



Sun Valley G.I.D. Board Meeting Minutes of May 08, 2012

Board Members Present:

Margaret Reinhardt	Chairperson
Linda Woodland	Vice-Chair
Sandra Ainsworth	Secretary
Garth Elliott	Treasurer
Robert Fink	Trustee

Board Members Not Present:

Staff Present:

Darrin Price	SVGID, General Manager
Mike Ariztia	SVGID, Public Works Director
Bill Short	SVGID, CPA
Carol Bratcher	SVGID, Accountant
Jennifer Merritt	SVGID, Staff
Maddy Shipman	SVGID, Legal

Others Present:

Warren Brighton	Sun Valley CAB, Chairman
Joseph Barstow	H.O.P.E. Church, Pastor

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

Item#1. Roll call and determination of a quorum.

Board members present; Robert Fink, Margaret Reinhardt, Sandra Ainsworth, Garth Elliott. A quorum was present.

Item#2. Pledge of Allegiance.

Item#3. Motion to approve agenda

Robert Fink made a motion to approve the agenda. Sandra Ainsworth seconded the motion. The motion carried unanimously.

Item#4. Certify posting of agenda.

Jennifer Merritt certified posting of agenda.

Item#5. Public comments for items not on the agenda.

None

Linda Woodland arrived at 6:05 pm

Item#6. Trustee/Manager's announcements, request for information, and statements relating to items not on the agenda.

Garth Elliott commented that he would still like to try and get the Master Gardner Program that is offered through the Cooperative Extension out in Sun Valley. He thinks the program would be beneficial for the seniors and he hopes that he can get a garden program implemented for next year.

Item#7. Review and possible direction to staff regarding 2012/2013 tentative budget.

Darrin Price reported that tonight's workshop is an effort to inform others about the District's tentative budget and accept any changes to the budget from the Board before the final approval of the tentative budget on May 17, 2012. At the last meeting Margaret Reinhardt had two questions regarding the tentative budget relating to the expenses budgeted for website consultant and she would also like to know how the District saved 6% with the current fiscal year budget.

Darrin commented staff budgeted \$5,000 for a website consultant to assist with programming that goes beyond the scope of regular maintenance and updates to the District's website. Last year the District spent approximately \$1,400 with the District's website consultant on various programming additions and added additional features to the website administration page so updates can be made faster and easier. Majority of the expense was adding a file depository site so that staff can start linking files. Darrin commented staff does not have a problem with reducing that amount, but would still like to retain some funds for just in case.

Margaret Reinhardt inquired what potential programming needs does staff foresee for the upcoming year.

Darrin commented additional programming could include online registration for recreation program, possible search function to help with navigating through the website, or anything else that the Board might want to add. None of these features have been discussed yet with the consultant but there might be a need for these features later.

Mike Ariztia commented the District website has been operational for one year now and staff is still not familiar with the costs associated with any future needs. The proposed \$5,000 was just an estimated figure and once staff gets more familiar with the operations of the website, staff will be able to provide better proposed figures for future budgets.

Darrin addressed Margaret Reinhardt request regarding the 6% savings that Darrin mentioned during the first budget workshop that was held on April 10, 2012. Last year the Board approved the District's budget for the Water Fund that included \$2,203,887 in total operating expenses for 2011/2012. It is estimated through the end of this year that the total operating expenses will be \$2,010, 606. If you compare what was approved and what was actually spent the difference is an 8% decrease in total operating expenses.

Margaret Reinhardt inquired if the District would be able to afford to reinstate the appliance removal program.

Darrin Price commented the appliance removal program expenses would come from the District's Garbage Fund. He reminded the Board they had made a decision not to offer the appliance removal program this year since the District offered it last year. The Board thought donating funds towards the Keep Truckee Meadows Beautiful Clean Up Day would be more beneficial. He does not have a problem budgeting for the appliance removal program for next year.

Garth Elliott commented he has concerns offering the appliance removal program every year considering that people may not have something that needs to be removed every year.

Mike Ariztia commented since the price of scrap metal has gone up a lot of people and/or organizations are providing a removal service to those who have appliances in their yards waiting to be removed.

Margaret Reinhardt inquired about recycling of televisions.

Mike Ariztia reported that the recycling of televisions is not profitable. Most companies charge a removal fee. Last year when the District collected televisions the District had to pay \$10 per television. That cost was offset by the money the District received in scrap metal from appliances and any donations that were made during the recycling days.

Margaret Reinhardt thought that overall the recycling program that the District offered had a good return and would like to consider reinstating it for the upcoming year.

Audience member Warren Brighton inquired if the District truly has a loss of income after depreciation because it doesn't appear that way on the provided budget worksheet.

Darrin Price reported the \$30,387 that Warren is referring to is the Operating Income (LOSS) after depreciation, it is not a negative loss it is a reduction to the Operating Income once the District considers in the depreciation factor. After considering the District's operating expenses and depreciation the District also has to consider in the bond payments and that is when the District shows an actual loss in the Water Fund Net Income.

Margaret Reinhardt inquired what funds pay for the bond payment, she wondered if the money held for depreciation is used to make the bond payment.

Carol Bratcher reported the funds from depreciation account are not used towards the bond payment. The bond payment is only accounted for in the budget under the depreciation account. The District does not have a true expense that is paid out from depreciation, but staff does budget \$750,000 in depreciation for the bond payment. The District has never spent any funds from the depreciation account.

