

Approved Meeting Minutes
PARK ADVISORY COMMITTEE
 June 22, 2015

ATTENDING: Mercurio, Best, Ho, Coffey, Gregory, Texeira, Madsen, Volin, Rickard, Robinson, Palacios, Simmons, Wilkins, Sanwong, Yee
 NOT ATTENDING: Kern, Beyaert, Coomber, Pellegrini, Thompson, Godfrey
 STAFF ATTENDING: Pfuehler, O'Connor, Auken, Collins, Rasmussen, Stoneham, Koh, Clay, Balingit, Baldinger, Barial-Knight
 GUESTS: None
 PUBLIC: John Maunder, Mike Maunder

The meeting began at 7:00 p.m.

1. **Approval of May 18, 2015 Minutes:** PAC member Volin moved and PAC member Palacios seconded approval of the May 18, 2015 minutes with edits. PAC members Best, Gregory and Simmons abstained due to being absent.
2. **Introductions:** PAC Vice Chair Mercurio asked PAC members, staff and the public to introduce themselves.
3. **Board Member Comments:** Director Waespi thanked the PAC for the invitation to speak and thanked the PAC committee for their good work and dedication.

Director Waespi explained he represents Ward 3 which includes Castro Valley, Hayward, Union City and parts of Fremont. Director Waespi outlined his background and commented he has the distinction of being the only Board member who worked for the District. He worked at the District 36 years before being elected to the Board of Directors. Director Waespi said he was previously an elected member on the Castro Valley Sanitary District Board and also on the Hayward Area Recreation and Park District Board.

Director Waespi commented Ward 3 contains the only two parks under quarantine for blue-green algae at this time; Lake Chabot and Quarry Lakes. Also within Ward 3 are two other parks with issues; Redwood Canyon Golf Course and the Chabot Gun Club. Director Waespi was happy to report that progress has been made to resolve the golf course issue.

Director Waespi presented a short film loaned to him by a Castro Valley historian, of the opening gala of Willow Park in 1964, and the 1963 opening of Cull Canyon. Several local dignitaries, golf pros and stars of the time attended these events.

PAC Member Volin asked Director Waespi about the Stormwater Pollution Prevention Plan (SWPPP) and the Board's interest in receiving estimates for the cost of the clean-up at the Chabot Gun Range. Director Waespi replied Matt Graul, Chief of Stewardship, is working on the STPPP. Decisions will be made regarding the cost estimates after all studies and testing are complete.

4. **Public Comments:** None.

5. Presentations:

(R) a. **CAFR – Dave Collins, AGM Finance and Management Services, Debra Auker, Chief Financial Officer Finance**

Dave Collins, AGM of Finance and Management Services stated the Comprehensive Annual Financial Report (CAFR) for the year ending December 2014 was compiled by Debra Auker, Chief Financial Officer and Kim Balingit, Accounting Manager of Finance. The CAFR is a recap of the year 2014 and is a statement to the public about where the District's money was spent. Collins explained the CAFR, by law, must be prepared by staff. Auditors review and test the report for any findings. Finance staff has done a great job. Collins was pleased to announce the auditing firm Vavrinek, Trine, Day & Co. has given the District a clean audit.

Auker explained before the books are closed at the end of the year, auditors review all the policies and procedures. They test the transactions on different areas, such as accounts payable, purchasing, payroll, journal entrees, etc. They document anything they find in those areas. During that part of the review, they did not find areas where the District was deficient in following procedure. Nor did they have any major recommendations to change District policies. The books were closed at the end of December and auditors came back in April to complete the financial part of the audit. Auker explained there is also a single audit as part of the independent audit, where the financial and compliance requirements of all Federal grants are reviewed.

Auker commented for the last 13 years the District has received the Government Finance Officers Association (GFO) award which states the District is complying with the recommended practices in the area of financial reporting. This award helps the District's bond rating and with all the different rating agencies looking over the statements.

