

**HONEY LAKE VALLEY RECREATION AUTHORITY  
GOVERNING BOARD MEETING  
Regular Meeting Minutes  
June 20, 2017 – 3:00 p.m.  
City Council Chambers 66 North Lassen Street Susanville CA 96130**

Meeting was called to order at 3:01 p.m. by President Wilson.

Roll Call of Board of Board members present: Dave Meserve, Jeff Hemphill, David Teeter, Kathie Garnier and Brian Wilson.

Staff Present: Jared G. Hancock, Executive Officer and Heidi Whitlock, Secretary.

**APPROVAL OF AGENDA:** Motion by Board member Teeter, second by Board member Meserve, to approve the agenda with the removal of item 8. 1. Motion carried unanimously.

**2 APPROVAL OF MINUTES:** Approval of Minutes from the May 16, 2017 meeting, Motion by Garnier, second by Meserve, motion carried unanimously.

**4 PUBLIC COMMENT:**

**Tony Jonas** (Public) stated that, at the last meeting, it was asked if he would put together a new version of the swim team or revive Lassen Aquatics. He continued that, besides himself, Mr. Hancock and Mr. Heumann, no one has experience. He added that President Wilson inquired as to how he was doing forming another group. Mr. Jonas stated that it was coming along. He offered a photo from the old swim team and stated that half of the individuals in the photo qualified for the junior Olympics and continued to share the process of how that works. He added that he found a copy of the old handbook and that he would provide Ms. Whitlock with a copy that she could make copies for those who request it. He added that the handbook discussed responsibilities, codes, mission statement, and where the group was going.

**Diana Wemple** (County & HLVRA Auditor) introduced herself as the Lassen County Auditor and wanted to thank Ms. Whitlock for the hard work that she has performed. She continued to share that her position as the Lassen County Auditor is to ensure that everything that comes to her for the final approval.

Mr. Hancock offered thanks to the County as well for the work that they do for the HLVRA. He added that we are all working together, along with her staff and wanted to thank her for making that possible.

**5 MATTERS FOR BOARD CONSIDERATION:**

**5A Review Landscaping – Grass Options**

Mr. Hancock stated that this item is regarding the grass options that we have for the pool landscaping whether hydro-seeding, or other options, to reduce the amount of dirt and run off that could potentially enter the pool. He continued that it has been asked what the grass will look like. He added that the best quote from the previous minutes were "if we spray it with weed and feed, will it die?" So, in response, no, the hydro-seeding will not die and staff wanted to show the Board different options as attached in the packet and are requesting input on whether or not any of these are what the Board had in mind.

Board member Meserve responded that he would prefer to see actual turf, with picnic tables.

Vice President Garnier added that this can be kept for a later project, someone may want to donate a table and place a plaque on it such as the Rotary Club, Soroptomist etc... also, an area where tables are in the shade, maybe over by the Public Works building.

Mr. Hancock inquired as to whether she was referring to inside or outside of the fencing.

President Wilson responded, outside the fence line.

Mr. Hancock responded that the area had been leveled and was relatively free of rocks and that staff can continue to look at seed options that could get established over time but would need to be irrigated. However, it would be cheaper than sod.

President Wilson stated that there really is not time for either as it is too hot currently.

Mr. Hancock responded that staff could bring in the trencher again to have more sprinkler coverage and plant seed and offered that staff could come up with a plan.

Vice President Garnier added that the more space they could use the better as it would mean more revenue.

Mr. Hancock responded that we can put up a sign, "Coming Soon, seed planting" for fall with cost estimates.

Vice President Garnier expressed concern with seed and grass getting into the pool.

President Wilson added that something will have to happen as we cannot afford to sod the entire parcel.

Mr. Hancock stated that it could be seeded.

President Wilson requested staff get cost estimates for both and the cost of mowing and other ongoing maintenance.

#### **5B Resolution No. 17-16 Amending 2016/2017 Budget**

Mr. Hancock stated that the item was related to the budget for this fiscal year. He continued that staff is looking more at actuals to get through and, going through compared to a few months ago, we decreased the professional services as staff for operations went down but training and some equipment costs went up and we had the contingencies that had to be utilized.

