



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE –Wednesday, October 30, 2019

SUBJECT: 2020 Proposed General Fund Budget

Report by: Deborah Spaulding, Assistant Finance Officer
Mary Brown, Acting Budget Manager

ATTACHMENT: 2020 General Fund Budget Summary

RECOMMENDATION: None. This is an informational item only.

The purpose of this item is to brief the Board Finance Committee on the status of the budget process and provide an overview of the 2020 Proposed General Fund budget.

Background

The budget process begins in the spring of each year with the Board of Directors Workshops. The Board member priority items discussed at these workshops are considered as the budget is developed. Budget development also includes review of the current and future economic conditions that will affect the Park District in the coming years.

Based on these considerations the 2020 Proposed Budget includes the following:

- Staffing for parklands and facilities with scheduled changes or to open in during the coming year, including at Judge John Sutter Shoreline, Dumbarton Quarry Campground, the Del Valle Visitors Center, and Concord Hills.
- Additional small trails crew funding, for trail maintenance and especially to address the wildland urban interface for fire prevention.
- Commitment to the Public Safety division, including increased staffing, and communication equipment improvements.
- Staffing and equipment to address expected additional weed abatement and vegetation management needs in parks due to the elimination of the use of glyphosate.
- Funding for major projects, such as modernization of the administration building at 2950 Peralta Oaks, and a new fleet management software system.
- Staffing for Mobile Education Center and Interpretive and Recreation programs.
- Funding for long-term liabilities, including pensions, environmental remediation, infrastructure repair and replacement.

GENERAL FUND – OPERATING BUDGET

The 2020 Proposed General Fund budget is balanced with approximately \$171.1 million in budgeted revenue and transfers in (6.7% increase from 2019) and \$170.7 million in appropriations and transfers out (6.8% increase from 2019). A summary of the 2020 proposed General Fund budget, with a comparison to the 2019 adopted budget is provided as an attachment to this report. Currently, the General Fund revenues and transfers in are projected to exceed expenditures and transfers out, in 2020. However, planned General Fund expenditures may change once the budget has been finalized.

I. 2020 Proposed General Fund Revenue Budget Compared to 2019 Adopted Budget:

- a. Property tax revenue is budgeted at \$154.5 million which represents an increase of \$10.6 million or 7.4% over the 2019 budgeted amount. The property tax revenue projection for 2020 assumes that the significant increases realized over the past several years will begin to level off, as predicted by Beacon Economics.
- b. All other revenue sources combined are budgeted to increase by approximately \$100,000. Most of the increase is from the Regional Parks Foundation, which is providing increased funding for projects and programs. An additional \$100,000 is related to increased grazing revenues. These increases are offset by decreases in Charges for Services in several areas including a reduction to swim revenue, due to blue-green algae closures, decreased concessionaire revenues at Camp Arroyo, and a transfer of BATA Bridgeyard funding to a project solely designated for that facility.