Auker touched on key points of the District's budget:

- The Government-wide Statement of Net Position (assets, deferred outflows of resources, liabilities, inflows, etc.) for the District is \$795.9 million.
- The unassigned General Fund balance at December 31, 2014 was \$48.8 million.
- General Fund balance, included in the fund financial statements, decreased \$5.7 million.
- Total fund balance at December 31, 2014 was \$272.6 million. General Fund revenue exceeded budget by \$6.2 million, \$4.8 million in property tax, the majority of which was attributed to RDA dissolution payments.
- General Fund expenditures were less than appropriations by \$5.3 million.

PAC Member Simmons inquired what percent of the District's CalPERS obligation is unfunded. In his reading of the CAFR it appears to be 30%. Auker answered according to the CAFR report for 2014 it looks to be 30%, but she will go back to the actuary to confirm.

Simmons asked if the goal is to be at 100% funded for CalPERS or is the goal to be at 80% because of all the variations. Auker answered the District doesn't have an official policy, but the CalPERS miscellaneous plan is 69.2% funded per the CAFR. Our current funding policy is to make the contributions to our pensions as required by CalPERS. The District does not have a goal of 100% funded because investment markets vary and there would be no benefit to over fund pension obligations.

PAC Member Palacios asked if the money to fund CalPERS is allocated from the District's General Fund. Auker answered yes. District employees also pay a percentage to the fund.

PAC Member Volin inquired about disclosures regarding long-term liabilities. He suggested the District disclose information about the long-term liabilities anticipated in relation to the cost for mitigation at the Chabot Gun Range. Auker responded disclosing information in a financial report has different levels of requirements. If you know the amount and it is probable, you put it into the balance sheet. If there's a remote possibility and you know some amounts, you might disclose some information in the notes. If the District does not have any firm amounts, or any hard decided probabilities, none are disclosed. Volin replied \$119,000 dollars has been spent on a consulting firm to create a mitigation plan for the Chabot Gun Range, so that should be a known amount. Volin asked if the Board's decision to not to get its own estimates relieves the District of the obligation to disclose these liabilities. Collins explained this discussion is about the 2014 CAFR report and there was no known liability in 2014. When an actual estimate, some kind judgement or liability is provided, it will be entered into a future CAFR report. Auker stated if it meets the requirements for reporting then it will be included.

PAC Member Teixeira asked if auditing firms were rotated every year. Auker replied there has not been a historic practice of doing that. There was some new legislation passed which requires the partner to rotate every six years. The District's practice has been to rotate the partner from time to time, but it hasn't been a hard and fast rule. The District has a five-year contract with the current auditing firm and will go out to bid again after that.

PAC Member Best moved and PAC Member Simmons seconded the approval of the CAFR to favorably recommend it to the Board of Directors. The motion passed unanimously.

(I) b. District's Response to Drought – Jim O'Connor, AGM Operations and Dania Stoneham, Unit Manager Recreation Areas

Jim O'Connor, AGM Operations introduced Dania Stoneham, Unit Manager Recreation Areas to the PAC. O'Connor explained Stoneham has taken the lead on the District's response to the drought. The response is two-fold: Reduce the District's water use by 25% per the Governor's Executive Order and plan for the future with less water. Another issue as a result of the drought is blue-green algae blooms, which have occurred at Quarry Lakes, Lake Temescal and Lake Chabot.

Stoneham explained \$500,000 dollars was put aside last year for drought recovery. Stoneham stated she was in charge of the committee to go over different recovery projects, but quickly realized the District wasn't recovering from the drought. She changed the focus to create water efficiency projects.

Stoneham continued, 99.86% of the State is in dry or drought conditions. The projections are it will remain this way until at least the coming year. An El Niño system was predicted in 2014, but California didn't receive much water from it. A strong El Niño for winter 2015-16 is also predicted, but once again California may not get a significant amount of rain. In order to get to non-drought conditions in California, we would have to get 200% of normal rainfall which is highly unlikely in one winter season.

