Secretary Board of Directors