

# Staff Report

**TO:** Board of Directors

**FROM:** Greg Jones, Assistant General Manager

**DATE:** August 28, 2024

**SUBJECT: Select Property Management Contract Change Order and Budget Amendment (Consent)**

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## ***ADMINISTRATION***

### **RECOMMENDATION:**

Adopt a resolution authorizing a contract change order in the amount of \$60,000 to Select Property Management and a Budget Amendment of \$60,000 to Fund 10, and authorize the General Manager to execute all necessary documents.

### **BACKGROUND:**

Select Property Management (SPM) has been the authorized broker in managing, renting and leasing the twelve rental properties NID owns in both Placer and Nevada Counties. SPM has managed these properties for NID since 2016.

In addition to SPM's responsibilities for renting and leasing these properties, SPM contracts locally for all necessary repairs and maintenance. Staff budgeted \$115,000 in the 2024 budget for property repairs, maintenance and management fees, to date we have expended 95%.

Year to date (January – July) property revenue for these parcels is \$132,895, or approximately \$19,000 per month. Property expense during this same period has been slightly less at \$109,039. These expenses have been spent on SPM's management fees of \$13,075 while the remainder have been spent on property repairs and maintenance.

Per our contract, all repairs and maintenance expenses greater than \$1,000 must be authorized by NID prior to work. These expenses focus on the health and safety of the tenants and the property. This year, most of our expenses went to larger projects including tree removal & vegetation control, one new roof

installation, dry-rot abatement, demolition of one double-wide structure, and the eviction & handyman repair to two properties.

Staff currently has additional quotes for repairs and maintenance to be done totaling approximately \$20,000, including an estimated average of \$1,900 per month for management fees.

To ensure the health and safety of the tenants and the property, staff is requesting the authorization of the attached resolution to account for currently unknown, yet plausible, future repairs and maintenance expenses.

**BUDGETARY IMPACT:**

This action requires an amendment of the Fund 10 Water Budget in the amount of \$60,000.

Attachments: (1)

- Draft Resolution – Authorizing an Amendment to the FY2024 Operational Budget in the amount of \$60,000 and approval of Contract Change Order for Select Property Management



**RESOLUTION NO. 2024-35**  
**OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT**  
**AUTHORIZING AN AMENDMENT TO THE FY2024 BUDGET IN THE AMOUNT OF**  
**\$60,000 AND APPROVAL OF CONTRACT CHANGE ORDER FOR SELECT**  
**PROPERTY MANAGEMENT**

**WHEREAS**, the Nevada Irrigation District (District) budget for the 2024 fiscal year reflects resources to meet the essential needs of the District and the district's customers; and

**WHEREAS**, the Board of Directors adopted the 2024 Annual Operating and CIP Budget on November 8, 2023; and

**WHEREAS**, the Select Property Management (SPM) has been the District's authorized broker in managing, renting and leasing the twelve rental properties NID owns in both Placer and Nevada Counties; and

**WHEREAS**, in 2023 NID contracted with SPM for \$115,000 in annual services; and

**WHEREAS**, SPM contracts locally for all necessary health and safety repairs and maintenance to the properties; and

**WHEREAS**, the 2024 budgeted amount has been expended by 95% to date; and

**WHEREAS**, year to date (January – July) property revenue for these parcels is \$132,895, or approximately \$19,000 per month. Property expense during this same period has been slightly less at \$109,039. These expenses have gone to SPM's management fees of \$13,075 while the remainder have gone for property repairs and maintenance; and

**WHEREAS**, to ensure the health and safety of the tenants and the property, staff is requesting the authorization of additional funds to account for currently unknown, yet plausible, future repairs and maintenance expenses.

Resolution No. 2024-35

Title: Authorizing an Amendment to the FY2024 Operational Budget in the Amount of \$60,000 and Approval of Contract Change Order for Select Property Management

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**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of Nevada Irrigation District as follows:

1. Adopt a resolution amending the 2024 Operating Budget increasing Internal Services Fund 10 expenditures in the amount of \$60,000
2. Approve a contract change order for Select Property Management in the amount of \$60,000
3. Authorize General Manager or designee to execute appropriate documents

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**PASSED AND ADOPTED** by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 28th day of August, 2024 by the following vote:

<b>AYES:</b>	Directors:
<b>NOES:</b>	Directors:
<b>ABSENT:</b>	Directors:
<b>ABSTAINS:</b>	Directors:

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President of the Board of Directors

**Attest:**

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Secretary to the Board of Directors