

Approved Meeting Minutes
PARK ADVISORY COMMITTEE
 11-28-11

ATTENDING: Simmons, Bank, Vann, Madison, Volin, Palacios, Johnson, Kirby, Coomber, Godfrey, Pellegrini, Weiss, Walters, Beyaert, Shalaby, Mercurio, Walkling, Madsen
 NOTATTENDING: Soderstrom, Southworth
 STAFF ATTENDING: Pfuehler, Barial, Wilson, Burnor, Rubaloff, Waluch
 GUESTS: John Sutter, Benjamin Yee
 PUBLIC: Marilyn Saarni

The meeting began at 7:00 p.m.

Approval of Minutes: The October 24, 2011 meeting minutes were approved.

PAC member Simmons moved and PAC member Volin seconded approval of the minutes. There were three abstentions (Beyaert, Walters and Mercurio) as they were absent from this meeting.

Introductions: PAC Chair Kirby asked PAC members and staff to introduce themselves.

Board Member Comments: Director John Sutter gave a brief historic background of the District's land acquisitions. The District has grown significantly, but particularly in the past two years. More land has been acquired in the past two years than in the District's first 20 years. The District's mandate from the voters, with the passage of Measure WW in 2008, is to buy land. The U.S. Fish and Wildlife Service and other agencies also provide funding for land acquisition. He added the District's overall financial situation, however, could be better given the recent decline in property tax revenue. Sutter also spoke about the proposed Gateway Park at the touchdown of the new span of the Bay Bridge. He also discussed plans for a loop trail around San Leandro Bay. While feasibility studies are underway, one missing link is currently controlled by the U.S. Army Corps of Engineers. Sutter extended his thanks to the PAC. The thought and analysis provided by the PAC is a significant service to the Board.

Public Comments: None.

Presentations:

a. 2012 Proposed Budget (Cinde Rubaloff, CFO Finance and Pam Burnor, Budget Manager. CFO Rubaloff gave highlights of both the 2011 and 2012 District budgets. Special revenue funds include the local Measure WW grants of which \$16.9 million is budgeted to go to local agencies. General fund revenue, which is the operating fund for the District, is projected to be flat with property tax receipts projected to be about the same as last year. This year the District projects it will spend \$2.5 million more than the revenue it collects. The District will use reserve "smoothing" funds to cover this deficit. For 2012 and 2013, the District projects it will have enough reserves to smooth over its' deficits. Of concern may be what happens in 2014 and 2015 if property tax revenue does not increase. In 2012, the District is also projecting a one time expenditure of \$2.9 million for fleet improvements. The District will also have some FTE increases that are permanent. The Regional Parks Foundation (RPF) is providing 100% of the funding for a new FTE and a fire captain for fuels management will be funded by grants. Staff has been very successful in tapping other funding sources to augment property tax declines. PAC member Shalaby asked if smoothing funds will run out in 2013-2014 and are there projects

that will still be ongoing at that time. Rubaloff said the District will have to weigh operating costs and staffing levels with the possibility of reductions. Shalaby wondered about the District's long term liability for the two new FTEs. Rubaloff replied the RFP will be funding 100% of the salary and benefits for the new Public Affairs employee. Grant funds will cover the fire captain's liability for five years, at which point the position should be absorbed by attrition in other areas. PAC member Palacios asked about the source of the general fund balance and whether there was a finite pool of money for contingencies. Rubaloff stated the District has about \$22 million in unreserved, undesignated fund balance. In addition, there are some reserves for smoothing, disaster recovery and election costs. Kirby noted because the District is conservative in its' budget practices, it has been able to maintain some reserve funds to weather this financial downturn. Rubaloff stated it was precisely for this type of circumstance that funds were set aside. PAC member Simmons commented some items listed as one-time expenses may actually be on-going costs, such as painting and helicopter maintenance. Burnor added there has been an increase if the number of flying hours for the helicopter so the maintenance budget is being increased "one time" to adequately reflect the increased cost of more use. Rubaloff added the District is looking and developing an infrastructure maintenance and replacement fund. Simmons asked if more funding would be put back into reserves once revenue exceeded expenses plus smoothing. Rubaloff said that decision would be better made when those circumstances become more real. PAC member Vann asked for clarity about in and out "transfers." Rubaloff said it was the internal shifting of funds.

PAC member Walters, PAC finance subcommittee chair, would like to commend the work of staff and moved the PAC forward a recommendation to the board for approval of the budget as presented. PAC member Weiss seconded and the motion passed unanimously.

b. Review of District's Process for Special Uses and Concessions - Jeff Wilson, Chief Parks and Mimi Waluch, Revenue Manager. Revenue Manager Waluch began with defining concessions as for profit businesses operating at District facilities and special uses as unique or segregated recreational activity. Right now, the District holds 45 concession and 25 special use agreements. PAC member Godfrey asked how extensive were the native plant growing areas. Waluch and Wilson mentioned several including the Master Gardeners program at Quarry Lakes. Waluch added the revenue generated from Special Uses and Concessions is about \$1 million in fees and charges.