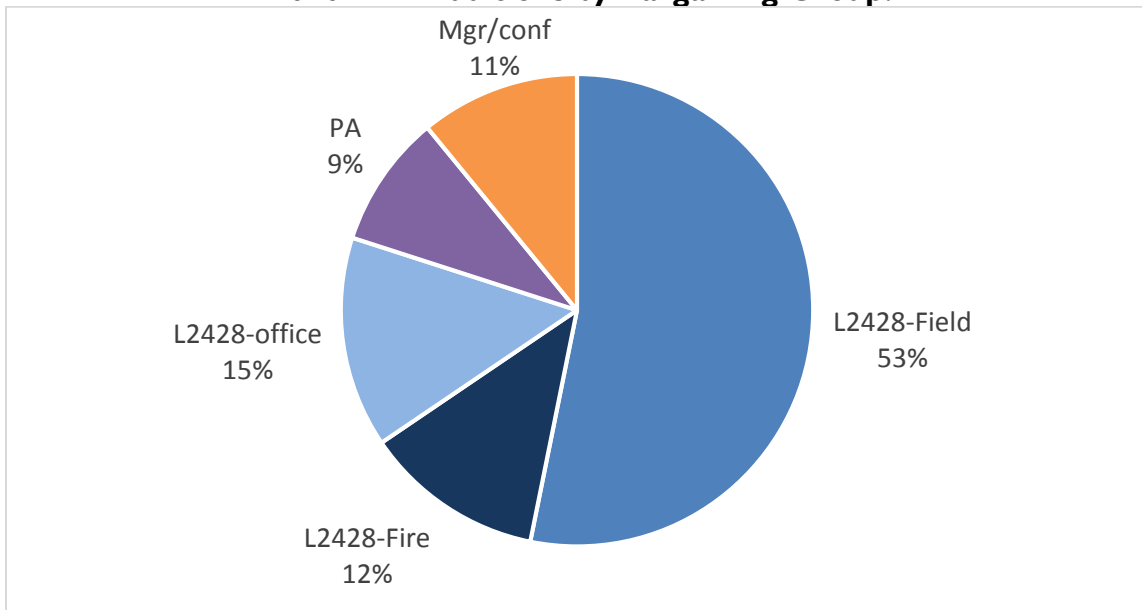
2. 2020 Proposed General Fund Appropriations Compared to 2019 Adopted Appropriations:

- a. Salary and benefits are budgeted at \$115.2 million, a \$7.5 million or 7.0% increase from the prior year adopted budget.
 - i. The 2020 budget includes increases related to implementation of the AFSCME Class & Compensation study, as well as cost of living allowance (COLA) and benefit changes for existing AFSCME and PA labor agreements. The remaining Class & Compensation study for PA, Management, and Confidential employees is still in progress. Any cost increases from this second phase of the study will need to be approved by the Board of Directors and are not included in the Proposed 2020 Budget.
 - ii. Salary and benefit growth also reflects an increase of 27.46 full-time equivalent positions (FTEs), with a cost of approximately \$3.5 million. Of these additional positions, 6.55 FTE's were approved 'pipeline' positions, necessary to service new park lands and facilities scheduled to open to the public in 2020 and 2.75 FTE's for managing weed abatement and fire prevention with the elimination of glyphosate.

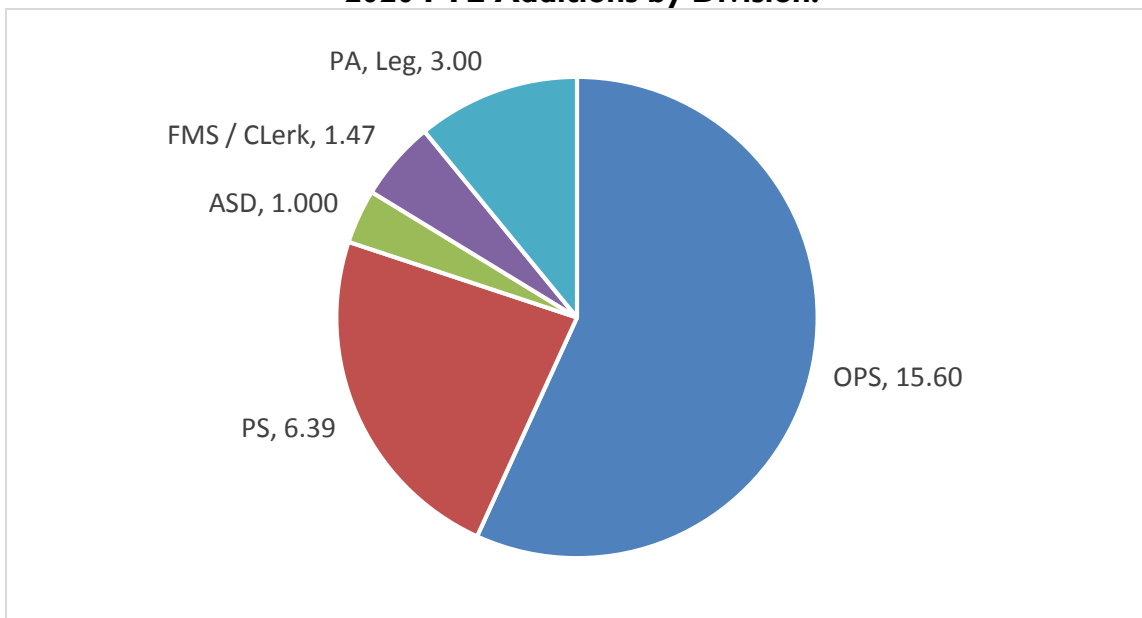
The charts below provide more information regarding proposed new position additions from all funds.

