

DRAFT

**REGULAR MEETING #610
CAPISTRANO BAY DISTRICT BOARD OF DIRECTORS
MINUTES**

**Tuesday, March 31, 2015
REGULAR MEETING: 6:30 pm
OPEN TO THE PUBLIC**

**Location: Palisades United Methodist Church
27002 Camino de Estrella, Capistrano Beach, CA**

1. CALL TO ORDER

Board President Masto called the Meeting to order at 6:30 p.m.

2. PLEDGE OF ALLEGIANCE

Board President Masto led attendees in the Pledge of Allegiance.

3. ROLL CALL

Directors Present: Breeding, Haack, Masto & Muller
Directors Absent: Clark
Staff: District Manager Russell
Agents: Authorized Agent Morris, Webb Community Management, Inc.
Contractors Present: Securitas, Branch Manager Keirouz

4. PUBLIC COMMENTS

No public comments.

5. APPROVAL OF MINUTES - Meeting #609 of February 24, 2015

Board President Masto summarized the February 24, 2015 #609 Meeting Minutes.

MOTION - A motion was made by Director Haack and seconded by Director Muller to approve the Minutes of Meeting #609. The motion was passed by a vote of 4-0-1. (Director Clark absent)

6. SECURITY - Monthly Securitas Report for February 2015

Branch Manager Keirouz mentioned that when suspicious activity is being reported, homeowners are not calling the Sherriff's department, they call Securitas only. The District needs to encourage homeowners to be calling all suspicious activity into the Sherriff's department first and then to Securitas.

7. SECURITY - 'Crime Awareness Day' Program for the Community

While a date is not yet scheduled, Securitas and District Management are proposing a Saturday event called 'Crime Awareness Day'. The plan is to invite other safety and security related agencies and vendors to come together in the parking area near the community entrance to set up their information booths under umbrellas or shade canopies where they can talk to homeowners, share pertinent information and hand out flyers or brochures.

The initial plan is to have the following agencies join us to talk about safety, security and crime awareness:

- Securitas Security Services
- Dana Point Police – to present their 'HIDE IT – LOCK IT – OR LOSE IT' program
- District Police - One or two home security systems vendors
- OCFA – to discuss fire and life safety do's and don'ts around the home

*Two weeks ahead of the event a letter to all homeowners could be mailed out giving everyone plenty of advanced notice.

8. FINANCE - Report of Monthly Expenses through February 2015

Board President Masto brought up the matter of dead seals on the beach and is burying them on the sand the best way to dispose of them.

ACTION - District Manager Russell will ask the County what they do for dead seal removal.

9. FINANCE – Discussion Regarding Development of a Financial Management Policy

Board President Masto recommended that the District draft a written investment policy. The Government Finance Officers Association has compiled a list of questions, which once answered, will provide a foundation for the investment policy. According to the GFOA, a written investment policy is the single most important element in a public funds investment program. An investment policy should describe the most prudent primary objectives for a sound policy: safety, liquidity, and yield. It should also indicate the type of instruments eligible for purchase by a government entity, the investment process, and the management of a portfolio. Such a policy improves the quality of decisions and demonstrates a commitment to the fiduciary care of public fund, with emphasis on balancing safety of principal and liquidity with yield.

ACTION – Board President Masto, along with Authorized Agent Morris, will put together a draft investment policy and present it at the next Board Meeting April 28, 2015. This investment policy will supersede all past procedures.

The following is a referral list from our Auditor at Rogers, Anderson, Malody & Scott LLP, for financial professionals familiar with municipal and government finance management who could provide an independent consulting service for the District in developing a financial management and investment policy:

- Willdan – Temecula office 951-587-3500 Called and left message – no return call as of 3/27
- Rosenow Spevacek Group – Santa Ana 714-541-4538 Called and spoke to Dima Galkin who indicated their firm would be interested.
- Management Partners, Inc. – Orange County 949-222-1082 Called and left message – no return call as of 3/27/15
- Fieldman Rolapp & Associates – Irvine 949-660-8500 Called and spoke to Tom Johnson who indicated their firm would be interested. *This firm served as Financial Advisor in 2003 to the Assessment District formation to fund the road improvement project. Mr. Johnson was one of the principals who worked on the project and is familiar with the District.

