

Ponderosa Community Services District

Minutes of special meeting

July 19, 2011

Present:

Directors: D. Doty, C. Marchant, B. Benton, M. Moroney, Barbara Dolmovic

Absent:

Staff: none

Guests: B. Shamie

Snow Removal Contractor William Dolmovic

The meeting was called to order at 2:00 pm

Business of this meeting:

To discuss proposed 2011-2012 snow removal contract and negotiate terms with snow removal contractor

It was noted for the record that Director Barbara Dolmovic was present and would participate in the discussion but would abstain from voting on the snow removal contract due to a conflict of interest.

The contractor had previously submitted to the board a new contract for the 2011-2012 year, the board sent Mr. Dolmovic a counter offer. Mr. Doty stated that the district does not have enough income to cover the cost of Mr. Dolmovic's first proposal. As of January 1st of this year, the county discontinued forwarding snow removal fees from unpaid property tax bills, therefore the district will not be automatically be collecting all projected income.

Mr. Dolmovic proposed
\$165/hr for all equipment

The board countered
\$155/hr for all equipment (agree with discontinuing
variation in price per piece or equipment)

\$115/hr for snowplow

\$110/hr for snowplow (no increase)

Clause for fuel price fluctuation

No fuel allowance

Increase guaranteed minimum annually

\$50,000 guaranteed (no increase)

Discussion:

Dolmovic – last season 75% of all hours were billed to \$165/hr piece of equipment, backed up by equipment that billed at \$155/hr and \$145/hr. There will not be a significant increase in costs due to which piece of equipment is used, there will be some but it should not be drastic.

County accepted contract at \$165/hr, having all equipment at equal rates simplifies bookkeeping. Plow truck was increased to match what county pays, \$115/hr. Dolmovic will accept the boards counter offer of \$155/hr on all equipment and \$110/hr on plow truck.

Benton – board has been told by treasurer that the proposed contract would equate to an increase of 4500 per year, that the total cost of snow removal was 75,000

Dolmovic – I am asking for a 2.7% increase for the next season – hopefully fuel won't go up too high, without a fuel clause all the burden of fuel expense is on me.

It is a fact that costs will continue to go up each year, the District should be passing on increasing costs to property owners each year.

Doty – our potential income is about 80,000 but we are probably only getting about 66,000 and that trend is likely to continue

Marchaunt - Per treasurer records

2007/2008 – 11 feet paid 45,000 (guaranteed minimum) Grimstadd

2008/2009 – 14 feet paid 53,863 (total fund expenses 81,442)

2009/2010 - 15 feet 45,931 (total fund expenses 76,785)

2010/2011 – 32 feet paid 66,000 (total fund expenses 100,223)

Contacted secretary to confirm amount of increase to snow removal rates. Using the Engineering News Record (ENR) Los Angeles construction cost index as of June 1, 2011 – the snow rates for 2011/2012 will be increased by 3.1%.

Dolmovic – Would like a guaranteed minimum of 52,500 for 2011/2012.

Mr. Dolmovic stated that he is willing to match the index used by the district for increasing snow removal fees and the 50,000 minimum for the 2011/2012 snow year. Then in the following snow season have guaranteed minimum increased the same percentage the district increases snow rates to property owners.

Additional discussion:

There were some wording changes suggested by the attorney, which the secretary forgot to send to Mr. Dolmovic, therefore they were not included in the proposed contract that Mr. Dolmovic presented the board.

Clarification 2 or 3 year contract?

Mr. Dolmovic is more comfortable with a three year contract if the board is willing to increase the minimum by the ENR each year. Or a two year contract with an option to renew for an additional third year if performance is deemed acceptable and annual increases are made based on the ENR.

Ms. Marchaunt provided a copy of the attorney's changes to Mr. Dolmovic. Mr. Dolmovic agreed to add attorney wording and stated that the capital draw needs to be continued.

Doty - Prefer 2 year with renewal negotiations due to the uncertainty of the economy.

He director Mr. Dolmovic to put wording in that allows contractor to negotiate on any new equipment he may be adding during the contract year.

Benton – If we do a 2 year, then we should enter negotiations again next summer so that we are not only a few months away from snowfall when deciding terms of a contract.

Contract terms were agreed upon.

\$155/hr on all snow removal equipment

\$110/hr for plow truck

\$50,000 minimum for 2011/2012 snow season

In the 2012/2013 snow season, the hourly costs per piece of equipment and the guaranteed minimum will be increased by the percentage found in the June edition of the ENR Los Angeles construction cost index.

This will be a two year contract with the option to renew for at least one additional year to be negotiated prior to the beginning of the second year. Mr. Dolmovic will write up a new contract with the new terms.

It was moved by Bill Benton, seconded by Cheri Marchaunt to accept a snow removal contract with the terms as negotiated with the snow removal contractor William Dolmovic at this meeting. The motion carried unanimously with Mrs. Dolmovic abstaining.

No other business was discussed or acted upon.

The date for the next regular Board meeting will be Friday August 12, 2011 at 1:00 p.m. in the District Building.

A Public Hearing as required by Proposition 218 (1996) regarding an increase in water rates will be held Saturday August 13, 2011 at 1:00 pm in the District Building.

Meeting adjourned.

Respectfully submitted

Jennifer Robertson, board secretary