| Proposed General Fund “Pipeline” Staffing | FTE |
|--|-------------|
| Judge John Sutter Shoreline | 2.35 |
| Dumbarton Quarry Campground | 2.1 |
| Del Valle Visitors Center | 1.0 |
| Concord Hills | 1.0 |
| Bay Point Wetlands | 0.1 |
| Total Proposed 2020 Pipeline Staffing | 6.55 |

2020 FTE Additions by Bargaining Group:



2020 FTE Additions by Division:



- b. Supplies budgets increased by approximately \$40,000 from the previous year. An additional \$50,000 was provided for trail surveying eco-counters, and \$25,000 to begin the process of implementing an art in the parks program.
 - c. Services budgets increased by approximately \$0.6 million, including \$250,000 for a small trails crew, \$200,000 for public safety equipment replacement, and \$50,000 towards developing a rangeland management program.
 - d. The capital outlay/equipment budget increased almost \$1.0 million from 2019. Included in the 2020 capital equipment budget is funding for four new remote slope mowers, which will help address weed abatement and brush removal needs.
3. 2020 General Fund Transfers Out to Other Funds:

Transfers out to fund long-term liabilities, projects, and debt service are approximately \$10.9 million, a \$4.4 million decrease from 2019 transfers. This majority of the decrease is due to the treatment of the Major Infrastructure Renovation and Replacement Fund (MIRR) as an Internal Service Fund; Revenue for MIRR is now an Intra-District Charge, rather than a Transfer.

The Park District will continue its commitment to annually increase funding for Fire Fuels/Vegetation Management. The budgeted amount for 2020 will be \$1,000,000. Other large projects funded with base and one-time General Fund transfers in 2020 include:

- a. Chabot Gun Club environmental remediation and clean-up - \$1.0 million
- b. Peralta Oaks Office Space Modernization Project - \$1.0 million
- c. Fleet Management Software - \$250,000
- d. Livestock Water Improvement Projects - \$200,000
- e. Honker Bay Water Runoff & Dredging Study - \$150,000
- f. Updates to the District-wide Emergency Operations Plan and ADA Transition Plan - \$100,000 and \$150,000 respectively.

4. 2020 Proposed General Fund Operating Budget Highlights:

The District's budget strategy has historically provided a 50/50 split between base (on-going) and one-time increases to the General Fund budget, equal to the anticipated revenue growth. Park District staff recognize the potential for a financial downturn in the near future. For 2020, a more conservative approach will be used to split the approved budget increases to a 45/55 split. This adjustment will provide a small reduction in long-term commitments and allow the District to use 2020 as a transition year in preparation for a possible economic slowdown.

- a. Approximately \$5.2 million in new base budget requests are funded in the 2020 proposed General Fund budget, plus approximately \$6.4 million in one-time funding requests (including fund transfers).
- b. The proposed budget also includes the following new requests:
 - i. Additional staff support for the archive program and Regional Parks Foundation.
 - ii. Additional staff support for Government Affairs and the Clerk of the Board's office.
 - iii. Funding to upgrade seven Park Ranger positions from 9-Month to year-round.
 - iv. Service cost increases for utilities, technology and rents.