10. FINANCE - Approval of Draft Financial Audit for FYE 2014

Copies of the report for the public will be available on the District website the day following the approval or by contacting the District Manager who can send an electronic copy or provide a printed copy.

MOTION - A motion was made by Director Breeding and seconded by Director Haack to approve the Financial Audit Report for FYE June 30, 2014. The motion was passed by a vote of 4-0-1. (Director Clark absent)

11. DISTRICT ADMINISTRATION OFFICE - Meeting with City to Discuss District Proposal

The Board has made positive progress on the issue of getting City approval to permit the Administrative Office to remain on District property near its present location.

The District recently submitted an informal proposal to the Planning Department to relocate the office onto the grassy area near the flagpole with sketches depicting exterior improvements such as a low-pitched roof, wood trim at doors and windows, lava stone veneer and landscaping.

In a brief phone call with the City last week, the Planning Department expressed a positive reaction and agreed to schedule a ‘planning meeting’ to review the proposal. While that meeting has yet to be scheduled it is expected in the very near future.

12. NEW BUSINESS - Development Impact Fee

Review of District Development Impact Fee Program / ORDINANCE NO. 05-206

The District recently received a complaint letter from a homeowner disputing the legality, fairness and rationality of the impact fee program, a copy of which may be reviewed at the District Office. The purpose of this agenda item is to allow the Board to review the origin and development of the fee program in light of the dispute letter.

In 2003, the community formed an Assessment District and generated \$1.4M to fund a major capital improvement project to rebuild the roadway and storm drains.

When the project was completed, the Board created Ordinance No. 05-206, recognizing that improvement to private property in the District regularly involves the use of heavy trucks and other construction equipment, increased traffic and other physical activities which damage and cause additional wear and tear to the roadway well beyond what is incurred due to normal daily use.

The Board found it necessary to impose a user fee on homeowners who engage in remodeling and rebuilding projects in order to recover money to repair the cumulative damage to its property and facilities caused by such projects.

The Government Code authorizes the District to charge fees for the use of its property, as researched by Rutan & Tucker LLP, with a fee methodology developed by LaBelle-Marvin Engineers, a professional pavement engineering firm in Orange County. This impact fee matrix showing how the District's fee is calculated is available for viewing at the District Office.

After careful review of said homeowner's dispute, the Board has decided that the development impact fee was calculated correctly and the fee will stand as originally invoiced.

ACTION – District Manager Russell will send a letter to the homeowner informing him that his current development impact fee stands unchanged.

13. NEW BUSINESS - Sober Living Homes on Beach Road

With the onset of 'Halfway Houses' or 'Sober Living Homes' showing up in the residential communities of Dana Point and Capistrano Beach, the Board of Directors has requested that a legal review of this type of proposed use be researched by the District's legal counsel.

Rutan & Tucker LLP, has been asked to look into the law (State/Federal) and research the City of Dana Point Zoning Code for statutes that may either prohibit or permit this type of use in a residential community.

An undisclosed city official offered their opinion that the City cannot regulate this type of activity in a residential zone.

ACTION – District Manger Russell will research the City's zoning and parking code for the District.

ACTION – District Manger Russell was directed to draft a letter to homeowners, as well as the Rental Agencies, about the concern of allowing recovery homes into our community. The Board would like the community to take a strong stance that this type of home is not appropriate within this community.

14. WRITTEN COMMUNICATION

There was a letter from a homeowner regarding agenda item 12.

- 15. **WEBB MANAGEMENT - Monthly Report through March 24, 2015**
February Financials were completed and emailed to the Board on March 17, 2015.

- 16. **CBRA REPORT**
No Report given.

- 17. **BOARD AND STAFF COMMENTS**
Board President Masto brought up the matter of rodent control and how it was progressing. District Manager Russell noted that every other month the bait stations are checked and monitored. The bait station program is functioning well.

- 18. **ADJOURNMENT**
Board President Masto officially adjourned the Meeting at 8:50 p.m.

ATTEST:

State of California)
County of Orange)ss
Capistrano Bay District)

I, **Donal S. Russell**, Manager of the Capistrano Bay Community Services District, hereby certify that this is an *APPROVED* copy of the Minutes of meeting #610 held on March 31, 2015.

_____ Donal S. Russell
DONAL S. RUSSELL, Manager
CAPISTRANO BAY DISTRICT

_____ April 28, 2015
DATE