

1                                   **MUIR BEACH COMMUNITY SERVICES DISTRICT**  
2                                   Minutes of the Board of Directors' meeting held on  
3                                   Thursday, May 30, 2018

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5                                   **OFFICIAL MINUTES ONLY UPON APPROVAL**  
6

7 Prior to approval of these minutes by the Board of Directors in a public meeting, these  
8 minutes are draft only and subject to change. Upon approval by the Board, these  
9 minutes become the Official Minutes of the meeting.  
10

11  
12 **Item 1: Call to Order**

13 Victoria Hamilton-Rivers called the meeting of the Muir Beach Community Services  
14 District Board of Directors to order at approximately 7:05pm. She noted that the  
15 minutes would be taken by Muir Beach resident Ernst Karel.  
16

17 Directors present:               Gary Friedman, Victoria Hamilton-Rivers, Peter Lambert,  
18   Steve Shaffer, Leighton Hills  
19 Staff present:                    Mary Halley, District Manager  
20   Leslie Riehl, Treasurer  
21   Chris Gove, Fire Chief  
22

23 **Item 2: Approval of Agenda**

24               MOTION:    To approve the agenda  
25               Moved:     Shaffer, seconded by Hills  
26               Vote:        AYES: Unanimous  
27

28 **Item 3: Consent Calendar**

29       A. Draft Minutes of the Regular Meeting held 4/25/18  
30

31               MOTION:    To approve the consent calendar  
32               Moved:     Hills, seconded by Shaffer  
33               Vote:        AYES: Unanimous  
34

35 **Item 4: Items Removed from Consent Calendar**

36 None.  
37

38 **Item 5: Treasurer's Report**

39 Treasurer Riehl noted that everything is on track, that there are no extraordinary  
40 expenses to report, and that the CSD is cutting back on significant expenses, and that  
41 she and Halley don't see any problems or issues with the budget, looking forward to  
42 their upcoming budget meeting.  
43

44 Open to questions. No questions from the public. Hamilton-Rivers asks why we're doing  
45 so well at saving money. Riehl says it's not miraculous, but that expenses have been

1 lowered when possible, for example in water treatment and even with the minutes-  
2 taking. Everything is coming in on target. Hamilton-Rivers concludes that we're just  
3 being more efficient.  
4

5  
6 **Item 6: District Manager Report**

7 Halley highlights some areas from her report: water modification permit completed and  
8 submitted; Banducci contact tank installation project started; stairs between Sunset and  
9 Pacific repaired; Cuco starting Pacific Way repair project; approval for \$8850 strategic  
10 planning grant on water analysis  
11

12 Shaffer adds that the reason Cuco hasn't finished the work is that while they thought it  
13 could be patched using cold patch, when they opened it up they realized it was bigger  
14 than expected and would need hot patch, which caused a delay – but it'll still be a one-  
15 day job. It'll be fine.  
16

17 Hamilton-Rivers adds that Matt is willing to join group about Sunset Way progress but  
18 not before June, at which point they'll get going on that.  
19

20 Paul Jeschke notes that the report on fixing steps didn't include the steps at Seacape  
21 and Starbuck, and wonders if that's still happening. Shaffer says it is still happening but  
22 will need a different worker, and will happen in June. Agreement that it is a hazard and  
23 needs to be finished.  
24

25 **Item 7: Fire Department Report**

26 Will circle back to this when Chris Gove arrives.  
27  
28

29 **Item 8: Policy Review of General Overhead Allocation**

30 Hills provides a review. When he became DM in 2005 he inherited a board policy that  
31 was used to allocate largest component of overhead, namely DM salary. That  
32 percentage was 40% to water, split between water capital improvement and water  
33 operations; 25% to general admin, 15% to fire, 10% to recreation, 10% to roads. The  
34 District's financial statements through 2015 have been prepared using these allocations.  
35 For 2016 and 2017, other allocation methods were used. Some members of the audit  
36 committee have proposed allocating overhead using percentages listed in budgets, and  
37 expanding the components of overhead beyond that of DM salary. Hills reported that  
38 those budget allocations were intended to be projections and not to be used to change  
39 a long standing Board policy. The audit committee reached an impasse, and now brings  
40 this to the board. Hills suggests we keep the allocation policy in place when he was DM,  
41 where the only component that was allocated was the DM salary. This might require  
42 some corrections to some financial statements, but it's intended that when statements  
43 are audited, that they're first reviewed for consistency with policies. They've never been  
44 reviewed until just now, and found some changes that need to be made.  
45

