



LAKE SHASTINA COMMUNITY SERVICES DISTRICT

RESOLUTION 4-17

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAKE SHASTINA COMMUNITY SERVICES DISTRICT TO APPROVE THE FY 2017/2018 OPERATING BUDGET.

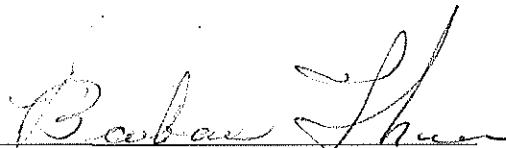
WHEREAS, it is the Board of Directors duty to set the overall total budget amounts based on reasonable expectations of revenues each fiscal year; and

WHEREAS, the Board of Directors has received and considered both the budget committee's and Management's proposed FY 2017/2018 operating budget.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves the FY 2017/2018 operating budget, as detailed in Attachment A.

I hereby certify that the forgoing is a full, true and correct copy of Resolution 4-17 duly passed and adopted by the Board of Directors of the Lake Shastina Community Services District, Siskiyou County, California, at a meeting thereof duly held on the 21st day of June, 2017, by the following vote:

Approval Date: 6/21/17


Barbara Thomsson, Director
(Chairperson for June 21, 2017 Meeting)

ATTEST:

Karl Drexel, Secretary

**LAKE SHASTINA COMMUNITY SERVICES DISTRICT
2017-2018**

BUDGET APPROVED: 6/21/2017

	GENERAL	SEWER	WATER	POLICE	COPS GRANT	FIRE	TOTAL All Funds
REVENUES							
4001.1 - Assmt/Revenue - Residential		473,198	332,912	136,070		49,480	991,660
4001.2 - Assmt/Revenue - Standby		66,060	103,920	285,560		64,900	520,440
4001.3 - Assmt/Revenue - Commercial		4,939	14,293	3,410		1,060	23,702
4003.0 - Late Payment Revenue		2,800	9,000	5,700		2,500	20,000
4055.0 - Misc. Operational Income	500						500
4056.0 - Misc. Non-Op. Income				3,200			3,200
4070.0 - Antenna Lease Revenue	22,655						22,655
4075.0 - Water Capacity Expansion Fee			960				960
4076.0 - Fire Suppression Expansion Fee						316	316
5004.0 - Sewer Hook Up Fee		21,746					21,746
5005.0 - Sewer Payment Contracts		252					252
5006.0 - Water Hookup Fee			795				795
5040.0 - Gain on Sale of Equipment						25,000	25,000
5050.0 - Transfer Fees	3,000						3,000
5054.0 - Animal Control Fee - Other				300			300
5055.0 - Animal License Fee				4,200			4,200
5056.0 - Warrant				1,500		5,000	6,500
5062.0 - Event - Donations				500		1,000	1,500
5075.0 - Grant Revenue					100,000	7,500	107,500
5080.0 - Interest earned - Ops	200						200
5081.0 - Interest Earned - Rsv (Savings)	750	2,800	13,100	625		400	17,675
Dept. 22 - Medical Clinic - General Fund Sub Dept.							-
4053.0 - Medical Clinic Revenue	60,264						60,264
4054.0 - Loan Principle Revenue			39,825				39,825
Dept. 23 - Green Waste Site - Sewer Fund Sub Dept.							-
4055.0 - Misc. Operational Income		3,000					3,000
Dept. 45 - Mutual Aid Strike Team - Fire Sub Dept.							-
4080.0 - Strike Team Revenues						70,382	70,382
TOTAL INCOME 2016-2017 projected	87,369	574,795	514,805	441,065	100,000	227,538	1,945,572
EXPENSES							
7001.0 - Accounting Audit		4,375	4,125	3,125		875	12,500
7002.0 - Admin Overhead Allocation	(380,259)	159,709	159,709	30,421		30,421	-
7005.0 - Depreciation							-
7010.0 - Capital Improvement/Reserve Exp.		218,000	244,000	35,500		3,000	500,500
7026.0 - Contract Services	106,200	20,000	16,100	3,000		2,000	147,300
7032.0 - Filing Fees	250						250
7033.0 - Licenses, Permits & Fees	3,000	8,000	6,000	1,600		350	18,950
7034.0 - Dues & Subscriptions	5,100	500	1,300	2,600		925	10,425
7035.0 - Advertising	500			500			1,000
7040.0 - Insurance (property & liability)	600	19,800	21,650	10,000		8,250	60,300