Margaret Reinhardt inquired if the \$750,000 from depreciation has ever been transferred or moved to another account to make the bond payment.

Carol Bratcher reported she has never transferred or moved the \$750,000 from depreciation to any other account.

Robert Fink inquired if someone from the public wanted to review the budget, would that individual understand the budget without having it explained to them.

Darrin Price commented it all depends on the math or accounting experience that individual has. As a good example if you just look at the bottom lines; you can see the total revenues, total operating expenses and what the total income or loss is before depreciation. Some individuals might think the District is making a profit if that is all they look at and not look at what the District has to depreciate out for assets that will eventually have to be replaced. If the individual looks at the total income after depreciation they will see that the District is operating as close to zero as possible. Once you add in your non-operating expenses such as the bond payments, the District has a net income loss.

Carol Bratcher commented the District is required by the State to include depreciation in the budget even if it is never used.

Bill Short commented that the budget will reflect the reduction of the depreciation, but the depreciation amount is added back in on the District's monthly statements to give you a better idea of what your total income really is. Bill also agreed with Darrin, it all depends on the individual and how they interpret the budget. If an individual really knew how to read a budget, they would know that depreciation is not a real cash item and add the depreciation amount back in to the total income.

Margaret Reinhardt commented based on the information that has been presented the 8% savings was just a savings in expenses and not a cut from the budget.

Darrin Price commented staff always looks at ways to cut expenses from the budget and staff has done that in the past. Staff also has to plan for some of the unexpected items that might come up during the year as well. That is why staff does an outstanding job watching expenses throughout the entire year and really only spends what is necessary and not spend all of what was budgeted.

Mike Ariztia commented another way to look at Garth Elliott requests for a 6% cut in the budget, staff didn't feel comfortable saying they could cut 6% from the budget at the time it was approved, but staff promised to do everything possible to make sure his 6% was met and staff saved more than 6%.

Garth Elliott commented he is appreciative of the savings that staff is able to do, but he would like to see that translated to actual numbers on the budget that gets approved. He commented he has been required by his employers to make significant cuts each year.

Margaret Reinhardt inquired if there were any more questions regarding the budget.

Linda Woodland inquired about the 5% that was built in for employee raises. She wanted to confirm that meant the Board has the flexibility to actually give anything from a 1% up to a 5% if the Board approves raises.

Darrin Price commented that is correct. Staff proposed a percentage in the budget, but that does not mean you have to spend it. When annual reviews are done staff will present proposals to the Board and the Board votes on the percentage.

Linda Woodland inquired if all employees would receive the same percentage if approved.

Darrin Price commented the Board approves a percentage and then that percentage is used as a multiplier based on evaluation scores.

Margaret Reinhardt requested staff to reduce the amount budgeted for the website consultant to \$3,000 instead of \$5,000 and would like to add back into the budget funds for the appliance and electronic recycling program.

Garth Elliott inquired why the expenses for retirement increased.

Darrin Price reported the retirement expense increased because of the new Customer Service Supervisor position that will be filled.

Carol Bratcher commented that the District's retirement is through PERS. The District has no control over the rates that gets paid to PERS, PERS determines the rate that needs to be paid.

Garth Elliott inquired what the contribution is that is paid by the District and the employees for PERS.

Carol Bratcher commented the District pays 100% of the retirement fund. That was the choice the District made when the District joined PERS. It was a one time decision and it is not reversible.

Margaret Reinhardt inquired if that can be changed by the Board or be canceled.

Carol Bratcher commented that it cannot be changed it was locked in at the time the District said they would pay 100%. If the Board wanted to cancel paying into PERS then the District would start paying into Social Security.

Garth Elliott also had some concerns regarding the District still funding the Dumpster program for Washoe County. He thinks that those funds could be used to further assist District customers in some way.

Carol Bratcher commented that the funds that are used for the Dumpster Program come from the Franchise Fees the District receives for garbage and that no fees from District customers are used towards the Dumpster Program.

Maddy Shipman suggested making individual motions regarding the direction to staff regarding any changes to the tentative budget. That way there is an agreement by the Board regarding any changes that have been discussed.

Sandra Ainsworth made a motion to change the website consultant expenses from \$2,500 to \$1,500 from each of the water and sewer acquisition funds. Linda Woodland seconded the motion. After some discussion the motion carried unanimously.

Linda Woodland made a motion to expend \$5,000 from the Garbage and Rental Properties for the Appliance and E-Waste Recycling. Sandra Ainsworth seconded the motion. After some discussion the motion carried by the following;

Yea: Linda Woodland, Margaret Reinhardt, Sandra Ainsworth

Nay: Robert Fink, Garth Elliott

Item#8. Public Comments.

Maddy Shipman commented she will not be at the May 10, 2012 board meeting and requested the Board to be aware of the agenda and stay on the agenda.

Darrin Price commented he spoke with Stewart White and he said he would like to try and make it to the District's next board meeting to say good-bye since he didn't get the chance when he retired. Stewart is happy with the District's decision approving Maddy Shipman as the District's full time legal counsel.

Item#9. Board Comments.

Linda Woodland reported she will out of town from May 12, 2012 until May 21, 2012.

Item#10. Future agenda items.
None

Item#11. Adjournment.
Robert Fink made a motion to adjourn at 7:05 pm. Linda Woodland seconded the motion. The motion carried unanimously.