



Sun Valley G.I.D. Budget Workshop Minutes of May 5, 2010

Board Members Present:

Patricia Lancaster	Chairperson
John Jackson, Sr.	Vice-Chair
Margaret Reinhardt	Secretary
Linda Woodland	Treasurer
Robert Fink	Trustee

Board Members Not Present:

Staff Present:

Darrin Price	SVGID, General Manager
Mike Ariztia	SVGID, Public Works Director
Carol Bratcher	SVGID, Accountant
Jennifer Merritt	SVGID, Staff

Others Present:

Warren Brighton	Audience
Jim Brunson	Audience
Sandy Ainsworth	Audience
Jim Ainsworth	Audience
Susan Severt	Audience
Garth Elliot	Audience
Glenda Walls	Audience
Barry Bouchard	Northvalleys.org

The meeting of the Sun Valley GID was called to order by Chairperson Patricia Lancaster at 6:00 p.m. in the Sun Valley District Administrative Building, 5000 Sun Valley Blvd, Sun Valley, NV.

Item#1. Approval of Agenda.

Linda Woodland made a motion to approve the agenda. John Jackson, Sr. seconded the motion. The motion carried unanimously.

Item#2. Certify posting of agenda.

Jennifer Merritt certified posting of agenda.

Item#3. Public comments for items not on the agenda.

Garth Elliott commented on a Reno Gazette Journal regarding him and another candidate running for County Commission District 5.

Item#4. Discussion and motion to approve minutes from April 14, 2010 budget workshop.

Linda Woodland made a motion to approve the minutes from April 14, 2010 budget workshop with the following correction; page 2 item 4 change the word "fare" to "fair". Margaret Reinhardt seconded the motion. The motion carried unanimously.

Item#5. Review and motion to approve proposed Tentative Budget for Fiscal year 2010/2011.

Darrin Price briefly went over each account in the Acquisitions Fund. He reported on the following;

- Ad Valorem Taxes continues to gradually increase each year even during the slow economy.
- Interest earned on some of the accounts is anticipated to decrease by almost 17% because of the slow economy.
- CTAX, Annexation fees, Other Non-Operating Revenues will remain the same as last year.
- Both Water and Sewer Facility fees have been reduced for this budget due to the lack of development. There is potential to receive more water facility fees than projected with the new water main being installed on Biller Lane.

Total Non-Operating Revenues is projected to be almost 7% (less than) last year's budget.

Darrin reported majority of the District's Water Capital Improvement Projects have been delayed for another year. Some of the Capital Improvement Projects that are budgeted for this fiscal year are;

- Engineering fees to update the Water Master Plan.
- The District SCADA system is ready to be upgraded in order to support some of the newer technology. Staff will try and maintain existing system until such upgrade is needed.
- Some funds have been set aside for RTU electrical, pumps, and a new meter for Boundary tank.
- Continuation for new Flexnet meters. Staff has all ready purchased the bulk of one billing cycling this year. Starting in July staff will start purchasing and installing the new Flexnet meter for a new billing cycle. The goal is to replace all existing meter with the Flexnet meters one cycle per year.
- As requested staff has set aside funds in both the water and sewer for a potential lift gate and/or elevator.
- Staff is requesting to budget for a replacement backhoe. The District's 1970 backhoe is non-repairable. Staff should be able to purchase a good used backhoe either by auction or private party.

The grand total for Water Capital Improvement Projects is \$327,000.00 dollars. The District's annual payments for water related bond and loans are \$882,047.00 dollars.

Robert Fink inquired what the status is on the elevator.

Mike Ariztia reported he has met with two companies and they provided quotes for a handicap lift or a cargo lift. The existing shaft is not designed to support a full size elevator with out some kind of structural add on to the building. Mike needs direction from the board to either purchase a lift gate or hire an engineer to evaluate the existing shaft and how to make it functional for an elevator.

Darrin reported majority of the District's Sewer Capital Improvement Projects have been delayed for another year. Some of the Capital Improvement Projects that are budgeted for this fiscal year are;

- Currently staff is making a lot of repairs to the metering equipment in vault 1. Replacement of metering equipment for metering vault 1 is an item identified in the District's current Sewer Master Plan.
- Funds have been set aside for the District's portion for maintenance and repairs to the Sparks Treatment plant.
- Staff is requesting to purchase a smaller video camera lateral. The new video camera can be used on some of the smaller jobs and help save staff time and wear and tear on the existing camera. The existing camera is used for videoing sewer mains.
- Other capital improvement projects were mentioned above in the water capital improvements.