NEXT STEPS:

| | |
|----------------------------------|--|
| Nov. 19 th , 2019 | Proposed Budget delivered to Board of Directors |
| Nov. 25 th , 12:30 pm | Proposed Budget presented to Board Finance Committee |
| Nov. 25 th , 7:00 pm | Proposed Budget presented to Park Advisory Committee |
| Dec. 3 rd , 6:00 pm | Introduction of Proposed Budget to Board of Directors (1 st public hearing) |
| Dec 17 th , 1:00 pm | Adoption of 2020 Budget by Board of Directors (2 nd public hearing) |

CONCLUSION:

The intent of this informational report is to provide a basic outline of the 2020 General Fund budget process to date. Some modifications to this information may be required before the full proposed budget document is presented to the Board Finance Committee at the November meeting.

Compare 2020 General Fund Proposed Budget to 2019 General Fund Adopted Budget

| Line | Sources Type | 2020 GF Proposed Budget | 2019 GF Adopted Budget | Change | % Change |
|------|-------------------------------------|----------------------------|---------------------------|---------------|----------|
| 1 | Property Tax | \$ 154,500,000 | \$ 143,900,000 | \$ 10,600,000 | 7.4% |
| 2 | Charges for Services | 10,483,370 | 10,688,070 | -204,700 | -1.9% |
| 3 | Property Usage | 1,844,990 | 1,744,990 | 100,000 | 5.7% |
| 4 | Interest | 2,550,000 | 2,550,000 | 0 | 0.0% |
| 5 | Inter-agency Agreements & Grants | 339,220 | 489,220 | -150,000 | -30.7% |
| 6 | Misc Revenue | 1,400,989 | 1,032,030 | 368,959 | 35.8% |
| 7 | Total Revenues | 171,118,569 | 160,404,310 | 10,714,259 | 6.7% |
| 8 | Transfers In | 6,000 | 6,000 | 0 | |
| 9 | Total Sources | \$ 171,124,569 | \$ 160,410,310 | \$ 10,714,259 | 6.7% |
| | | | | | |
| | Uses Type | | | | |
| 10 | Personnel Costs | \$115,185,277 | \$107,667,650 | \$7,517,627 | 7.0% |
| 11 | Supplies | 9,107,829 | 9,068,050 | 39,779 | 0.4% |
| 12 | Services | 19,896,520 | 19,338,640 | 557,880 | 2.9% |
| 13 | Capital Outlay/Equip | 2,193,074 | 1,200,420 | 992,654 | 82.7% |
| 14 | Interagency Agreements | 232,000 | 232,000 | - | 0.0% |
| 15 | Intra-District Charges | 13,268,050 | 6,985,790 | 6,282,260 | 89.9% |
| 16 | Total Expense | 159,882,750 | 144,492,550 | 15,390,200 | 10.7% |
| 17 | Transfers Out | 10,867,098 | 15,317,440 | (4,450,342) | -29.1% |
| 18 | Total Uses | \$ 170,749,848 | \$ 159,809,990 | \$ 10,939,858 | 6.8% |



BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – Wednesday, October 30, 2019

SUBJECT: Update on 2020 Project Budget
Review and Approve Proposed Name and Description/Scope
Changes for Active Projects

Report Prepared by Nadine Vargas, Administrative Analyst II

ATTACHMENTS: 2020 Proposed Project Scope and Title Changes

RECOMMENDATION: Review proposed project title and description changes and direct staff to forward to the Board of Directors as part of the Proposed Budget for approval.

DESCRIPTION:

The Finance Department prepares Volume II of the Annual Budget as the Project and Program Budget. Last year the format of this volume was updated by listing all capital projects by park location in the first section, and similar like programs grouped together in the second section for easier comprehension and to improve transparency.

