

SQUAW VALLEY PUBLIC SERVICE DISTRICT

FINANCE COMMITTEE MEETING

DATE: September 24, 2018

Call to order at 3:30 P.M.

Public comment – none

Attendees: Directors Eric Poulsen and Fred Ilfeld, Mike Geary, General Manager; Kathryn Obayashi-Bartsch, Secretary to the Board; Danielle Grindle, Finance & Administration Manager; Brandon Burks, Operations Superintendent and Allen Riley, Fire Chief.

Items reviewed by the Committee include the following:

D-1 Operating Account Check Register: Ms. Grindle reviewed the Operating Check Register numbers 46250- 46323 and ACH payments. Staff reviewed payments of more than \$800 and provided an explanation of the following payments and a summary of electronic payments (ACH). There was also discussion of some payments less than \$800 that were of interest to the Committee members.

Check Payments:

- 46254 Mass Mutual Retirement Services – deferred compensation withholding
- 46260 Express Systems – turnout extractor/washer. Capital project
- 46261 Farr West Engineering – Truckee River Siphon, Sewer Manhole Inspection, PlumpJack Well
- 46283 Truckee Chamber of Commerce – annual membership
- 46285 Stanley Craig Trumbull – information technology services for Admin and Fire Dept bldg
- 46287 Western Nevada Supply – water boxes & lids
- 46288 Zoll Medical – heart monitors & defibrillators. Capital project
- 46290 AT&T – phone & internet service
- 46295 LN Curtis & Sons – hose & nozzles. Capital project
- 46300 Hunt & Sons – diesel & unleaded fuel
- 46301 Thomas Archer – legal services
- 46302 Liberty Utilities – electricity for all facilities, wells & pumps
- 46306 Mass Mutual Retirement Services – deferred compensation withholding
- 46307 McClintock Accountancy – 1st installment of audit services for Fiscal Year 2017-2018
- 46315 Standard Insurance – dental insurance
- 46316 Tahoe Truckee Propane – heating fuel
- 46319 Vision Service Plan – vision insurance
- 46323 Eric Poulsen – payroll & medical reimbursement

Ms. Grindle reviewed exhibits D-2 through D-6:

D-2 Operations Enterprise Fund, Revenue vs. Expenditure/Balance Sheet

The statement shows 16.7% of the year has elapsed. Revenue is at 89.4% of the budget and expenditures are at 16.1% of the budget. When compared to the prior year at this time, the District's net surplus is \$97,000 greater.

D-3 Fire Government Fund, Revenue vs. Expenditure/Balance Sheet

The statement shows 16.7% of the year has elapsed. Revenue is at 24.2% of the budget and expenditures are at 20.7% of the budget. Compared to last year at this time, the District's net surplus is \$49,000 greater.

D-4 Capital Reserve Fund Balance Sheet/Income Statement

The income statement shows 16.7% of the year has elapsed. Revenue is at 16.3% and expenditures are at 16.3%. At the time of publishing this report, the July and August bank statements from Placer County have not been received. Statements are expected by the end of September.

Ms. Grindle reviewed the estimated allocation of property tax. The Ad Valorem tax revenue in the District's Fiscal Year 2018-19 budget was estimated to increase by 0.96% compared to last year. The District received Placer County's estimated allocation of property taxes for Fiscal Year 2018-19, also known as the "September Surprise". It provides a more favorable estimate; a growth of 1.75% compared to last year for a total increase of \$62,000. The total tax revenue for FY 2018-19 is estimated to be \$3,609,000.

D-5 Combined Revenues/Expenditures/Balance Sheet

This report is for internal use only as a tool but is not intended to be an audited financial report. The report captures the District's position as a whole including enterprise funds (Operations/Administration Dept.) and governmental operations (Fire Dept.). The statement shows 16.7% of the year has elapsed and expenditures are at 18.3%.

D-6 Fund Balance Statement

The statement shows the highest yielding funds are Pro Equities Certificate of Deposit #2 at 3.10% and the Pro Equities Certificate of Deposit #1 is at 2.40%. The Placer County Funds (#541-003 and #541-435) are at 2.01% which is June's rate. We will have updated rates once we receive July and August statements.

Payments: Mr. Geary and Ms. Grindle reviewed the following payments with the Committee:

- D-7 1st Quarter Payment – Tahoe Truckee Sierra Disposal – Garbage Service
- D-8 Progress Payment – McClintock Accountancy – Fiscal Year 2017-18 Audit
- D-9 Progress Payment – Farr West Engineering – Truckee River Siphon
- D-10 Progress Payment – Farr West Engineering – Sewer Manhole Inspection
- D-11 Progress Payment – Farr West Engineering – PlumpJack Well Phase 2

Mr. Geary reviewed the following item:

F-1 Deferral of Sewer Service Fees – 1509 Christy Lane.

On March 19, 2018, the house at 1509 Christy Lane was destroyed by a fire. The property has since been determined to be uninhabitable. The property owner contacted District staff and requested that the flat fee service charges for sewer be deferred until the house is rebuilt. While the Water Code and Sewer Code are duplicative verbatim in sections of Code that apply to providing both water and sewer service, the same section is not included in the Sewer Code. It is believed that it was the staff and Board's intent to provide the same relief that is provided for in this section of the Water Code for sewer user fees. It is assumed that changes were made in 1994 to the Water Code and that the same changes were not implemented within the Sewer Code.

Director Poulsen and Ilfeld discussed whether T-TSA defers fees in such a situation and asked staff to research this issue.

F-2 A. Squaw Valley North Condominiums Water Line Replacement.

In 2016, the Squaw Valley North Condominium Owners Association (Association) replaced a water line and thirteen water service lines constructed in 1967. The project was necessary to replace the old, leaking water line, as well as install the water meters near the edge of the public utility easement.

At the August 30, 2016 Board meeting, the Board of Directors approved the District's participation in the replacement and dedication of the water line and appurtenances which included a cash contribution to the Association of \$14,500. The water line facilities were installed in the private roadway within a blanket utility easement and the District provided construction inspection during construction and testing.

Director Poulsen expressed support for the project including the additional financial contribution of \$4,000 for the Squaw Valley North Water Line Replacement Project for a total of \$18,500.

F-3 Squaw Valley Institute – Commercial Lease – 1810 Squaw Valley Road.

Since 2006, the Squaw Valley Institute (SVI) has leased a variety of spaces at the old Firehouse at 1810 SV Road. The current lease expires on March 31, 2020 and Jamie Simon, on behalf of SVI, requests changes to the lease to allow for rental of the 1,218 square foot space to others as a shared work space.

Staff researched rates of comparable properties to determine market value for the space. Rental rates for office space in Truckee are around \$1.70/square foot and in Tahoe City around \$1.89/square foot. If the Board approves the changes to the lease as requested by SVI, the proposed terms of the revised lease would be:

- Rent: \$2,131/month (\$1.75/square foot)
- Utilities: \$350/month until March 31, 2019 and will be adjusted to cover the tenant's actual use of utilities
- Snow Removal: no change
- Term: October 1, 2018 to March 31, 2020
- Parking Spaces: no change
- Security Deposit: \$4,200

The projected revenue from the revised Commercial Lease for a single year would be \$30,172 which is offset by the cost to provide utilities, snow removal and building maintenance. This represents an increase of \$6,576 per year compared to the gross revenue generated by the current lease terms.

No further business coming before the Finance Committee, the meeting was adjourned at 4:40 P.M.

By, KOB/DG