



Memo

To: The Advisory Board of Directors

From: Tarry Smith, District Administrator
Ingrid S. Penney, Administrative Services Manager

Date: February 21, 2019

Subject: Utilities and Services Rate Study

Staff has prepared a Utilities and Services Rate Study for the La Sierra Community Center. The report focuses on the direct costs for Utilities and Services to support its operation. It does not include the cost of supplies nor improvements. The methodology has remained the same from inception.

The Utilities and Services Rate is used as a component of the base rental charge for the LS tenants. It is especially useful in negotiating the rates with the community tenants, Chautauqua Theatre, Sacramento Fine Arts Center, and Regional Parks Therapeutic Recreation in order to minimize the gap and keep up with rising utility and services costs and demands.

The attached report includes the calculation of the Utilities and Services Rate and past and current subsidies by the District. Based on the study, the current rate for Utilities and Services for the La Sierra Community Center is calculated at **\$.50/square foot**. The District has not imposed a rate increase for Utilities and Services for some time. The District has discretion by law to waive the costs and provide subsidies for public agencies and non-profits in good standing with the CA Attorney General's Office.

There are two tenant leases (Chautauqua and SFAC) that are in hold over status, pending negotiation on the rental rate. Both are paying \$0.39/sq. ft. Staff will be meeting with them to discuss their rate and will be presenting a renewal proposal to the Advisory Board at the March meeting.

RECOMMENDATION

The Budget Committee and Staff recommend that the Advisory Board of Directors approve the Utilities and Services Rate Study, as presented.

**La Sierra Utility and Services Rate Study
2009 - 2018**

**ANNUAL COST
COMPONENTS**

LA SIERRA CC	2009/10	2010/2011	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
UTILITY									
Electricity	\$ 69,134.85	\$ 62,244.08	\$ 77,293.41	\$ 76,867.22	\$ 78,165.78	\$ 78,321.49	\$ 90,892.41	\$ 93,800.84	\$ 100,528.32
Gas	\$ 14,934.59	\$ 18,785.97	\$ 25,242.36	\$ 21,900.93	\$ 21,254.25	\$ 21,011.04	\$ 22,416.12	\$ 33,751.74	\$ 34,332.06
county utilities	\$ 13,923.42	\$ 12,409.05	\$ 13,128.15	\$ 13,640.46	\$ 15,876.52	\$ 17,343.39	\$ 21,125.65	\$ 19,155.36	\$ 11,623.78
Refuse waste	\$ 9,456.96	\$ 7,874.46	\$ 4,833.14	\$ 6,125.18	\$ 5,005.32	\$ 6,080.35	\$ 7,001.59	\$ 9,687.13	\$ 8,670.58
Water	\$ 24,625.57	\$ 22,393.29	\$ 21,131.92	\$ 27,422.43	\$ 29,704.68	\$ 25,871.03	\$ 29,095.84	\$ 38,279.80	\$ 40,228.59
Fire Monitoring	\$ 1,711.50	\$ 1,680.00	\$ 1,680.00	\$ 5,370.00	\$ 2,370.00	\$ 2,370.00	\$ 2,370.00	\$ 2,640.00	\$ 2,640.00
Fire Inspection	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00
Insurance	\$ 25,000.00	\$ 26,993.65	\$ 30,794.35	\$ 29,459.38	\$ 31,752.96	\$ 33,823.45	\$ 33,923.00	\$ 35,765.00	\$ 41,021.00
Janitorial Contract	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,385.82
Maint. Overhead	\$ 379,471.99	\$ 362,439.44	\$ 298,288.47	\$ 397,140.75	\$ 354,966.19	\$ 388,624.88	\$ 370,844.07	\$ 350,281.74	\$ 338,132.76
Admin Overhead	\$ 93,635.38	\$ 93,207.54	\$ 102,886.06	\$ 103,973.67	\$ 147,277.42	\$ 118,483.43	\$ 106,261.31	\$ 116,780.77	\$ 125,098.96
Total	\$ 636,094.26	\$ 612,227.48	\$ 579,477.86	\$ 686,100.02	\$ 690,573.12	\$ 696,129.06	\$ 688,129.99	\$ 704,342.38	\$ 756,861.87