As part of the annual Project and Program Budget development process, the Finance Department works with the project managers of each department to review active projects. Often, project scopes are refined as work progresses, and clarification to the project description or even the project title, is necessary. The proposed changes to the project titles and descriptions are included as Attachment A. Once approved, these changes will be incorporated into the District's financial system and the 2020 Proposed Budget document.

Update to Project Descriptions for 2020 Proposed Budget

| Project | Dept | Location | Current Title | Suggested Project Title | Current Description | Proposed Description changes |
|---------|-----------------------|-----------------------------|---------------------------|-------------------------|--|--|
| 147700 | Design & Construction | Ardenwood Center | Upgrade Electrical System | | Prepare construction documents to implement the 2013 Electrical Master Plan. Phase I: PG&E installed new service near Ridgewood Drive with adequate capacity for future changes to the park, separate utility metering for Deer Park concession building and Patterson House. Phase II: Wire Patterson House to new Phase I utility meter. | Implement the 2013 Electrical Master Plan. Phase I: PG&E installed new service near Ridgewood Drive with adequate capacity for future changes to the park, separate utility metering for Deer Park concession building and Patterson House is complete. Phase II: Wire Patterson House to new Phase I utility meter. |
| 155300 | Trails | Bay Area Ridge Trail | Build Ridge Trail | | Design, acquire environmental clearance, obtain permit, and construct a portion of the Bay Area Ridge trail from Garin to Vargas Plateau to improve public access. | Design, acquire environmental clearance, permit, and construct a portion of the Bay Area Ridge trail from Garin to Vargas Plateau including a trail bridge and an at-grade RR crossing of the Niles Canyon Railway. |
| 526900 | Grants | Black Diamond | Restore Three Ponds | | Restore three ponds that were damaged as part of 2017 winter storms : Old Homestead Pond, Corcoran Pond, and Oil Canyon Pond. | Restore three ponds that were damaged as part of 2017 winter storms : Old Homestead Pond, Corcoran Pond, and Oil Canyon Pond. Heavy rains eroded the ponds. Restoration of the ponds will benefit grazing and resources at the park. |
| 156000 | Management Services | Camp Arroyo Recreation Area | Replace Failing Housing | | Replace Failing Housing | Replace the existing double-wide trailer used as housing for Camp Arroyo concessionaire staff. The condition of the trailer has deteriorated and is too small for the staff. The new facility may be a new building, modular trailer or possibly a yurt depending on the cost of the project and the needs of the District. |
| 524800 | Park Operations | Camp Arroyo Recreation Area | Replace Yurt | | Demolish and replace damaged yurt used as housing for Camp Arroyo staff. This project will include replacing the kitchen and bathroom in the yurt, plus utility reconnection. | The yurt which is used as housing for Camp Arroyo concessionaire staff was damaged during the 2017 winter storms. This project will replace the canvas yurt covering and includes replacing the kitchen, bathroom and flooring inside the yurt. |
| 147800 | Design & Construction | Coyote Hills | Replace Visitor Center | | Replace the aging visitor center with a state of the art facility. Current phase is a feasibility study to determine facility siting, building program and project budget cost. | Replace the aging visitor center with a state of the art facility. Current phase is to develop a preliminary design to determine facility siting, building program and project budget cost. |
| 149300 | Design & Construction | Coyote Hills | Develop DQ Campground | | Develop a new family campground at the Dumbarton Quarry site. The project is being designed and constructed by Dumbarton Quarry Associates (DQA) through a partnership agreement with the District. New park amenities to include: day use area with playground and picnic; family campground with RV and tent sites; amphitheater, restrooms, showers, camp store and kiosk. Utility development to include water, sewer, electrical and local area wireless computer networking technology (WiFi). | Develop a new family campground at the Dumbarton Quarry site. The project is being designed and constructed by Dumbarton Quarry Associates (DQA) through a partnership agreement with the District. New park amenities to include: day use area with playground and picnic; family campground with RV and tent sites; amphitheater, restrooms, showers, camp store and kiosk. Utility development to include water, sewer, electrical, lighting and WiFi. |
| 523200 | Trails | Crockett Hills | Conduct Access Study | | Analyze the safety and feasibility of potential locations for an additional staging area and identifying the preferred location for additional parking. | Analyze the safety and feasibility of potential locations for an additional staging area and identify the preferred location for additional parking. |
| 156200 | Park Operations | Garin | Improve Walpert Ridge | | Grade 7 miles of trail and gravel. Install two water meters and waterlines for the grazing program, and one water meter for the Meincke residence. Install one vault toilet along Ukraina Loop Trail. | Grade 7 miles of trail. Remove brush, install bridges and gravel as necessary. Install two water meters and waterlines for the grazing program, and one water meter for the Meincke residence. Install one vault toilet along Ukraina Loop Trail. |