1 A lengthy discussion ensued.  
2  
3  
4  
5

6 MOTION: To accept the allocations that were in place through 2009, and use  
7 them through the remaining audits through 2017

8 *admin 25%*

9 *fire 15%*

10 *recreation 10%*

11 *roads 10%*

12 *water capital improvement fee 20%*

13 *water operations 20%*

14 Moved: Hills, seconded by Hamilton-Rivers

15 Vote: AYES: Hills, Shaffer, Hamilton-Rivers

16 NOES: Friedman, Lambert  
17  
18

19 **Item 8 (b): Future Budgets and Audits**

20 Riehl on the future:

21 Within the budget we have developed, the board last month approved separating CSD  
22 into two reporting entities: government services and water. Process now of acquiring  
23 bank accounts and separating monies. Riehl believes that the CSD operates road rec  
24 and fire as a family, not meant to operate as a profit center, so she recommends there  
25 are no individual allocations from general into fire, roads, recreation. None are profit  
26 centers. Water on the other hand is appropriate – general has expenses such as Mary  
27 and other accounts that are difficult to separate when a bill comes in. Over the past year  
28 we have cleaned up the accounts; we don't have many bills. What we can't do is  
29 separate nine expense categories (DM salary, insurance, workers' comp, office  
30 supplies, website, audit, board meeting expenses, and payroll taxes, payroll services).  
31 Riehl proposes that these overhead expenses are divided in half, and handed half to  
32 water. Why 50%?

33 - easy to do, good and clean

34 - tired of allocating at 40 etc.

35 Proposal: 50% of overhead be allocated to water, and there be no allocations to fire,  
36 roads, or rec, within general.  
37

38 Shaffer says that rec is a profit center. Shaffer asks about the extra 10%, and if this  
39 could create an extra burden on the community.

40 Board members debate what will lead to clearer decision-making, and what will lead to  
41 clearer understanding of what we're spending and ultimately to greater savings.  
42  
43  
44

45 Motion 1: Shall 40% or 50% of overhead be allocated to water?

1  
2 Moved: Hamilton-Rivers, seconded by Hills  
3 Vote: 40%: Shaffer, Hills, Hamilton-Rivers  
4 50%: Friedman  
5 Abstain: Lambert  
6 40% passes  
7

8 Motion 2: Adopting the 60% with no allocation, i.e. do not allocate the 60% of  
9 overhead not given to water to fire, rec, or roads.

10 Moved: Hamilton-Rivers, second Hills  
11 Vote: AYE: Hamilton Rivers, Lambert, Friedman  
12 NOES: Hills, Shaffer  
13  
14

15 **Item 8 (c): Role of the Audit Committee**

16 Hills would like to first confine the audit committee to audits, rather than general  
17 finances, and second, that audit questions are now resolved and the committee can be  
18 concluded. Hamilton-Rivers feels that no director should be involved in the committee.  
19 Hills states he should review the draft audits primarily to confirm that the fixed assets  
20 and depreciation are listed correctly. Lambert sees an ongoing role for the audit  
21 committee, while Hills says that the next step is to bring the audits to the board for  
22 approval.  
23

24  
25 MOTION: Conclude the audit committee  
26 Moved: Hills, seconded by Hamilton-Rivers  
27 Vote: AYES: Hills, Shaffer, Hamilton-Rivers  
28 NOES: Friedman, Lambert  
29  
30