7041.0 - Legal	35,000	1,000	5,000	1,000		1,000	43,000
7041.001 - Special Legal - Moller	25,000						25,000
7050.1 - Office Exp Supplies	5,000	400	650	1,000		650	7,700
7050.2 - Office Exp Postage	6,000	100	800	400		100	7,400
7050.4 - Office Exp Maintenance	4,800			1,850			6,650
7051.0 - Public Safety Supplies (PD/Fire)						500	500
7051.1 - Mandatory Safety Equipment						4,000	4,000
7061.0 - Rental equipment		500					500
7062.0 - Repair & Maintenance	3,500	20,000	45,000	1,300		2,000	71,800
7063.0 - Fuel		5,000	5,000	7,500		5,000	22,500
7064.0 - Materials, Supplies & Small Tools	500	5,000	4,000	2,000		2,500	14,000
7065.0 - Vehicle Repair/Maintenance		5,000	3,000	4,000		10,000	22,000
7067.0 - Vehicle Replacement				5,000			5,000
7075.0 - VFA Grant Equipment						15,000	15,000
7080.0 - Interest Expense (Sewer Pond Loan)		23,400					23,400
7085.0 - Municipal Finance (Principle)		37,626					37,626
7100.0 - Lease/Rent Expense		1,775	1,775				3,550
7101.0 - Property Taxes	140						140
7105.0 - Utilities - CSD	1,000			600		850	2,450
7105.1 - Utilities - Telephone	2,300	490	2,900	5,000		2,600	13,290
7105.2 - Utilities - Electric	4,200	52,000	97,000	2,860		3,300	159,360
7105.3 - Utilities - Waste		510	510	480		480	1,980
7105.4 - Utilities - Propane	500			1,000		1,000	2,500
7204.0 - Events	500			500		500	1,500
7245.0 - Election							-
7501.0 - Payroll Expense	206,875	176,897		210,974	48,330	33,660	676,735
7513.0 - Payroll Taxes	5,170	4,301		17,585	4,131	2,866	34,052
7514.0 - Payroll Benefits	53,469	63,679		73,344	19,727	19,727	229,945
7516.1 - Pension (EJ)				11,537	2,355	2,059	15,951
7516.2 - Pension (CalPERS)	16,202	13,805					30,007
7516.5 - CalPERS UAL Expense	30,801	21,404					52,205
7518.0 - Workers Comp	2,265	23,299		14,642	4,538	12,786	57,531
7530.0 - Payroll Reimbursement (to Sewer)		(112,792)	112,792	1,200		500	1,700
7530.1 - Payroll Reimbursement (to Admin)	(113,508)						(113,508)
7549.0 - Volunteer FF Stipend						14,000	14,000
7550.0 - Travel & Training	1,500	1,500	2,000	6,000	4,000	2,000	17,000
7551.0 - Meals	500	400	350	1,000	500	1,500	4,250
7552.0 - Employee Physical Exams/Shots		500		1,000	300	600	2,400
7556.0 - Uniforms		1,200	1,200	3,000	500	1,000	6,900
Dept. 22 - Medical Clinic - General Fund Sub Dept.							-
7040.0 - Insurance (Property/Liability)-Med Clinic	600						600
7041.0 - Legal							-
7062.0 - Repair & Maintenance (Med Clinic)	5,000						5,000
7080.0 - Interest Expense (Med Bldg)	2,500						2,500
7084.0 - Loan Principle Expense	41,500						41,500
7530.0 - Payroll Reimbursement (Med Clinic)	2,500						2,500
Medical Clinic Reserves	8,164						8,164
Dept. 23 - Green Waste Site - Sewer Fund Sub Dept.							-
7063.0 - Fuel		200					200
7064.0 - Materials, Supplies & Small Tools		200					200
7530.0 - Payroll Reimbursement (GWS)		5,000					5,000
Dept. 45 - Mutual Aid Strike Team - Fire Sub Dept.							-
7063.0 - Fuel							-
7065.0 - Vehicle Repair/Maintenance							-
7501.0 - Payroll Expense						33,670	33,670
7513.0 - Payroll Taxes						3,673	3,673
7518.0 - Workers Comp						4,056	4,056
TOTAL EXPENSE 2016-2017 projected	87,369	782,776	734,861	461,518	84,381	227,396	2,378,301
Reimbursement for Cap. Exp. from Reserves		218,000	244,000	35,500		3,000	500,500
Net Expense	87,369	564,776	490,861	426,018	84,381	224,396	1,877,801
Sewer Pond principle applied to Liability paydown		37,626					37,626
NET PROFIT (LOSS) 2016-2017 projected	0	47,644	23,944	15,047	15,619	3,142	105,396