Update to Project Descriptions for 2020 Proposed Budget

| Project | Dept | Location | Current Title | Suggested Project Title | Current Description | Proposed Description changes |
|---------|-----------------------|-------------------------|----------------------------|--------------------------------------|---|---|
| 151600 | Management Services | Hayward Shoreline | Improve Trailside | | Improve and restore roads. | Make and maintain trailside improvements within Hayward shoreline and restore roads within the park, including trail grading, weed removal and the graveling of trails. |
| 156800 | Trails | Marsh Creek Trail | Develop Marsh Creek Trail | | Conduct an alignment and feasibility study for the ultimate purpose of extending Marsh Creek Trail 3 miles from its existing terminus at Concord Avenue to Vineyard Parkway in Brentwood. | Conduct a feasibility study and complete environmental documentation pursuant to CEQA for the three-mile extension of the Marsh Creek Trail from Vineyards Parkway to Round Valley Staging Area in Contra Costa County including a grade separated crossing of Marsh Creek Road. |
| 509900 | Design & Construction | McLaughlin Eastshore | Develop Brickyard Cove | | Phase I Improvements to the Brickyard will include a parking area; entry plaza including restrooms, signage, drinking fountains, bike parking and seating; picnic sites, trails, and planting. | Phase I Improvements to the Brickyard will include a parking area; entry plaza including restrooms, signage, drinking fountains, bike parking and seating; picnic sites, trails, and planting. Project work included site cleanup and grading; removal of prior construction debris and entire site was regraded in preparation for Phase I work. Additionally, beach cleanup work and site stabilization through hydroseed application was completed. |
| 539700 | Design & Construction | Point Pinole | Construct Vehicular Bridge | | Design and construct vehicular bridge to provide improved regional access to a new park entrance and planned visitor facility at Point Pinole. Scope of work includes tree removal, fill for the west approach, bridge and abutments, utility mains interim staging and Bay Trail connection. | Design and construct vehicular bridge to provide improved regional access to a new park entrance and planned visitor facility at Point Pinole. Scope of work includes tree removal, fill for the west approach, bridge and abutments, utility mains interim staging and Bay Trail connection. Transferring ownership of the Atlas Road Bridge to the City of Richmond is the final component of the project. |
| 506900 | Trails | Point Pinole | Build Bay Trail/Atlas Road | | Extend the Bay Trail from LDK Ventures north one mile to the Zone One Boundary along the shoreline including the installation of one pedestrian bridge. | Extend the San Francisco Bay Trail from Atlas Road north one mile to the Zone One Boundary along the San Pablo Bay shoreline. |
| 131300 | Trails | San Francisco Bay Trail | Develop Lonetree Trail | | Design and engineering, environmental studies, and permitting for construction of the Lone Tree Point (Rodeo to Hercules) segment of the San Francisco Bay Trail including park entrance and staging area improvements. | Construct the Lone Tree Point (Rodeo to Hercules) segment of the San Francisco Bay Trail including park entrance improvements, staging area improvements, and installation of a restroom. |
| 157600 | Trails | San Francisco Bay Trail | Develop Martinez Bay Trail | | Consulting services for final design and engineering then to update environmental permits at a paved Class 1 San Francisco Bay Trail segment, from Carquinez Scenic Drive near Nejedly Staging Area to Berrellessa Street in Martinez. Design is 95% complete and construction is anticipated in year 2020. | Finalize design, update environmental permits and construct the San Francisco Bay Trail segment from Nejedly Staging Area to Berrellessa Street including safety improvements to the Berrellessa St. at-grade RR crossing in Martinez. |
| 528400 | Trails | San Francisco Bay Trail | Study Bay Trail Gap | Develop Trail to Point Wilson | Feasibility study for the San Francisco Bay Trail gap between Point Pinole and Point Wilson. | Develop a .75-mile San Francisco Bay Trail gap from Pinole Point Properties to Point Wilson. |
| 526100 | Design & Construction | San Francisco Bay Trail | Develop Pocket Park | Develop Crowley Trail Segment | Develop a design concept for the eventual development of a pocket park and SF Bay Trail segment, including off street parking and various improvements. | Design and develop a trailside park and SF Bay Trail segment, including off street parking and various improvements. |