31 **Item 7: Fire Department Report**

32 Chris Gove has no report; numbers not in from BBQ. Halley details available grants  
33 towards the siren project:  
34

35 Gove says that the total cost would be about \$60,000 to have emergency siren over at  
36 GGF, but that there are many practical issues yet to be resolved. Discussion continues  
37 about whether the community actually wants this, with agreement that grant applications  
38 can continue in the meantime without obligation.  
39

40 MOTION: Apply for the money without obligation and with the clear  
41 understanding that we need to have this discussion next month to  
42 decide whether we want it.  
43 Moved: Shaffer, seconded Hills  
44 Vote: AYES: Unanimous  
45 Motion is carried.

1  
2 **Item 10: Dog Park**

3 Anne Jeschke continues presentation, proposing that the CSD approve formation of dog  
4 friendly park with benches, fences, combination locks, with the expectation that people  
5 who use the park would maintain it, in one of three possible sites. Public discussion  
6 continued around issues of pros and cons of the three proposed locations, cost,  
7 maintenance, noise, and ADA accessibility.

8  
9 MOTION: Authorize Ann to proceed with experimenting with the Community  
10 Center site as a dog park, without modifications, as long as it  
11 doesn't cost any money.

12 Moved: Hills, seconded Shaffer

13 Vote: AYES: Unanimous  
14  
15  
16  
17

18 **Item 9: Draft Budget FY 2018-19**

19 Halley would like the board to make a decision regarding operating reserves, which are  
20 currently set at 55% of both annual and general water operating expense. It was agreed  
21 that within the next month, before the next meeting, board members schedule time, two  
22 at a time, with Mary and Leslie to go over draft budget.  
23  
24  
25

26 **Item 11: MBCC Rental Deposits**

27 Discussion with Laurie Piel and Tayeko Kaufman around the idea that there does not  
28 seem to be sufficient leverage to convince people using the CC to follow rules,  
29 especially around noise levels, to clean up, etc. For noise levels, a specific decibel level  
30 should be agreed upon.  
31

32 MOTION: Raise deposit to the same level, \$750, for everyone, whether  
33 resident, friend, and so on.

34 Moved: Hills, seconded Hamilton-Rivers

35 Vote: AYES: Unanimous  
36  
37

38 **Item 12: Security Cameras at CC**

39 Laurie Piel requests cameras that could be monitored. Hills says that there is a camera  
40 at the pump house, but that it doesn't have to be looked at unless there is an incident. It  
41 turns out that Piel is interested in being alerted if something were amiss, and it turns out  
42 that's not really what they're good for. Many object to the presence of additional  
43 cameras. It's agreed that security cameras are not the right solution.  
44  
45

**Item 13: MBCC Facilities Manager**

1 Laurie Piel describes the situation that things are left in a mess sometimes. How to  
2 make sure things are spic and span for next event?  
3 Hills is reluctant to hire a new position to carry over for what a facilitator is already being  
4 paid to do. Harvey Pearlman comments that even if a facilitator makes sure the CC is  
5 clean, that over intervening days the CC is used and can be left in disarray. Hamilton-  
6 Rivers suggests considering this issue again at a future meeting and moving on.

7  
8 **Item 14: Easement Repair and Bikes**

9 Barbara Schoenfeld is thankful for ongoing repairs to trails, staircases, and so on. But  
10 the Seacape Easement has not been upgraded; it is degraded from bikes. She would  
11 prefer there were no bikers. Shaffer counters that there are many community members  
12 who are in favor of trails being open to bikes.

13  
14 Friedman has initiated conversation with Marin Bicycle Coalition to deal with such  
15 topics, and invites Schoenfeld to be part of that ongoing conversation. They will report  
16 back to the board following that.

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18  
19 **Item 15: Public Open Time**

20 General agreement that the new microphones are great, and that we may even want  
21 more of them.

22  
23  
24 The meeting was adjourned at approximately 9:50 pm.  
25