**LAKE SHASTINA COMMUNITY SERVICES DISTRICT
2017-2018**

Notes:

Administrative Overhead Allocation Calculation used for this budget period: Sewer 42%, Water 42%, Police 8%, Fire 8%.
Worker's Comp includes the Board coverage.
2016-2017 Audit - Aiello, Goodrich & Teuscher \$12,500

Payroll for 2017-2018 includes:

- Anticipated current staffing level Step increases
- 3% COLA for Teamsters Union member employees
- CalPERS increase 0.041% for Classic members and decrease 0.02% for PEPRA members per Actuarial
- Workers Comp EMOD rates increased per notification

As of
March 31, 2017

Capital Improvements/Expenditures:

<u>General Fund:</u>	<u>Current Balance in LAIF Reserves:</u>	\$	183,073
Capital Improvements from Reserves-	<u>TBD</u>		
	FundBalance modules Billing & AR		TBD
	Desktop computers for Admin - 6 new		TBD
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<u>Sewer Department:</u>	<u>Current Balance in LAIF Reserves:</u>	\$	388,708
Capital Improvements from Reserves-	<u>\$ 218,000</u>		
	Sewer Pond Containment/Drying Beds Design/Engineering	** \$	35,000
	Sewer Lift Station B-107 Refit/Refurbishment	\$	45,000
	Sewer Lift Station B-114 Refit/Refurbishment	\$	100,000
	Sewer Rate Study	** \$	23,000
	Planning Grants - construction	\$	15,000
Items marked ** may be paid through Planning Grant if approved			
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<u>Water Department:</u>	<u>Current Balance in LAIF Reserves:</u>	\$	981,855
Capital Improvements from Reserves-	<u>\$ 244,000</u>		
	Hydrant Replacement (4 per year)	\$	20,000
	Meter Replacement (150 per year)	\$	21,000
	Test wells for new well	\$	100,000
	Water Rate Study - to complete immediately	\$	23,000
	B-50 Juniper Peak & B56 Stonecrest Tank/Pumps Engineering design & specs	\$	10,000
	Tank Lining Planning - Bypass #3	\$	15,000
	Supervisory Control and Data Acquisition (SCADA)	\$	55,000
Items marked ** may be paid through Planning Grant if approved			
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<u>Police Department:</u>	<u>Current Balance in LAIF Reserves:</u>	\$	264,507
Capital Improvements from Reserves-	<u>\$ 35,500</u>		
	New insulated windows (1 way glass)	\$	3,000
	Building Improvements	\$	7,500
	Replacement vehicles	\$	25,000
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<u>Fire Department:</u>	<u>Current Balance in LAIF Reserves:</u>	\$	84,349
Capital Improvements from Reserves-	<u>\$ 3,000</u>		
	New insulated windows	\$	3,000



LAKE SHASTINA COMMUNITY SERVICES DISTRICT

Regular Meeting
 Wednesday, June 21, 2017, 1:00 p.m.
 Administration Building
 16320 Everhart Drive • Weed, California 96094 • (530) 938-3281

MINUTES

CALL TO ORDER AND ROLL CALL: 1:01 p.m.

LSCSD Board Roll Call: Cupp Layne Thomsson Two Vacant Seats

Also present: GM Drexel, SAC Nelle and AA Charvez. There were approximately 8 people in the audience. Secretary Drexel called the meeting to order.

APPOINT A TEMPORARY CHAIRPERSON

Motion by Dir. Cupp second Dir. Layne to rotate Board Members to serve as monthly Regular Board Meeting Chairperson.

Ayes: Directors Cupp, Layne and Thomsson

Noes: None

Absent: None

Two Vacant Seats

Motion by Dir. Layne second Dir. Thomsson to appoint Dir. Thomsson as Chairperson for this meeting.

Ayes: Directors Cupp, Layne and Thomsson

Noes: None

Absent: None

Two Vacant Seats

(The first second to the motion above was made by Dir. Cupp with a stipulation that she serve as Chairperson for the July Regular Meeting. Dir. Layne did not amend the motion.)

PUBLIC COMMENTS ON CLOSED SESSION: None

ADJOURN TO CLOSED SESSION: With no objections by the Board, Dir. Thomsson adjourned to Closed Session at 1:06 p.m.

CLOSED SESSION: 1:07 p.m.

Also present: GM Drexel and Counsel Diane Deckard via teleconference for Item A.

- A. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION Existing Litigation (Gov. Code § 54956.9) Moller v. LSCSD et. al.
- B. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION One Potential Case (Gov. Code § 54956.9(c)) Initiation of Litigation – Significant Exposure
- C. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION One Potential Case (Gov. Code § 54956.9(c)) Initiation of Litigation – Significant Exposure

With no objections by the Board, Dir. Thomsson adjourned Closed Session at 1:43 p.m.

