

DRAFT

SADDLE CREEK COMMUNITY SERVICES DISTRICT MINUTES FOR THE  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
September 20, 2016

**CALL TO ORDER:**

The Saddle Creek Community Services District (CSD) Board of Directors held their monthly meeting on Tuesday September 20, 2016. President Russ called the meeting to order at 2:00 PM in the Members Lounge and led Directors and staff in the Pledge of Allegiance.

**ROLL CALL:** Roll call indicated the following directors were present:

President	Sue Russ
Secretary	Ken Albertson
Director	Owen Bramlett
Director	Darlene DeBaldo
Vice President	Larry Hoffman

Staff:

The following staff members were present:

General Manager/ Treasurer	Peter Kampa
Site Manager:	Greg Hubbard
Clerk	Michele Menzies
Saddle Creek Manager	Rick Morgan
Bookkeeper	Delores Baker

Members of the public were in attendance

**CHANGES TO THE ORDER OF AGENDA:**

**PUBLIC COMMENT:** Expressed some concerns about bad odors coming from ponds early in the morning and the dead oak trees around them.

Greg has filled the ponds, so that should help reduce the bad odor. They will remove the dead oaks in Spring, because sometimes the oaks come back and he wants to make sure they are dead before removing.

**CONSENT CALENDAR:** Consent Calendar items are considered routine and will be acted upon by one motion. There will be no separate discussion of these items unless a member of the Board, Staff or a member of the public requests specific items to be set aside for separate action.

- a. **Review of monthly financial report and approval of bills and claims or the month of August 2016.**
- b. **Approval of the minutes of the Regular Board Meeting of August 16, 2016.**

Motion by Director Bramlett and Second by Director Albertson for approval of expenditures incurred by the district during the months of August and approval of the August 16, 2016 minutes. Motion passed unanimously.

**Discussion and Action Items**

- a. Presentation for the board to develop an understanding of the Financial Reports - Dolores Baker.

Dolores gave a brief presentation explaining the financial reports and answered any questions or concerns for the Board and public.

- b. Discussion and Action regarding the development of a budget projection covering necessary road improvements and replacement of all District assets, and which will serve as the basis for the proposed road special tax measure being developed.

### **Background**

The Board has given some preliminary direction regarding the long term services and expectations of the District, and accordingly staff has prepared this 5 year budget projection to be used in development of the 2017 special tax measure. The proposed funding measure is intended by the Board to cover the cost of long term operations, as well as the road improvements described in the 2016 road condition assessment, and several other contingency items described thus far by the Board.

Specifically, the attached 5 year projection makes the following assumptions:

- Administrative staffing will increase to one full time equivalent effective 2017, and working half the year in 2017 and the full year in 2018 and beyond. This staff will receive normal benefits for FTE
- Bookkeeping staff time will increase by 8 hours per week in 2017
- Two gate attendants will be added in June 2017 and rotate schedules to staff the gates Monday through Sunday from 6am to 8pm. Each will receive normal employee benefits
- Normal operating expenses for the most part increase in cost 5% each year
- Equipment maintenance costs reduce due to 5 year normal replacement schedule as covered by the new reserves
- Castle & Cooke reimbursements and subsidies stop being paid to the District in 2018; shown as Subsidized expenses in the operating expense projections
- Copier and other office equipment needed for additional workload
- Road improvements of \$100,000 per year, plus a 10% contingency
- \$60,000 in landscape improvements/renovations to drought tolerant in 2017 and 2018
- Reserves established
  - Road construction contingency
  - Capital facilities replacement (existing buildings and non-rolling stock)
  - Capital facilities improvement (new) is considering the ultimate development of an office building or other similar facility
  - Capital equipment replacement intended to replace rolling stock on a 5 year basis
  - Operating contingency reserve of \$75,000 to be accumulated over the 5 year period, with a goal of 10% of the total operating budget. This reserve can then be moved to capital facilities after year 5
- Construction management is added to employ a qualified consulting engineer during road construction to verify completed quality
- Project management services are added to hire consulting services to manage all paperwork and processes associated with construction of road improvements

Each of the above assumptions can be adjusted as necessary to plan the level of services desired by the Board going forward. The budget and resulting tax rate will be used by our financial tax consultant, NBS to develop several special tax funding scenarios. Please note that the cost per parcel and cost per parcel per month is shown for example and reference only. The actual amount will be established by NBS in several scenarios including allocation of proportional expenses to the Golf Course and other Castle & Cooke commercial facilities, for consideration by the Board before the May 2017 ballot is

prepared.