Waluch went over the general rules and guidelines for concessions and special uses. She discussed the differences between minor and major projects. Minor projects are easy and don't require substantial improvements to the site, don't need CEQA documentations, and are generally two year contracts with a one year option. These can be approved by the General Manager reporting to the Board. Major projects involve substantial improvements, CEQA, PAC review and Board review. Major projects may also be subject to request for proposal (RFP). The Revenue Manager initiates an RFP for review by legal counsel, an auditor and the Risk Department. PAC member Volin mentioned the Lake Chabot Gun Range and its potential for controversy. Waluch mentioned interesting calls she receives from concessionaire's to talk about their ideas. She noted restrictions and limitations exist to ensure activities are compatible with the classification and general plan of the affected park unit. Waluch continued to discuss upcoming RFP's: Ardenwood foodservice for wedding/picnic/special events, Lake Anza food concession, Merry Go Round and Chabot Gun Club. PAC member Beyaert asked about the dog wash at Pt. Isabel. Waluch said it was built with grant money which requires it to stay open for 10 years for every \$100,000 worth of grant money.

Simmons asked about fair market value requirements in RFPs and wondered how prices were determined for special uses. Waluch discussed how the District negotiates fees with food and horse concessionaires. She also said the steamers, clubs and archery ranges paid the District \$100 a year per direction from legal counsel. As contracts expire, fees are typically increased in stages. Vann asked if there was a minimum number of bids required for District RFPs. Waluch said there is not a minimum. If, however, the District does not receive enough responses it may not accept any proposals. Vann also wondered revenue from concessions and special uses took into account staff time to process proposals. Waluch said her department is basically a service the District offers to the public as part of ongoing operations.

Volin asked when the gun club's contract was up. Waluch said January 1, 2015. Volin asked about the procedure for reviewing their contract and if it would come before the PAC. Waluch stated the process is described in the RFP and she added renewals would not typically come before the PAC unless they are changed. Volin added he thought the use should be looked at in terms of suitability. Kirby wondered how much change it would take to trigger a higher level of review. Waluch mentioned the PAC could make a request to AGM for Operations, Jim O'Connor to review the Gun Club's contract. Walters commented it might be appropriate for the PAC to look at major concessions RFPs and comment on them ahead of time. Beyaert added especially if the new use or existing use has the potential to be controversial. Kirby stated the PAC may want to have a discussion about this process, particularly with regard to compatible uses, at a later time. Weiss asked if the District does Requests for Quotation's (RFQs). Waluch responded the pony ride at Tilden was one. Weiss expressed additional concern that the true cost of service is not included in the fees collected. Waluch stated maintenance is tracked through a work request system, but staff and public safety time is not tracked. Godfrey wondered if there were trends in the last 10 years for new concessions. Waluch said in the past five years, only two agreements have been re-opened, a couple of smaller food concessions were closed and no big concessions have been added. Godfrey speculated community gardens like Ardenwood could really take off. Waluch said she has gotten several calls, but community gardens are not typically something the District takes on.

Elections of PAC Officers – Glenn Kirby, PAC Chair and Erich Pfuehler, Government Relations and Legislative Affairs Manager

PAC member Vann nominated the current chair and vice chair, Kirby and Mercurio for reelection. PAC member Beyaert seconded. PAC member Simmons moved to close the nominations and PAC member Walters seconded. Chair Kirby and Vice Chair Mercurio were unanimously re-elected.

PAC member Vann asked if there were term limits. Chair Kirby stated the term limits for PAC members are governed by the term limits for their membership, i.e. four, two-year terms per nominating authority.

PAC member Bank wanted to know if the current subcommittee members needed to be elected. Kirby stated the Finance Subcommittee could be ratified, but the other subcommittees are adhoc. Walters stated he would prefer not to be re-nominated as Finance Chair, but would stand if no one else would. PAC member Simmons nominated Walters as Finance Subcommittee Chair and PAC member Mercurio seconded. PAC member Beyaert and PAC member Godfrey closed the nominations and Walters was unanimously re-elected with one abstention.

PAC Member Comments – Chair Kirby asked PAC members to rsvp for the holiday dinner meeting. He discussed the board's field trip around Alameda County and his meeting with the General Manager and Erich Pfuehler to discuss the PAC goals for next year. Kirby mentioned that at the Board Executive Subcommittee meeting, former PAC Chair Rich Guarienti

recommended the PAC review the volunteer program. Kirby commended PAC members for the good work this year on the work plan.

Vann asked about the vision for the master plan committee that was formed earlier in the year. Kirby stated when a draft is ready, the PAC will review it before it is made public. We are waiting for the draft.

Walters said the cost of to 2 % of the District's general fund for elections was substantial. He wondered why this was the case. Director Sutter says the registrar of voters of each county has come up with fees based on the budget crunch. He does not know about any state wide regulations, but suggested PAC members could talk to their boards of supervisors. There was discussion around this topic by several members of the PAC and the Director.

6. Report from the Chair – None.

7. Board Committee Reports – None.

8. Status of Recommendations – Current.

9. Old Business – Director Sutter added he thought Violin's concerns about the gun range begged a the question about whether there should be a gun range in a regional park. Sutter also mentioned two other issues – the water slides at Shadow Cliffs and the archery range which tends to be for an exclusive club. Kirby stated the PAC could put this item on a future agenda.

10. New Business – None.

11. Adjournment: The meeting was adjourned at 8:29 p.m.

Summary of Actions:

1. The October 24, 2011 meeting minutes were unanimously approved.
2. The PAC moved the 2012 Proposed Budget forward to the board.
3. The PAC elected its officers for 2012.
4. The PAC would like to request a discussion about whether a type of concession should be in a park.
5. The PAC holiday dinner is scheduled for December 5 at the Lake Merritt Hotel, Oakland.
6. The PAC next meeting January 2012.

Respectfully submitted,
Yolande Barial, PAC Secretary