President Wilson asked if anyone had questions.

**Eileen Spencer (public)** inquired as to how much the pool had left.

Mr. Hancock responded about \$300,000.

Board member Hemphill asked why the contingencies were moved.

Mr. Hancock responded that, two meetings ago, we stated we would utilize the contingency fund to cover training.

Motion by Vice President Garnier, second by Board member Meserve, approving Resolution No. 17-16 amending the 2016/2017 Budget. Motion carried unanimously.

#### **5C Review Proposed 2017/2018 Operating Budget**

Mr. Hancock stated that this item is for our 2017/2018 fiscal year budget. It was brought to his attention that a line item was left out, concessions, and that we could add the concession revenue amount.

He continued that for base operations, staff is projecting \$16,000 for supply costs and \$20,000 for program intensive. For the revenue side it equates to \$21,000 for base operations and \$24,000 to \$25,000 for the program intensive.

Mr. Hancock stated that he wanted to state the revenues are being looked at for the whole season which is about an 8-month season. That includes 3 solid months and 2 ½ month shoulder seasons. He added that there are ways to cut costs in the shoulder season and if we cut a month out, we could save approximately \$10,000 adding that even having shorter days, will make operations cheaper. He continued that we have been running for a couple weeks and we are starting to realize costs of chemicals, utilities, etc... Also, the busier the pool, the more chemicals we will need. We will probably bring back an amended budget in about 2 months after we look at usage, staff time, etc... We are currently looking at 3 lifeguards but, no additional people, there are no front desk people as they will overlap.

Mr. Hancock continued with the line items discussing memberships and, with an average of 180 people at \$20.00, he shared the feedback was mixed, some were thrilled and some were not. He continued that some stated that swim lessons should be free or that it is simply not affordable. He added that, he was approached that afternoon stating that they would like to subsidize those who could not afford lessons. He continued that people really do want to help so, \$20.00 may be feasible. He also added that the more programming they offer, the more revenue that will come in.

Mr. Hancock shared the difference between the base budget and the program intensive budget. He offered that the additional programs increase the revenues and are less reliant on subsidies. He added that under programming, staff has water aerobics, splash ball etc... and are also looking at adding in pool rentals and swim team options.

Eileen Spencer inquired about the Pennies for the Pool account and where that account stood.

Mr. Hancock responded \$412.

Ms. Spencer asked how it could be so low.

Mr. Hancock offered to have Ms. Whitlock pull the information. He continued that the Pennies for the Pool account was previously allocated to the reels, the winder, the racing lines and cover which came to \$25,885.78 with a balance of \$412.00. He stated the money left is the balance in that account.

Board member Hemphill inquired as to where the \$92,000 in staffing came from.

Mr. Hancock responded that staff has taken an average of different positions and coming up with a number of staff hours per day and calculated them per day.

Mr. Hancock continued that the swim instructors would then be lifeguards since they are trained as well. He added that, at the most, there would be 5 people working.

President Wilson stated that the \$92,000 will go fast.

Mr. Hancock responded by stating, looking at staffing numbers for July, August etc... we can possibly get as low as 160 hours.

Mr. McCourt responded that we came up with those numbers by looking at staff time mixed with swim instructor times. He added that staff is aware that they are half an hour sections so staff budgeted one hour of staff time when calculating revenue. Staff had numerous discussions and looked at a variety of options.

President Wilson responded that he was not understanding why the board was not approving just one number for each line item instead of two numbers.

Mr. Hancock responded that staff is requesting feedback on one way or the other. Does the Board want things to grow organically or would you prefer to choose the base budget. Or, we can start with a limited amount of programs, somewhere in the middle.

Board member Hemphill asked if they are 15 hour days.

Mr. Hancock responded no, the pool should not be open that long during the shoulder season. He continued by asking for clarification from Board member Hemphill that his concern is the programming and how it breaks down since the \$92,000 seems low.

Board member Hemphill confirmed.

Mr. Hancock responded that staff could provide the information to him.

Mr. Heumann stated that he could also provide the information.

