

**MINUTES OF SPECIAL MEETING OF THE
NORTH TAHOE PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
North Tahoe Event Center
8318 North Lake Boulevard, Kings Beach, CA 96143
Tuesday, December 8, 2015 at 4:00 p.m.**

CALL TO ORDER/ESTABLISH QUORUM

A Special Meeting of the North Tahoe Public Utility District Board of Directors was held at the North Tahoe Event Center in Kings Beach, California on Tuesday, December 8, 2015. President Bergmann, Directors Lewis, Daniels, Ferrell, and Thompson were all in attendance, establishing a quorum. President Bergmann called the meeting to order at 4:15 p.m.

PUBLIC FORUM

No members of the public were present to address the Board of Directors on items not on the agenda, and Public Forum was closed.

CONSIDER STRATEGIC PLANNING TOPICS

Review Strategic Objectives and Draft Mission, Vision and Core Values Statements

General Manager Whitelaw presented the draft mission, vision and core values language included in his report and requested that the Board review them for the January meeting at which time, Katy Simon-Holland will facilitate the continuing discussion of the plan.

Consider Approval of District Reorganization Plan

General Manager Whitelaw presented the reorganization plan and recommendations which were developed in accordance with the direction given to staff at the Strategic Planning Workshop held in October.

He noted that the budget adjustment for the change would include increases to some departments and decreases to others and advised that the plan had been reviewed by both the Personnel Committee and the Labor Management Committee consisting of staff and union representatives. The Personnel Committee concurred with the recommendations made for the reorganization.

MOTION: After discussion, Director Ferrell moved to adopt the reorganization plan and revised job descriptions as presented. Upon second by Director Thompson, the motion carried unanimously (5-0).

Consideration and Action for Recreation and Parks Funding

Three options for funding the Recreation and Parks Department were presented, of which two had been previously discussed. The pros and cons of each alternative were discussed. The District's commitment to provide Recreation established in the strategic planning process requires the determination of a funding source to achieve what has been defined as a moderate level of service. General Manager Whitelaw defined a moderate level of service using seven criteria which include safe, well-maintained facilities, year-round restrooms, affordable use which is free for youth and school programs, upgraded meeting space at the event center with free parking for events,

creation of a capital asset replacement plan, and completion of a masterplan at the Recreation Commission level, recruitment for vacant positions, and utilization of volunteers, interns, and community service workers.

Option A includes performing a needs assessment, and beginning a public education campaign before going to the voters for an increase in "Measure C" funding. The cost for this effort was higher than the other two options due to the need for considerable consulting costs and the requirement of a 2/3 vote for passage of an increased fee. The outreach needed would inform the public about the needs of the department and would allow them to determine the level of service they deem necessary and expected. In 2009, a similar needs assessment was performed. The District decided not to proceed with an election at that time due to the public's response and likelihood of passing an increase to Measure C.

Option B would transfer property tax to the department for funding. Although less expensive than Option A, implementation of this option could impact the sewer department's ability to meet its capital improvement program; therefore a sewer rate study would be recommended. Because a utility rate study has not been completed for approximately nine years, staff recommends that the water department is included in the study which should target a ten year period.

Option C was a reallocation of recreation expenses to more accurately reflect the departments incurring the expenses. General Manager Whitelaw noted that after a review of three years of event center use, 95% was non-recreation related. He recommended that 95% of the deficit be covered by the Administrative Department at the end of the fiscal year. Additionally, as consideration for the Recreation Department funding the event center deficit for many years, he requested that the \$200,000 loan from the Sewer Department for Fiscal Year 2015-2016 be forgiven.

Within the reorganization, the newly approved Administrative Manager would replace the Park and Facilities Manager who would allocate time to both recreation and administration as assigned by the General Manager. This would relieve the Recreation and Parks budget of a portion of the salary for the position.

Depreciation is also to be covered within this plan, and General Manager Whitelaw noted that in the current fiscal year, approximately \$300,000 is available from the unbuilt parks maintenance building project budget. A portion of this money could be used to provide basic improvements to the Placer County Animal Shelter building which would make it usable for the foreseeable future, and the balance of the money could be placed in Recreation and Parks reserves.

A recommendation was also made to ask sewer and water to help fund the Tahoe Vista Recreation Area and the North Tahoe Regional Park proportionally to their presence in the two parks. That percentage of the total area utilized by water and/or sewer would be paid for as the responsibility of those departments.

MOTION: Director Ferrell moved to adopt Option C as a funding source for the Recreation and Parks Department. Director Lewis seconded the motion for discussion. The motion was later amended and voted upon.

Director Ferrell stated that he felt that Option C was a bandaid and would like to look at Options A or B for the long term. Director Lewis concurred that Option A was the long term solution. Director Lewis noted that with Option C, the amounts would change from year to year. Director Thompson wants to develop a solution that will work to fund recreation and parks forever, not just the short term. Director Daniels stated that with Option C, the amounts would change from year to year as necessary and that the Board would review the needs of the department annually. President Bergmann stated that he felt that the use of the recreation facilities by sewer and water should be based on a percentage of the shared assets without annual consideration for the deficit in recreation, and the other departments should pay their share whether there is a deficit or net profit within the Recreation and Parks Department. He stated that doing so would generate a more stable income for the department.

Director Ferrell recommended moving forward with an election in November 2016 to increase the Measure C funding of the department. Other dates and options for the election were also considered.

MOTION: After discussion, Director Ferrell amended his motion to utilize Option C as a funding source for the Recreation and Parks Department for 2016 and 2017 to reimburse deficits with the parameters recommended, and to move forward with Option A as a long term funding source. Upon second by Director Lewis, the motion carried (3-2) with Director Thompson and President Bergmann voting no.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:00 p.m.

Marianne J. Potts
Board Secretary