**La Sierra Utility and Services Rate Study
2009 - 2018**

LA SIERRA CC	2009/10			2010/2011			2011/12			2012/13		
UTILITY	EXPENSES PER SQ FOOT EXPENSED	ANNUAL	MONTHLY	EXPENSES PER SQ FOOT EXPENSES	ANNUAL	MONTH	EXPENSES PER SQ FOOT EXPENSES	ANNUAL	MONTH	EXPENSES PER SQ FT EXPENSES	ANNUAL	MONTH
Electricity	\$ 69,134.85			\$ 62,244.08			\$ 77,293.41			\$ 76,867.22		
Gas	\$ 14,934.59			\$ 18,785.97			\$ 25,242.36			\$ 21,900.93		
county utilities	\$ 13,923.42			\$ 12,409.05			\$ 13,128.15			\$ 13,640.46		
Refuse	\$ 9,456.96			\$ 7,874.46			\$ 4,833.14			\$ 6,125.18		
Water	\$ 24,625.57			\$ 22,393.29			\$ 21,131.92			\$ 27,422.43		
Fire Monitoring	\$ 1,711.50			\$ 1,680.00			\$ 1,680.00			\$ 5,370.00		
Fire Inspection	\$ 4,200.00			\$ 4,200.00			\$ 4,200.00			\$ 4,200.00		
Insurance	\$ 25,000.00			\$ 26,993.65			\$ 30,794.35			\$ 29,459.38		
Janitorial Contract	\$ -			\$ -			\$ -			\$ -		
Maint Overhead	\$ 379,471.99			\$ 362,439.44			\$ 298,288.47			\$ 397,140.75		
Admin Overhead	\$ 93,635.38			\$ 93,207.54			\$ 102,886.06			\$ 103,973.67		
Total	\$ 636,094.26	\$ 6.98	\$ 0.58	\$ 612,227.48	\$ 6.58	\$ 0.55	\$ 579,477.86	\$ 4.56	\$ 0.38	\$ 686,100.02	\$ 5.40	\$ 0.45
Total Occupied Sq. ft Including CRPD SPACE	91,129			93032			126942			126942		

Pro rata share of Insurance



**La Sierra Utility and Services Rate Study
2009 - 2018**

LA SIERRA CC UTILITY	2013/14 EXPENSES PER SQ FT			2014/15 EXPENSES PER SQ FT			2015/16 EXPENSES PER SQ FT		
	EXPENSES	ANNUAL	MONTH	EXPENSES	ANNUAL	MONTH	EXPENSES	ANNUAL	MONTH
Electricity	\$ 78,165.78			\$ 78,321.49			\$ 90,892.41		
Gas	\$ 21,254.25			\$ 21,011.04			\$ 22,416.12		
county utilities	\$ 15,876.52			\$ 17,343.39			\$ 21,125.65		
Refuse	\$ 5,005.32			\$ 6,080.35			\$ 7,001.59		
Water	\$ 29,704.68			\$ 25,871.03			\$ 29,095.84		
Fire Monitoring	\$ 2,370.00			\$ 2,370.00			\$ 2,370.00		
Fire Inspection	\$ 4,200.00			\$ 4,200.00			\$ 4,200.00		
Insurance	\$ 31,752.96			\$ 33,823.45			\$ 33,923.00		
Janitorial Contract	\$ -			\$ -			\$ -		
Maint Overhead	\$ 354,966.19			\$ 388,624.88			\$ 370,844.07		
Admin Overhead	\$ 147,277.42			\$ 118,483.43			\$ 106,261.31		
Total	\$ 690,573.12	\$ 5.44	\$ 0.45	\$ 696,129.06	\$ 5.48	\$ 0.46	\$ 688,129.99	\$ 5.42	\$ 0.45
Total Occupied Sq. ft Including CRPD SPACE	126942			126942			126942		

