

AGENDA  
REGULAR MEETING  
BOARD OF DIRECTORS

EAST BAY REGIONAL PARK DISTRICT

Tuesday, July 19, 2016

C. BUSINESS BEFORE THE BOARD

7. CONSENT CALENDAR

- a. Finance Committee Minutes and Recommended Actions from the  
March 23, 2016 (Waespi)

Attendees

Board: Directors Dennis Waespi, Ayn Wieskamp,

Staff: Debra Auker, Bill Zenoni, Deborah Spaulding, Ana Alvarez, Pam Burnor,  
David Sumner, Kim Balingit, Nadine Vargas, Meadow D'Arcy, Jeff  
Rasmussen, Bob Nisbet, Jim O'Connor, Carol Victor

Public: Rick Richard - PAC

Committee chair Dennis Waespi began the meeting at 12:30 PM with the introduction of committee members. Committee member Diane Burgis was out ill.

**Agenda Item No. 1**

**Fourth Quarter 2015 General Fund and Other Governmental Funds Financial Reports**

Assistant Finance Officer Deborah Spaulding reported on the General Fund and Other Governmental Funds Financial reports combining budget and expenditure information.

As of December 31, 2015 the Districts financial activities are as expected when compared to prior year and to the current year budget.

**General Fund Revenues & Expenditures as of December 31, 2015**

Both revenues and actual expenditures are on track for the year.

<b>General Fund</b> <i>(in millions)</i>	Budget		<b>Actual</b>		<i>% of Budget</i>	
	2015		thru 12/31/15	variance	Complete	
Revenue	\$ 122.2	\$	<b>127.5</b>	\$ 5.3		104.3%
Expenditures	\$ 137.6	\$	<b>127.5</b>	\$ 10.2		92.6%
net change in Fund Balance	\$ (15.5)	\$	<b>(0.0)</b>	\$ 15.4		

The report attachments provided additional information on the General Fund Revenue and Expenditures and commenting on areas with revenues and expenditures 10% higher or lower than prior year (with explanation) and summarized financial information for all other governmental funds.

CFO Debra Auker pointed out to the committee that in 2015 the assessors of both Alameda and Contra Costa Counties increased property tax evaluations (increasing property tax revenues). The expectation in 2016 is evaluations will level; 2015 was a catch up year on those properties reassessed downward during the recession.

Committee member Ayn Wieskamp asked if taxes will level out throughout the year. CFO Auker replied the District's 2016 budget has a 4-5% growth in property taxes.

Committee chair Waespi asked when the reserve policy was formulated and if 32% reserve is a standard in the industry. AFO Spaulding advised the policy was finalized in 2013 and the policy describes the rationale supporting the 32% formula. CFO Auker noted a copy of the reserve policy is located in the budget document.

It was decided, by committee members, Agenda No. 1 will be an informational item. Finance staff will bring the Comprehensive Annual Financial Report (CAFR) to the committee in May for approval.

**Recommendation: This is an informational only item.**

## **Agenda Item No. 2**

### **Review of Proposed Update to Board Operating Guidelines – Purchasing and Contracting**

Interim CFO Bill Zenoni reported the Board Operating Guidelines include District-wide purchasing policies which require review and updating. CFO Zenoni reported that recently the State legislation has approved a purchasing authority increase (Assembly Bill No. 495) for General Managers of the East Bay Regional Park District and Midpeninsula Regional Open Space District from its current level of \$25,000 to the new level of \$50,000 without advertising. The revision would increase the formal bid to items over \$50,000 and Board approval; informal bid with Assistant General Manager (AGM) approval from \$10,000 to \$25,000.

Committee member Ayn Wieskamp requested definition of formal bid. Interim CFO Zenoni replied formal bids include special documentation to include specifications and must be published in the newspaper and on the District website, adding that formal bids take several months to complete. Informal bids are simpler and staff can solicit quotes via email. The District's target is a minimum of three bids.

Interim CFO Zenoni provided attachments detailing information on revisions of the Board Operating Guidelines and Contract Procedures. Interim CFO Zenoni went over the significant changes staff is recommending to the policy:

- Board will approve all requests for materials, supplies, equipment labor and any contract or agreements where cost exceed \$50,000.
- Board will approval contracts or agreements where the payment by one vendor by one department exceeds \$50,000 a year, as well as multi-year contracts exceeding \$50,000.
- Change the title of policy to "Policy for Purchasing and Contracting and Agreements".
- Added definitions and key terms.
- Amended legal review portion. Legal will review all contracts.
- Additional language for change orders.

CFO Auken summarized the General Manager has authority up to \$50,000, Assistant General Managers up to \$25,000 and Chiefs up to \$10,000.

**Recommendation: Motioned by Ayn Wieskamp and seconded by Dennis Waespi that the Finance Committee recommends to the full Board of Directors for approval of update to Board Operating Guidelines: Purchasing and Contracting. Motion approved.**

### **Agenda Item No. 3**

#### **Review of Measure AA Bond Proceeds/Project Funds**

Budget Manager Pam Burnor reported in 1988, voters approved Measure AA which authorized the issuance of general obligation bonds in the principal amount of \$225 million to finance the acquisition of parklands, development projects and grants to local agencies. The District has successfully completed all of the local grant projects, funding to the Oakland Zoo and most of the acquisition and development projects authorized in the 1988 ballot measure.

All remaining bond proceeds and interest earned on those fund are held by the bond trustee, Union Bank. Various methods have been used over the past 27 years to track financial activity related to Measure AA. Staff has been working to reconcile the Measure AA general ledger and actual cash balance to the separate Measure AA project database. The District's Measure AA project database did not record all of the activity, but rather focused on District acquisition and development project budgets.

The current remaining balance of available bond proceeds is \$15,839,210. The Measure AA project database reflects funds available to appropriate total \$17,639,210, a difference of

\$1,800,000. As noted earlier, this difference is the result of the Measure AA project database having been limited to only tracking development and acquisition project costs.

Budget Manager Burnor concluded her report advising in order to bring the Measure AA project database system into balance with the actual remaining bond proceeds staff is recommending the interest earnings allocation in three metro areas within the Measure AA project database be reduced by \$1,800,000 to reflect the actual cash available and that unspent principal bond proceeds in those same three metro areas be reallocated by the same amount.

**Recommendation: Motioned by Ayn Wieskamp and seconded by Dennis Waespi that the Finance Committee recommends to the full Board of Directors for approval for budget adjustments to Measure AA interest funded projects and recommend the funding source revisions. Motion approved.**

**Agenda Item No. 4  
Open Forum for Public Comment**

No public comment.

**Agenda Item No. 5  
Board Comments**

The April meeting is cancelled. The next Finance Committee meeting is May 25, 2016.

Meeting adjourned 1:25 p.m.

Respectfully submitted

Connie Swisher  
Confidential Secretary, Finance