Update to Project Descriptions for 2020 Proposed Budget

| Project | Dept | Location | Current Title | Suggested Project Title | Current Description | Proposed Description changes |
|---------|-----------------------|---------------------------------|--------------------------------|---|--|--|
| 147100 | Trails | San Pablo Bay | Construct Pinole Shores | | Construct Pinole Shores to Bayfront Park SF Bay Trail segment, approximately 0.5 miles. Develop 100% bid-set plans; obtain permits and right-of-way; obligate grant Funds. Project begins at the end of the paved trail on hillside bluff across from Hazel Lane in Pinole Shores, includes 1,100-foot bridge structure to cross over the railroad tracks. Last segment traversing the wetlands of San Pablo Bay, to connect with the existing path in Bayfront Park. | Construct Pinole Shores to Bayfront Park SF Bay Trail segment, approximately 0.5 miles. Project begins at the end of the paved trail on hillside bluff across from Hazel Lane in Pinole Shores, includes 1,100-foot bridge structure to cross over the railroad tracks. Last segment traversing the wetlands of San Pablo Bay, to connect with the existing path in Bayfront Park. |
| 133400 | Park Operations | Shadow Cliffs | Lake Water Supply/Shadow Cliff | | Make improvements to the water supply system. Request for proposal for Del Valle water system study underway. This will define best practice for future upgrades to Water Treatment Plant (WTP) and irrigation. | Make improvements to the water supply system and other infrastructure to provide or store water to maintain safe level of water and maintain public access to the water. |
| 155900 | Grants | Shadow Cliffs | Repair Lake Trail | | Stabilize the slope under the maintenance road that was damaged by heavy saturation of storm water. | Stabilize the slope under the lakeside trail that was damaged by heavy saturation of storm water. |
| 159000 | Design & Construction | Sibley/Clarmnt Canyon/Hucklebry | Restore Creek Bed | Restore Stream Channel | Mitigation for environmental impacts under the Trails, Creeks and Ponds permit, a failing metal pipe culvert at Huckleberry Creek will be removed and a new creek crossing will be built with focus on enhanced storm water flow, sediment transport, fish passage, riparian habitat and creek bed resilience. Design will be performed by professional services consultant, Questa Engineering Corp. | Mitigation for environmental impacts under the Trails, Creeks and Ponds permit. A failing metal pipe culvert at Huckleberry Creek will be removed and a new creek crossing will be built with focus on enhanced storm water flow, sediment transport, fish passage, riparian habitat and creek bed resilience. |
| 506100 | Maintenance | Sunol/Ohlone Wilderness | Sunol Improvements | | Per the negotiated settlement with the San Francisco Public Utilities Commission (SFPUC), funding in this project are "unrestricted" and can be used for any purpose the District and it's Board deem fit through the individual project approval process. To date several sub projects have been completed including: Operation shop upgrade, office re-model, relocation of Naturalist Staff to Shadow Cliffs, new Vehicle for the Naturalist Staff, replacement Tractor for Sunol, design work for Vault toilet installation park wide, and other improvements. | Per the negotiated settlement with the San Francisco Public Utilities Commission (SFPUC), funding in this project are "unrestricted" and can be used for any purpose the District and it's Board deem fit through the individual project approval process. To date, several sub projects have been completed including: Operation shop upgrade, office re-model, relocation of Naturalist Staff to Shadow Cliffs, new Vehicle for the Naturalist Staff, replacement Tractor for Sunol, design work for Vault toilet installation park wide, and other improvements, including relocation of the campground outside the creek area and renovation of picnic areas. |
| 154500 | Trails | Tassajara Creek Trail | Develop Trail to Mt Diablo | | Build segments of the Tassajara Creek Trail. Conduct environmental studies, design, and engineer a paved trail segment from the current terminus to Wallis Ranch and a gravel segment from Wallis Ranch to Windermere Parkway. | Develop segments of the Tassajara Creek Trail through the US Parks Reserve Forces Training Area from Hillbrook Place to Wallis Ranch and from Wallis Ranch to Windermere Parkway. |
| 173900 | Design & Construction | Tilden Nature Area | Renovate Environ Edu Ctr | Replace Environmental Education Center | Develop a feasibility study to determine whether to renovate or replace the existing Tilden EEC. Study to include existing building and site assessment, building program, conceptual design options and project budget. | Design and replace the Environmental Education Center at the Tilden Nature Area. Assess existing utilities to inform design development. Final schematic design will be presented as rendered plans to be used for capital campaign fund raising. |
| 155700 | Management Services | Wildcat Canyon/Alvarado | Install Waterline and Restroom | | Install waterline and restroom. | Install waterline and restroom and gravel trails. |