Mr. McCourt also stated that it would be great to fill every class as it would benefit the pool, financially. He added that it was not figured into that budget though since we wanted to figure out the base amount first. He continued that he has supplied multiple options and added that he felt what is being presented is the best option.

Ms. Spencer inquired as to how we get kids to the pool. She continued that, if someone is late, what is the contingency plan for them or are they turned away.

Board member Teeter stated he can see letting them in late but they would not receive a refund since we saved them a space.

Ms. Spencer inquired about setting up a carpool.

Board member Meserve stated that he has never signed his children up for anything if he could not get them there. He felt that someone should be able to get the children there and that he feels the problem should be minimal.

President Wilson stated a couple suggestions under revenue. He stated that, no matter which way we choose, he would like to see the budget every meeting, just to monitor everything.

Board member Meserve stated that we have no history to base this on but agreed.

President Wilson, responded yes, this should come back every meeting.

Mr. Hancock responded that he thinks he could work that into a motion. If the Board would like to adopt the program intensive budget with \$18,000 added to showers, landscaping moved into capital improvements, create capital projects line with the remaining going into future investments and not to be spent.

Additional discussion on requested line items to be added.

President Wilson inquired if we could separate that from depreciation. He added that we do not want to spend depreciation money on a project. And, if we do not start funding it now, it will be easy to not fund it every year. He wants to do it right.

Mr. Hancock responded, forgetting to mention concessions the first time, adding \$24,000 in concessions, \$5,000 for safety equipment, \$11,000 for landscaping, \$18,000 for showers. Also, a capital projects line, adding the cost for grass and an unallocated depreciation cost.

Mr. Hancock added that he would like to take this time to thank Ms. Whitlock, Mr. McCourt and Mr. Heumann for the time they have spent on this item.

Mr. Jonas requested that Mr. Hancock go over the capital improvements one more time, listing specific projects.

Mr. Hancock stated that, under fixed assets, we will have capital projects listed as \$18,000 showers, \$11,000 landscaping, adding the turf area around perimeter. He added that the amount left over after those items will be allocated between depreciation and deferred capital improvements.

Mr. Jonas requested to know if the budget would be carried over.

Mr. Hancock responded yes, it would accrue year after year but would not be budgeted (not be spent). If an item has a small cost, it could be taken from the other line items but not this one, but if it was a larger expense, they would use the depreciation. He recommended transferring the fund balance into depreciation if a cost exceeded what was in that account.

President Wilson stated that, if we are going to do it this way, we need to address how it will be done.

Mr. Hancock responded that we would have to create a policy that addressed it.

Ms. Spencer expressed her opinion on the proposed budget and stated that staff should be getting numbers from the county like she does.

President Wilson responded they have to adopt a budget and it is not real time numbers. All of the numbers come from the Lassen County Auditor's office.

Board member Meserve stated that the budget is a guideline, we do not yet know what the variable costs will be.

Mr. Jonas requested Mr. Hancock offer a timeline for completing the three projects as listed.

Mr. Hancock responded that creating the grass area will have to be a fall project due to weather. As for the showers, there are a few groups that are looking into assisting with that project so, some things may be completed before we even have the numbers for them.

Mr. Jonas responded that if we are putting numbers into this budget, when will the project happen?

Mr. Hancock responded, this year, the year it is budgeted.

Mr. Jonas responded, so, if it is in this budget?

Vice President Garnier responded, this year. Weather permitting.

President Wilson inquired as to when the annual contributions will be coming from the County and City.

Mr. Hancock responded that the City will send their payment in July. The County makes their contributions as close to July as possible. He added that, from what he sees, it is based on the State budget and may not be until October.

Ms. Wemple responded that she believes the County CAO is hoping for mid-July.

Mr. Jonas asked if once the money is available, will it be delegated to that fund pending the project moving forward. He added, if it is next year and it is not done, will that money stay here for the budget and added onto the previous year.

Mr. Hancock responded that if budgeted, and the money and plan is there, just Board approval would be needed to move forward. However, if the money is still there at the end of the fiscal year, it goes to fund balance. It would transfer out of fund balance and back into that account with the next years' budget.