The grand total for Sewer Capital Improvement Projects is \$170,000.00 dollars. The District's annual payments for sewer related bond and loans are \$538,550.00 dollars.

Darrin reported he is not anticipating making improvements at this time to the Sun Valley Parks and Pool. Just in case the District is budgeting \$50,000.00 dollars for building repairs.

Carol provided an inventory list of computers, servers, and software. At this time the District has twenty-two computers. Nine of the computers are older computers and are not upgradable. Approximate replacement cost for these computers are \$500.00 per unit. Until then Carol has some parts for repairs if needed. Three of the computers need some kind of ram upgrade. The balances of the computers are newer and can be upgraded. The District has three servers. Carol plans on swapping two of the servers, one to become the new data base server and the other to become the backup server. Carol will need to install two new drivers to fit the District's billing software configuration, approximate cost is \$500.00 dollars. The District is currently using an older version of XP Pro. The cost to upgrade to the latest version of MS Office Profession will cost approximately \$7,000.00 dollars, this includes licenses. The District can not upgrade at this time because of several reasons; we would have to upgrade all the computers so they would stay compatible with each other; our existing Springbrook software does not support the new version of MS Office. However, the District is going to be required to update its billing software next year and will be forced to upgrade to the latest version of MS Office. Carol commented replacing the new computers, upgrading software, and upgrading the billing software needs to be treated as one project, it can not be broken up. Carol is confident she can keep the existing computers and system running as is and swap computers around if needed until the District can purchase the needed computers and software.

Darrin reported the proposed Net Income (loss) for the Acquisition Fund is \$433.00 dollars.

Robert Fink was concerned regarding some of the proposed dollar amounts for some of the Capital Improvement Projects; he feels they might be on the higher side.

Darrin commented the proposed amounts are estimated amounts or in some case based on prior quotes. He assured the board all projects will be brought before them for formal approval first.

Darrin briefly went over each account in the Properties and Garbage Fund. He reported on the following Non-Operating Revenues;

- Interest Earned, Franchise Fees, and other Non-Operating Revenues will remain the same as last year.
- Rental Income has decreased due to vacancies and the District lowering rent.

Total Non-Operating Revenue is 2.41% (less than) last year's budget.

Darrin reported staff is not budgeting anything for the following items that would normally be budgeted for in the Non-Operating Garbage Franchise Expenses because, either the program has been canceled and/or staff needs further direction from the board how to proceed with some of the proposed projects.

- Garbage Consulting Services
- Keep It Clean Dump Passes
- Landscaping Beautification
- Sidewalk and Culvert Program
- Garbage/Composting Program

Majority of the other expenses have been reduced or slightly increased compared to last year's budget;

- Account/Audits reduced by 75%
- Dumpster Program reduced by 33%
- Community Events reduced by 14%
- Garbage Subsidies increased by 11%, more customers taking advantage of program.
- Garbage Miscellaneous reduced by 50%

Total Non-Operating Garbage Franchise Expenses is 46% (less than) last year's budget.

Darrin reported staff has adjusted the Rental Properties Expenses based on past rental history. The adjustments are based on projecting one vacancy for this fiscal year.

- Cleaning services reduced by 40%
- Other Services and Supplies reduced by 33%
- Repair and Maintenance for land reduced by 60%
- Utilities such as Gas, Electric, water, and sewer services increased by 100%. This is deceiving because last year we only budgeted for \$100.00, this fiscal year we are budgeting for \$200.00 dollar.
- The remainder of the accounts stays the same as last year.

Total Non-Operating Rental Properties Expenses is 44% (less than) last year's budget.

Darrin reported the proposed Net Income (loss) for the Properties and Garbage Fund is \$28,813.00 dollars after depreciation.

Darrin reported the Recreation Fund is basically the same as the proposed business plan that was provided September 2009. Since this is the first year the District will be operating the Sun Valley Pool and Parks he used figures provided by Washoe County. The District will have a better idea what to budget for when it is time to prepare the 2011/2012 budget after having a year of expenses.