RETURN TO OPEN SESSION: 1:47 p.m.

Also present: GM Drexel, SAC Nelle, AA Charvez, FC Pappas and PC Wilson. There were approximately 29 people in the audience.

PLEDGE OF ALLEGIANCE: SAC Nelle led the Pledge of Allegiance.

REPORT ON CLOSED SESSION: Dir. Thomsson stated there was nothing to report out of Closed Session.

CORRESPONDENCE: This is for correspondence directed to the District or the Board of Directors to be reviewed. No action necessary. Items Received and Filed.

- Donald Charles Letter
- Donald Charles Small Claims Court Subpoena
- Letter to the Board – Lee Deckard
- Anonymous letter presented by Dir. Cupp
- SWRCB Water System Inspection Report

PUBLIC COMMENTS: None

DISCUSSION / ACTION ITEMS:

- A. Consideration of Appointment(s) to fill Unscheduled Vacant Board Member Seat(s) (Board)
 a. Administer the Oath of Office and Seat new Appointed Member(s)

Candidates Norman MacIntosh, Rick Thompson, Paula Mitchell and Frankie Hayduk made brief statements to the Board. Dir. Thomsson stated that Candidate Emory Hanlon was not at the meeting due to a family emergency and declined presenting a statement to the Board.

A motion was made by Dir. Thomsson and seconded by Dir. Layne to appoint Emory Hanlon to fill a vacant Board Member seat. Yes Votes: Dirs. Layne and Thomsson; No Votes: Dir. Cupp. The motion failed.

A motion was made by Dir. Cupp to appoint Rick Thomsson and Paula Mitchell to fill the vacant Board Member seats. There was no second to the motion. The motion failed.

A motion was made by Dir. Cupp to appoint Norman MacIntosh to fill a vacant Board Member seat. There was no second to the motion. The motion failed.

A motion was made by Dir. Cupp to appoint Frankie Hayduk to fill a vacant Board Member seat. There was no second to the motion. The motion failed.

Motion by Dir. Cupp second Dir. Thomsson to pass both vacant seats to the Siskiyou County Board of Supervisor with a request to make both appointments as soon as possible.

Ayes: Directors Cupp, Layne and Thomsson

Noes: None

Absent: None

Two Vacant Seats

- B. Election of President and Vice President – remainder of 2017 Calendar Year: No action taken.
- C. Consideration of bypassing the appointment process by the Board of Directors and Board of Supervisors and call a Special Election for the November 2017 ballot. Review and adopt or decline Resolution *-17 to have the County call a Special Election: No action taken.

CONSENT CALENDAR: (All items accepted/approved by the Board unless otherwise noted.)

1. A. Approval of Minutes: Regular Meeting May 17, 2017 and Special Meeting May 22, 2017
- B. Ratification of Disbursements: May 1 through May 31, 2017
- C. Budget Comparison: FY 2016/2017 YTD
- D. District legal costs related to Moller lawsuit: September 2015 to date \$116,430.07 and FY 16/17 year to date \$83,088.69

Motion by Dir. Cupp second by Dir. Layne to approve Consent Calendar.

Ayes: Directors Cupp, Layne and Thomsson

Noes: None

Absent: None

Two vacant seats

COMMITTEE REPORTS: This is the time for the Committee Chairs to give an update on their committee and make recommendations to the Board for approval.

- A. Policy Committee: SAC Nelle reported.
 1. Report on Status and Submit Approved Minutes for Board Review
- B. Police Advisory Committee: Dir. Cupp reported.
 1. Report on Status and Submit Approved Minutes for Board Review
- C. Fire Department Advisory Committee: Dir. Layne reported.
 1. Report on Status and Submit Approved Minutes for Board Review
- D. Water Well Advisory Committee: GM Drexel reported.
 1. Report on Status and Submit Approved Minutes for Board Review

DISCUSSION / REPORTS: ACTION ITEMS:

2. Fire Department Monthly Report: FC Pappas reported.
3. Police Department Monthly Report: PC Wilson reported.

DISCUSSION / REPORTS: ACTION ITEMS:

The Board unanimously agreed to move the order of the action items due to representatives/presenters in the audience for some of the items. These minutes reflect the order the items were addressed by the Board.