**La Sierra Utility and Services Rate Study
2009 - 2018**

LA SIERRA CC UTILITY	2016/17 EXPENSES PER SQ FT			2017/18 EXPENSES PER SQ FT		
	EXPENSES	ANNUAL	MONTH	EXPENSES	ANNUAL	MONTH
Electricity	\$ 93,800.84			\$ 100,528.32		
Gas	\$ 33,751.74			\$ 34,332.06		
county utilities	\$ 19,155.36			\$ 11,623.78		
Refuse	\$ 9,687.13			\$ 8,670.58		
Water	\$ 38,279.80			\$ 40,228.59		
Fire Monitoring	\$ 2,640.00			\$ 2,640.00		
Fire Inspection	\$ 4,200.00			\$ 4,200.00		
Insurance	\$ 35,765.00			\$ 41,021.00		
Janitorial Contract	\$ -			\$ 50,385.82		
Maint Overhead	\$ 350,281.74			\$ 338,132.76		
Admin Overhead	\$ 116,780.77			\$ 125,098.96		
Total	\$ 704,342.38	\$ 5.55	\$ 0.46	\$ 756,861.87	\$ 5.96	\$ 0.50
Total Occupied Sq. ft Including CRPD SPACE	126942			126942		

**ANNUAL DISTRICT DIRECT COSTS - SUBSIDY TO TENANTS
SUMMARY**

2/8/2019

YEAR	CHAUTAUQUA	SFAC	TR	CMP 721-725 GIBBONS	TOTALS
2010	24,243.12	28,104.12	-	-	52,347.24
2011	18,366.00	21,291.00	-	-	39,657.00
2012	2,203.92	2,554.92	-	-	4,758.84
2013	7,346.40	8,516.40	923.40	-	16,786.20
2014	4,407.84	5,109.84	923.40	10,536.60	20,977.68
2015	5,142.48	5,961.48	1,108.08	9,297.00	21,509.04
2016	4,407.84	5,109.84	923.40	6,817.80	17,258.88
2017	5,142.48	5,961.48	1,108.08	5,578.20	17,790.24
2018	8,081.04	9,368.04	1,477.44	6,198.00	25,124.52
TOTAL	\$ 79,341.12	\$ 91,977.12	\$ 6,463.80	\$ 38,427.60	\$ 216,209.64

DISTRICT DIRECT COSTS/ SUBSIDY TO CHAUTAUQUA

2/8/2019

Square Footage: 6,122.00

Year	Base Rate Paid	Monthly Lease Amt	Annual Lease Pmts
2010	0.25	1,530.50	18,366.00
2011	0.30	1,836.60	22,039.20
2012	0.35	2,142.70	25,712.40
2013	0.35	2,142.70	25,712.40
2014	0.39	2,387.58	28,650.96
2015	0.39	2,387.58	28,650.96
2016	0.39	2,387.58	28,650.96
2017	0.39	2,387.58	28,650.96
2018	0.39	2,387.58	28,650.96

Actual Direct Cost	Actual Annual Direct Cost	Annual Subsidy
0.58	42,609.12	24,243.12
0.55	40,405.20	18,366.00
0.38	27,916.32	2,203.92
0.45	33,058.80	7,346.40
0.45	33,058.80	4,407.84
0.46	33,793.44	5,142.48
0.45	33,058.80	4,407.84
0.46	33,793.44	5,142.48
0.50	36,732.00	8,081.04

TOTAL

\$ 79,341.12

Impact of 5% vs 10% increase

Year	Base Rate Paid	Monthly Lease Amt	Annual Lease Pmts
5% each year:			
2018	0.39	2,387.58	28,650.96
2019	0.41	2,510.02	30,120.24
2020	0.43	2,632.46	31,589.52
2021	0.45	2,754.90	33,058.80
2022	0.47	2,877.34	34,528.08
2023	0.49	2,999.78	35,997.36
2024	0.51	3,122.22	37,466.64

Diff Annually
0
1,469.28
2,938.56
4,407.84
5,877.12
7,346.40
8,815.68

Year	Base Rate Paid	Monthly Lease Amt	Annual Lease Pmts	Diff Annually
10% each year:				
2018	0.39	2,387.58	28,650.96	0
2019	0.43	2,632.46	31,589.52	2,938.56
2020	0.47	2,877.34	34,528.08	5,877.12
2021	0.52	3,183.44	38,201.28	9,550.32