After some discussion Robert Fink made a motion to approve the received report. John Jackson, Sr. seconded the motion. The motion carried unanimously.

Item#6. Discussion and motion regarding use of District vehicles by employees.

Darrin Price reported the board requested information regarding the use of District vehicles. He gave a brief background, the District's water and wastewater facilities is a twenty-four hour operation that requires staff to be responsive anytime of the day or night. The use of District vehicles maintains safety for both staff and customers as they are recognizable when responding to daily operations or emergency needs. As a service organization, using the District vehicles on the administrative side promotes professionalism. The same can be said on the service side and that tools and equipment are readily available.

The job descriptions for the Service Technician, Field Supervisor, and Public Works Director are indicative of a twenty-four hour operation requiring all these positions to be assessable at all times. The "Stand-by" duties for the Service Technician position are rotated amongst the qualified technicians.

use Darrin provided the following documents to be used for consideration regarding the of company vehicles.

- Job Descriptions for the General Manager, Public Works Director, Field Supervisor, and Service Technician.
- Sun Valley GID Personnel Manual Policies 8.9 and 7.13a
- Sun Valley GID Mileage Log (sample)
- Other regional entities car allowance for General Manager's and/or management positions
- IRS Reimbursement Regulation
- IRS Employer's Tax Guide
- Correspondence from the District's insurance company

Margaret Reinhardt would have liked to seen a report showing the mileage and the cost for using company vehicles to and from home.

Mike Arizita commented the provide report gives the total expenditures for gas, and maintenance on each vehicle as of July 1, 2009 to and from the employee's home (if it was taken home) and for their normal operating use.

Margaret commented she would like to see a separate report showing the total miles for commuting to and from an employee's home. She also inquired how many times Mike had to leave his home to help work on-site during an emergency after hours in the past twelve months.

Mike commented he has not had to leave from home to help on an emergency within the past twelve months. There has been times were he has been on-site during an emergency during regular work hours and it carried over into after hours and went straight home after the repairs have been made. Majority of the time he takes a vehicle home when he has to attend a meeting prior to going into work or attending a meeting after hours.

Margaret commented she thinks it is a fringe benefit for an employee to be allowed to use a vehicle to commute to and from work on a daily basis. She thinks it would be cheaper on the District if the employee was required to report to work in their personal vehicle and request for mileage reimbursement on the occasions they had to report to work because of an emergency.

Darrin requested for the Service Technician and the Field Supervisor positions to be able to continue taking home a company vehicle for On-call/emergency purposes, and continue discussion regarding vehicle use for the Public Works Director and the General Manager.

Patricia Lancaster agreed the On-call and Field Supervisor should have vehicles.

John Jackson, Sr. commented he disagrees with allowing an employee to take a company vehicle home every day for just in case of an emergency should happen. It is the employee's responsibility to report to work and they should report to work using their own vehicles. He doesn't recall it ever being approved by the board to allow certain positions permission to take a vehicle home because their position requires them to be available 24/7. He rather pay the mileage reimbursement to an employee.

Margaret commented the board has not decreased any salaries, or work time, but an employee can not be allowed to increase their benefits on their own.

Darrin commented for the record he has never increased his own benefits.

Susan Severt suggested the board to start monitoring the cost difference of how much the District would potentially start paying employees for mileage reimbursement versus allowing them the use of a company vehicle as needed. She thinks it will be more costly long term reimbursing employees for mileage. Susan commented in the event of an emergency it will take employees twice as long to respond because they would have to drive to work first to pick up trucks, that are all ready loaded with tools and equipment, and then respond to the emergency. By then, a lot of damage can happen.

Darrin commented he would be more than happy to monitor and bring a comparison report back for consideration showing the expenses of an employee using a company vehicle versus their personal vehicle to report to meetings, after hour service calls, and emergencies. He read into his record his conclusion of his staff report.

After some discussion Robert Fink made a motion for the On-call employee to be allowed to take home a company vehicle. Margaret Reinhardt seconded the motion. The motion carried unanimously.

Robert Fink commented since some of the trustees think employees should not be allowed to use a company vehicle for District business then board members should not be allowed either. Employees should only be reimbursed for mileage if they are directed by their supervisor to attend a meeting and/or a conference and have to use their personal vehicle.