Mr. Jonas inquires as to why this is based on what is left and not the \$160,000 that is contributed annually.

Mr. Hancock responded that it is all lumped together.

President Wilson stated that there is no fund balance right now.

Mr. Hancock responded that you do not want a carry over every year.

Ms. Spencer inquired as to why there is no fund balance in the budget.

Mr. Hancock responded that it is there and it was fully budgeted, but there were upfront costs. Staff anticipates a fund balance, but it will be small.

Ms. Spencer asked for confirmation that \$300,000 would be spent by June 30.

Mr. Hancock responded yes.

President Wilson explained some of the money has already been spent, but the checks haven't been written yet.

Mr. Hancock said when the books close on June 30<sup>th</sup>, there are invoices, payroll and other expenses that come in and are collected. Staff will work with the auditor's office and those numbers will be finalized about 90 days after the fiscal year and they will get the final number of what the balance is.

Ms. Spencer inquired as to how much was left as of July 1<sup>st</sup>.

Mr. Hancock responded, 10 days from now, about \$100,000.

Ms. Wemple responded that she could set up a capital improvement fund but, it cannot be used for depreciation as that would be a separate fund.

President Wilson responded that he just wanted it separated.

Mr. Hancock responded that we are all stating the same thing. We would set aside funds from this budget to go in there, but it wouldn't be expended and that account would stand alone and build money year after year and there would also be a separate depreciation budget since we have a \$3 million dollar facility.

Motion by Vice President Garnier, second by Board member Meserve, to approve the program intensive budget with the following changes: \$24,000 for concessions, \$18,000 for showers, \$11,000 for landscaping, \$5,000 for safety equipment and turf numbers and the remaining amount to be split between capital improvements and depreciation/maintenance fund. Motion carried unanimously.

#### **5D Resolution No. 17-17 Agreement with City for Utility Services**

Mr. Hancock stated that an update was provided at the last meeting but the City Council has approved the utility agreement providing water at no costs for the pool and the natural gas at a raw cost of .386 per therm from November through May and \$2,100, based on square footage, from June through October.

President Wilson inquired as to why it was \$2,100? Was it because the pool is the only one on the system.

Mr. Hancock confirmed.

President Wilson inquired as to whether or not it was a variable rate pump.

Mr. Hancock responded, no. He added that he could go into how it all works but it would take time. They can be controlled but not at the traditional variable rate. In the summer, it will turn on very infrequently but it will keep the pool around 82°- 86°. The geothermal is typical around 160° while going through the loop. Because it is not pumping

and turning on in the line, when it does come on, it takes longer to get to the 160° water. The City will have to work with the JPA to figure out what it needs for the pool.

Motion by Board member Teeter, second by Vice President Garnier, approving the agreement with the City to provide geothermal, natural gas and water service for the pool. Motion carried unanimously.

**6      BOARD MEMBER ISSUES/REPORTS:**

Vice President Garnier inquired as to the status of way-finding signs.

Mr. Hancock responded that, prior to his departure, Joel Rathje was putting together a way-finding plan where they would be located. He stated that he would follow up with his replacement, as he has since left the County, and will come up with sites for signs.

Vice President Garnier requested an update at the next regular meeting.

Mr. Hancock discussed the Ribbon Cutting / Open House for the pool. He stated that there would be a short presentation and plaque recognition and after the ceremony, there would be the ribbon cutting and open house, open to the public. There may even be a photo opportunity afterwards for everyone to jump into the pool. He continued that the grand opening will then be on July 1<sup>st</sup>. Staff has been working diligently to get it done on time as a lot is being done quickly.

A recommendation was made to notice the ribbon cutting ceremony as a special meeting.

President Wilson stated that the bus stop is on site.

Mr. Heumann responded that it is a nice enclosure.

**7      PUBLIC COMMENT ON CLOSED SESSION ITEMS: None.**

**8      CLOSED SESSION: None.**

Meeting adjourned at 4:55 p.m.



Brian Wilson, President

Respectfully Submitted by



Heidi Whitlock, Secretary HLVRA

*Approved October 17, 2017*