4. Insurance proposal from Golden State Risk Management Authority for Property, Liability and Workers Comp – approval by resolution: GSRMA representatives, Walter Michael and Scott Schimke, gave an overview of GSRMA. The Board discussed. A motion was made by Dir. Layne seconded by Dir. Thomsson to accept GSRMA proposal. Yes Votes: Dirs. Layne and Thomsson; No Votes: Dir. Cupp. The motion failed. The Board continued

discussion. The Board has until the end of June to compare SDRMA and GSRMA quotes and set a special meeting to consider changing insurance provider.

5. **FY 2017/18 Operating Budget: Public Hearing and Consideration of Approval of Committee Budget and Consideration of Approval of Management Budget:** Dir. Thomsson opened the Public Hearing at 3:47 p.m. Paula Mitchell gave an overview on behalf of the Budget Committee (Option A). GM Drexel gave an overview on Management Budget (Option B). Comments were received from the audience. Dir. Thomsson closed the Public Hearing at 4:08 p.m. The Board discussed. A motion was made by Dir. Layne and seconded by Dir. Thomsson to approve Option B, as presented. Votes: Dirs. Layne and Thomsson; No Votes: Dir. Cupp. The motion failed. A motion was made by Dir. Cupp to approve Option B, with the following changes: increase General Fund Legal Fees to \$50,000, add line items for Fuel and Vehicle Repair Fire Department Strike Team increase Vehicle Repair Fire Department to \$12,000. There was no second to the motion. The motion failed.

Motion by Dir. Cupp second Dir. Thomsson to adopt Resolution 4-17 approving FY 2017/18 Operating Budget; Option B, as amended: increase General Fund Legal Fees from \$25,000 to \$35,000; Special Legal stays at \$25,000, add two line items to Fire Department for Strike Team Fuel and Vehicle Repair, with Chief Pappas' input on dollar amount that would come out of other line items, and increase Fire Department Vehicle Repair from \$7,000 to \$10,000.

Ayes: Directors Cupp, Layne and Thomsson

Noes: None

Absent: None

Two vacant seats

6. Discuss and approve Installation of Little Free Library at Administration Building: Bruce Batchelder gave a presentation regarding the installation of a Little Free Library box on District property. The Board discussed.

Motion by Dir. Thomsson second Dir. Cupp to approve installation of a Little Free Library at the Administration Building; location to be determined.

Ayes: Directors Cupp, Layne and Thomsson

Noes: None

Absent: None

Two vacant seats

7. Contract with KD Management Services LLC for General Manager Services – Discuss and approve Renewal or Termination: A motion was made by Dir. Cupp to consider re-negotiating contract with KD Management. There was no second to the motion. The motion failed. The Board discussed. A motion was made by Dir. Cupp to not renew contract with KD Management. There was no second to the motion. The motion failed. No action taken.
8. Review and Discuss neutral third party counsel proposals and authorize General Manager to negotiate with LSPOA GM and to contract with one: GM Drexel reported. The Board discussed.

Motion by Dir. Layne second Dir. Thomsson to direct GM Drexel to discuss this item with LSPOA GM Colombo so the LSPOA Board can consider it at their July Regular Meeting.

Ayes: Directors Cupp, Layne and Thomsson

Noes: None

Absent: None

Two vacant seats

9. US Cellular lease agreement for antennas on Water Tank 4 at 5300 Tennis Ct.: GM Drexel reported that this project is in progress; proposed lease starts at \$1,500 to \$2,100 per month. Item will come back to the Board when the lease agreement is ready for consideration.

10. Special District Risk Management Authority (SDRMA) Board of Directors 2017 Election Ballot:

Motion by Dir. Layne second Dir. Thomsson to take no action on Agenda Items 10 and 11.

Ayes: Directors Cupp, Layne and Thomsson

Noes: None

Absent: None

Two vacant seats

11. California Special Districts Associations (CSDA) Board of Directors 2017 Election Ballot: No action taken, per motion on Item 10.

STAFF COMMENTS: None


BOARD MEMBER COMMENTS: None.

ADJOURNMENT:

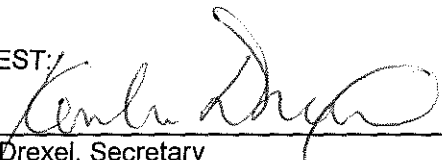
With no objections by the Board, Dir. Thomsson adjourned the meeting at 4:55 p.m.

The next LSCSD Regular Board Meeting on Wednesday, July 19, 2017, 1:00 p.m. Closed Session, 1:30 p.m. Open Session, at the Administration Building.

Approval Date: 7/19/17



Roxanna Layne, Director
(Chairperson for July 19, 2017 Meeting)

ATTEST:


Karl Drexel, Secretary