Darrin commented some board members are required to attend some meetings and trainings. It would make sence to car pool in a District vehicle to help cut down on expenses.

Patricia inquired if Margaret would object to Susan's suggestions and evaluate the use of the company vehicles for a couple of months and compare the expenses.

Margaret requested for clarification, would the employees start turning in a mileage log.

Susan commented an employee would only request for reimbursement if they had to attend a meeting prior to reporting to work (using personal vehicle), or if the employee used their personal vehicle for District business during regular operating hours, or if they had to commute home from a meeting after hours (using personal vehicle). She suggested to track the mileage for a couple of months and see what it would cost to reimburse the employees based on the IRS .50 cents per mile.

Warren Brighton commented when he worked for the government he was responsible to report to work and/or meetings on his own time. If he wanted to take a company vehicle to a meeting, he would leave early to pick up a company vehicle and then commute to the meeting before or after hours. He never got to claim mileage for his time to report to a meeting if he chose to use his personal vehicle or claim overtime so he can pick up a company vehicle to avoid using his own vehicle. He inquired if the positions that are under consideration are management positions or regular positions. If they are management positions, they should be salary positions and be responsible to report to any kind of work on their own time and not get paid additional overtime or mileage reimbursement.

Both Margaret and John agreed with Warren and commented the District's management positions are not on salary, the District pays overtime on management positions if management is performing District business before and after hours.

Robert Fink made a motion for all non-salary employees get paid .50 cents per mile to and from after hours, before 8 am and after 5 pm, if it is required they attend a meeting and/or training. Motion died for a lack of a second.

Susan commented she has noticed a common occurrence over the past two years, a very accusatory tone from some of the board members that something is always being done wrong by staff. She inquired if staff is currently abusing the use of vehicles, inquired if any of the board members has caught any of the staff doing something wrong. If they are doing something wrong then take action, but if not then stop accusing them. It is ok to review policies and ask questions regarding the policies, but let staff do their jobs, since that is what they are paid to do.

Linda agreed with Susan, and since she has been on the board, January 2009, she has felt the same tension.

Margaret thinks all employees can find their own way to and from work on their own.

John commented he thinks the board and staff need to review the current vehicle use policy. Currently the policy only allows the On-call person the use of a vehicle. If the desire is to allow management to use of a company vehicle, then the policy needs to be reviewed again.

Patricia commented she thinks the board should review the provided information, think about discussions tonight and bring back at the next meeting for further discussion regarding the use of company vehicles by management only.

After some discussion Linda Woodland made a motion for the Field Supervisor to be provided a company vehicle to use for work duties and report to and from work. John Jackson, Sr. seconded the motion.

Yea: Patricia Lancaster, John Jackson, Sr., Robert Fink, Linda Woodland.

Nay: Margaret Reinhardt

Darrin thanked the board for allowing the On-call and Field Supervisor the use of a company vehicle. He also reported he will continue to practice the District's current policy regarding the use of company vehicles. He also commented since he stopped driving the company vehicle, he has never requested for mileage reimbursement for the use of his personal vehicle.

Mike Ariztia commented he does not drive a company vehicle home on a daily basis either, at the most it is one or two days a week. And those days are when he has a meeting he has to go to.

Item#7. Public Comments.

Garth Elliott commented he spent time with Paul with Washoe County at the Highland Ranch Park. They are considering on tearing down the enclosure that is around the port-a-potty. The Kid Safe day was a great event for the Sun Valley Community.

Warren Brighton commented Washoe County is considering on making an inventory list of dirt roads within Sun Valley and possible paving them, such as the one on east 6th Avenue.

Susan Severt commented the Great Truckee Meadows Clean Up Day is Saturday May 8th. The sites for Sun Valley are located at the end of Danforth and Chimney Drive.

Item#8. Board Comments.

None

Item#9. Future agenda items.

Mike Ariztia reported he will be requesting permission to promote two employees who recently passed their Water Distribution at the next meeting. He also reported he has been issued military orders and will discuss his leave at the next meeting.

Item#10. Adjournment.

John Jackson, Sr. made a motion to adjourn at 8:55 pm. Linda Woodland seconded the motion. The motion carried unanimously.