Maximum Increase allowed based on Current Lease Terms: \$0.47 per square foot

DISTRICT DIRECT COSTS/ SUBSIDY TO SAC FINE ARTS CENTER

2/8/2019

Square Footage: 7,097.00

Year	Base Rate Paid	Monthly Lease Amt	Annual Lease Pmts
2010	0.25	1,774.25	21,291.00
2011	0.30	2,129.10	25,549.20
2012	0.35	2,483.95	29,807.40
2013	0.35	2,483.95	29,807.40
2014	0.39	2,767.83	33,213.96
2015	0.39	2,767.83	33,213.96
2016	0.39	2,767.83	33,213.96
2017	0.39	2,767.83	33,213.96
2018	0.39	2,767.83	33,213.96

Actual Direct Cost	Actual Annual Direct Cost	Annual Subsidy
0.58	49,395.12	28,104.12
0.55	46,840.20	21,291.00
0.38	32,362.32	2,554.92
0.45	38,323.80	8,516.40
0.45	38,323.80	5,109.84
0.46	39,175.44	5,961.48
0.45	38,323.80	5,109.84
0.46	39,175.44	5,961.48
0.50	42,582.00	9,368.04

TOTAL

\$ 91,977.12

Impact of 5% vs 10% increase

Year	Base Rate Paid	Monthly Lease Amt	Annual Lease Pmts
5% each year:			
2018	0.39	2,767.83	33,213.96
2019	0.41	2,909.77	34,917.24
2020	0.43	3,051.71	36,620.52
2021	0.45	3,193.65	38,323.80
2022	0.47	3,335.59	40,027.08
2023	0.49	3,477.53	41,730.36
2024	0.51	3,619.47	43,433.64

Diff Annually
0
1,703.28
3,406.56
5,109.84
6,813.12
8,516.40
10,219.68

Year	Base Rate Paid	Monthly Lease Amt	Annual Lease Pmts	Diff Annually
10% each year:				
2018	0.39	2,767.83	33,213.96	0
2019	0.43	3,051.71	36,620.52	3,406.56
2020	0.47	3,335.59	40,027.08	6,813.12
2021	0.52	3,690.44	44,285.28	11,071.32

Maximum Increase allowed based on Current Lease Terms: \$0.47 per square foot

DISTRICT DIRECT COSTS/ SUBSIDY TO THERAPEUTIC RECREATION SERVICES

2/8/2019

Square Footage: 1,539.00

Year	Base Rate Paid	Monthly Lease Amt	Annual Lease Pmts
2013	0.40	615.60	7,387.20
2014	0.40	615.60	7,387.20
2015	0.40	615.60	7,387.20
2016	0.40	615.60	7,387.20
2017	0.40	615.60	7,387.20
2018	0.42	646.38	7,756.56

Actual Direct Cost	Actual Annual Direct Cost	Annual Subsidy
0.45	8,310.60	923.40
0.45	8,310.60	923.40
0.46	8,495.28	1,108.08
0.45	8,310.60	923.40
0.46	8,495.28	1,108.08
0.50	9,234.00	1,477.44

TOTAL

\$ 6,463.80

DISTRICT DIRECT COSTS/ SUBSIDY TO CMP 721-725 & GIBBONS

2/8/2019

Square Footage: 5,165.00

Year	Base Rate Paid	Monthly Lease Amt	Annual Lease Pmts
2014	0.28	1,446.20	17,354.40
2015	0.31	1,601.15	19,213.80
2016	0.34	1,756.10	21,073.20
2017	0.37	1,911.05	22,932.60
2018	0.40	2,066.00	24,792.00

Actual Direct Cost	Actual Annual Direct Cost	Annual Subsidy
0.45	27,891.00	10,536.60
0.46	28,510.80	9,297.00
0.45	27,891.00	6,817.80
0.46	28,510.80	5,578.20
0.50	30,990.00	6,198.00

TOTAL

\$ 38,427.60