GM Kampa presented a first draft preliminary 5 year budget and received input and direction from the Board.

GM Kampa wants to make sure there is a good understanding of what we are purposing before going any further. Sequence of events is finalizing a number and the things that are to take place with this money, and then the special tax consultant goes through and uses that number and its benefits and applies a couple different scenarios of how to apply the special tax.

President Russ briefly went over the draft budget and gave some details explaining the how and whys, that led to the budget projections.

Albertson expressed his concerns that assuming anything (funding) from Castle & Cooke is a gamble, as it has been in the past.

GM Kampa explained bottom line is we have to say what we are going to do and deliver it. If charging the tax is more than what you need, every year you'll be making a decision and if there are still funds it will carry forward to the next year. We are not mandated to levy the amount approved as the maximum tax plus its annual increase, and can levy a lesser amount if financial conditions warrant.

GM Kampa stated it will probably will take a couple more board meetings to come up with a final draft.

- c. Establish a meeting date for a community informational meeting regarding the May 2017 road special tax election.

#### **Background**

The Board has discussed their interest to hold a community informational meeting in advance of the special tax election in May 2017. To accomplish this, we must consider a date and decide on potential venues for the discussion. The purpose of this agenda item is to determine the most appropriate date and provide direction to staff regarding a desired venue to pursue.

Received offer from John Lynch to give a presentation to community about the condition of roads. Board is looking for a date at the end of April, possibly on Friday or Saturday around or after 3:00 PM. We will be providing the public with plenty of information regarding the tax and voting requirements before the April meeting.

The Board directed staff to check on available weekend (Saturday) dates in April 2017 at the large Resort Conference room and reserve the dates accordingly.

- d. Consideration of appointment for board position becoming vacant in December 2016.

#### **Background**

Vice President Hoffman has suggested that the Board hold a discussion regarding the upcoming Board vacancy at the beginning of December, 2016. On the first Friday in December, Director Darlene DeBaldo will take office, and Director Owen Bramlett's term will expire and there were no additional candidates signed up to take his place.

The Board can appoint a new Board member as soon as the vacancy occurs in December, and the appointee's term will be two years until the next General Statewide Election. Staff will publish the appropriate vacancy notice once the Board approves moving forward with the appointment.

Darlene DeBaldo will be on the Board for another 4 years. Owen has his house on the market and November will be his last meeting, so we have a vacancy opening coming up. GM Kampa will post vacancy and board will interview candidates at the December meeting.

Motion by Director Hoffman and Second by Director Albertson for approval to post vacancy and appoint a replacement director to fill the vacant Board seat at the District's December 2016 Board meeting. Motion passed unanimously.

e. Review and Approval of a Communication Plan for the District

**Background**

The Board has directed the preparation of a plan to communicate more comprehensively with its customers. Staff has prepared a draft communication plan, attached for your review and input.

Motion by Director Hoffman and Second by Director Albertson for Approval of a Communication Plan for the District. Motion passed unanimously.

**STAFF REPORTS:**

Greg-Gave a short presentation explaining the shrinking wetlands due to the drought. Blue stakes have been laid for the wetlands and are there to keep people off and out of those areas.

GM Kampa-I will be attending the annual CSDA conference in San Diego before next Board meeting and will be giving a presentation regarding consolidation of Special Districts.

**DIRECTORS REPORTS:**

President Russ-None

Director Hoffman-Encourage everyone to sign up and golf on October 3, 2016.

Director Albertson- None

Director DeBaldo-None

**CLOSED SESSION**

**Performance Evaluation of the General Manager pursuant to California Government Code 54957.**

President Russ announced that the Board was going into closed session at 4:08 PM to conduct a performance evaluation and asked if there was any public comment on this item, and stated that after closed session, the Board will reconvene open session and announce any action taken in closed session. No public comment was received, and the Board adjourned to closed session. The Closed Session adjourned at 5:03PM, and the regular meeting was reopened. With no remaining audience, and no reportable action from Closed Session, the meeting was adjourned.

**ADJOURNMENT** – Having no further business, President Russ adjourned the meeting at 5:05 PM. CSD's next board meeting date is to be held October 18, 2016.

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Michele Menzies, CSD Clerk

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Peter Kampa, General Manager

APPROVED BY:

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Sue Russ, BoardPresident

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V/President

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