Stoneham reported at Ardenwood, instead of using overhead watering, the District is installing drip systems so water may be used more efficiently. Drip irrigation reduces the risk of evaporation and water not going straight to the plants. Many park offices have aesthetic lawns. They are working to replace these lawns with wildflowers or native vegetation. Experimental grasses, such as Bermuda grass blends, that take less water and will hold up to summer season use are being tried at Roberts ballfield.

Stoneham outlined the Water Efficiency Plan. Some of the different strategies are to modernize current irrigation systems. Digital systems with online weather station access and sensors will provide information on the accuracy of the watering. There are four parks being considered for these systems with a total of seven lawns. The target installation time is by the end of summer.

In some areas, lawn is being removed and replaced with different forms of recreation such as sand volleyball. It won't have to be watered and the public will still get a recreational value.

Stoneham continued some of the replacement plantings will be with sedges, cooler weather plants more fitted for the coastal parks. Buffalo grass, Lippia and Blue Grama, which are more suited to warm weather, will be planted in the eastern parks.

Stoneham reported when it is time to replant lawns, the District will need to invest in equipment, a top dresser, seeder and cutter/deep thatcher, for larger projects. The District will transform a chassis that is currently for a Ford 550 and turn it into a potable water tank.

PAC Member Palacios inquired if Stoneham was familiar with carbon farming. Palacios offered to connect Stoneham with John Wick from the Carbon Cycle Institute to learn more about the program. Palacios commented she learned carbon farming improves the quality of the soil and helps to retain water; it has a lot of benefits and is seemingly low-tech.

PAC Member Simmons asked if the District set a target for how much to reduce water use this year. If so, where is the District with this goal. Simmons stated Walnut Creek has to work with two water districts, and asked how many water agencies overlap the District's jurisdiction. Stoneham replied the District works with 11 water districts. Stoneham added she is in the process of compiling 2013 numbers with all water districts to make sure the District will reduce water use by 25% this year. Also, East Bay Municipal Utility District (EBMUD) is talking about upping the percentage to a 40% goal based on what kind of weather California gets in the fall, but it hasn't been mandated yet.

PAC member Sanwong asked if the District is using recycled water. Stoneham replied not at this time because there are restrictions for recycled water use in public areas.

O'Connor brought up the blue-green algae issue. He likened it to a moving target; it shows up in one area and then another. A high spike occurred at Lake Chabot and four dogs died. The District has staff monitoring the water quality. They are paying close attention to the blue algae bloom. The District is also working with the County Environmental Health offices which have set a standard of 20 micrograms per liter of microcystin toxins allowed in swimming areas. Once it reaches above that for microcystin toxins, the areas must be closed. In Lake Chabot, there were 70,000 micrograms per liter during the spike. EBMUD

conducted a process of removing the filaments algae bloom when they were dying (microcystins are released when the filaments die). It went from 70,000 micrograms in the marina area to six. As the summer progresses, the water concentrates and heats up. O'Connor feels there will continue to be algae blooms. O'Connor commented there is a response plan with signage warning people about human or animal contact with the water.

c. Measure CC Update – Jeff Rasmussen, Assistant Finance Officer, Management Services

Jeff Rasmussen, Assistant Finance Officer, Management Services explained Measure CC is a 15 year program. In 2004, the District established a spending plan which estimated the annual needs for operational projects, including a modest increase for inflation. Since beginning the program, the District has appropriated an amount into each operational project per the spending plan. Ten years into the program, actual expenses have changed and some projects have accumulated unused funds. This budget proposes to utilize accumulated project account balances for 2016 expenses, and to appropriate only the extra 2016 funding necessary to fully fund these activities. No reductions in activities are proposed. Future budgets will be analyzed and adjusted if necessary to ensure continued annual operation through the end of the measure in 2020.

Rasmussen reported on the Fuels Management Grant. The District has been working with the Federal Emergency Management Agency (FEMA) since 2006 to secure grants for fuels management in the East Bay Hills. Finally, in the beginning of 2015, FEMA released those grants to the District. They required about a \$1.2 million dollar match by the District which came from the CC Fuels Management set aside. In doing that, staff didn't realize they had already appropriated some funds to existing fuels management projects, so a correction needs to be made of \$132,780. The District has reduced the existing fuels management appropriations in three accounts to re-balance the books.

The Board set aside a 10% reserve in Measure CC for special future projects. Staff has been working over the last few years to determine the Board's intentions for the \$4.7 million dollars in reserve funds. Rasmussen reported the General Manager had a discussion with the Board about proposed uses for the reserve funds.

The General Manager recommends the Board appropriate the following:

- i. \$700,000 to complete the Atlas Road Bridge and Public Access project.
- ii. \$1 million for the Point Pinole Visitor Center initial funding.
- iii. \$1.5 million to the Bay Trail, Doolittle Drive section.
- iv. \$1.5 million unallocated balance for future high priority opportunities.

Collins said each year staff comes before the PAC for a discussion of expenditures from District ballot measures. Staff is coming to the PAC and the Board Finance Committee with a Measure CC budget for the coming year. It is in accordance with the 79 projects included in the Measure and passed by the voters in 2004. In 2015, for the first time, staff has gone through the projects in greater detail and realized there were some projects that had an accrued amount still in the account, so there is no need to appropriate the full amount in 2016. The District receives about \$3.1 million a year from Measure CC, and will only need to appropriate about \$1,183,822 million in new project appropriations for 2016.

PAC Member Gregory moved and PAC Member Yee seconded the approval of the Measure CC budget and favorably recommending it to the Board of Directors. The motion passed unanimously.

6. PAC Member Comments:

PAC Member Palacios reported she went to the Ferry Point Trail Dedication. The dedication was very well attended, and was a great event.

PAC Member Ho attended a City of San Pablo dedication for the Wildcat Creek Trail that was completed in March. It's a 1000 foot long section which connects 23rd Street to Davis Park, the City's oldest and biggest park. From there it will eventually connect the Bay Trail to the Ridge Trail.

PAC Member Madsen said he had the pleasure of representing the District at the Crown Beach Sandcastle Contest as a judge. Madsen said there were over 50 entrants, both children and adults participated. He encouraged the PAC members to attend next year.

PAC Member Yee reported he attended the Park District's Volunteer Appreciation Dinner. Yee announced he broke the 5,000 volunteer hour barrier in less than ten years.

Recreation Supervisor Kevin Fox had a 2' x3' foot award plaque ready for Yee to present to the teacher who leads the Change Project at Irvington High School in Fremont. It now hangs in the main lobby at Irvington High School.

PAC Member Teixeira announced Contra Costa LAFCo is having an agricultural and open space preservation workshop on July 8 at 1:00 p.m. in Martinez. It is open to the public. More information is on the Contra Costa LAFCo website. One of the speakers will be East Bay Regional Park District General Manager Robert E. Doyle.

7. Report from Vice Chair

Mercurio reported Chair Bruce Kern is home and continues to make progress. He hopes to return to the PAC meetings before the end of 2015.

8. Board Committee Reports

Mercurio mentioned that if any PAC members are interested in attending Board committee meetings to please speak with him after the meeting.

9. Status of Recommendations – Current

10. Old Business – None

11. New Business – Government Relations and Legislative Affairs Manager Erich Pfuehler announced the next PAC meeting will be the Annual Barbeque held at Tilden Environmental Education Center.

PAC Member Mercurio passed around a name badge that is being considered for PAC members. The Committee members liked the badge, but asked for the background to be green and to add a magnetic clasp.

12. Adjournment – The meeting was adjourned at 8:46 p.m.

Summary of Actions:

1. The May 18, 2015 minutes were approved with edits.
2. The PAC recommended the Board support approval of the 2014 CAFR. The motion passed unanimously.
3. The PAC recommended the Board support the 2016 Measure CC budget. The motion passed unanimously.
4. The next meeting is July 27, 2015; it will be held at the Environmental Education Center (EEC) located in the Nature Area at Tilden Regional Park.

Respectfully submitted,

Sharon Clay
Confidential Secretary