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – Wednesday, October 30, 2019

SUBJECT: Process for Updating the Environmentally Preferred Purchasing Policy

Report Prepared by: Deborah Spaulding, Assistant Finance Officer

ATTACHMENT: Environmentally Preferred Purchasing Policy

RECOMMENDATION: Review the process for updating Policy, provide feedback and suggestions and direct staff to prepare the information for approval by the Board of Directors in 2020.

DESCRIPTION

Background

On March 4, 2008 the Board of Directors passed Resolution No. 2008-3-051, to establish an Environmentally Preferred Purchasing Policy (EPP Policy). The intent of the EPP Policy is to reduce solid waste generated by the Park District, to encourage environmental responsibility in purchasing decisions, and to support the efforts of other public agencies undertaking similar programs. The EPP Policy encourages all Park District “buyers” to consider life-cycle holistic costs, rather than solely the immediate price of an item. The Policy emphasizes awareness of the environmental impacts of purchasing, and avoiding products with known toxic chemicals.

The EPP Policy is an excellent tool to reduce waste and improve environmental consciousness, however, this EPP Policy has not been highlighted in recent years. Maybe because the EPP Policy was primarily supported by the Building Services Manager, and after his retirement, awareness of the EPP Policy diminished. One exception to this has been in Central Stores, where the Supervisor has continued to purchase green products, reduce packaging waste, and ensure the most efficient means of delivery. Outside of Central Stores, environmentally preferred purchasing has not been prioritized.

Current Policy Status

The EPP Policy has not been updated since adoption in 2008 and is overdue for revisions. Bringing the EPP Policy up to date will increase awareness of the Policy, which in turn will help achieve other important Park District goals. For example, waste reduction is a continued area of emphasis for the Park District, and the Sanitation Department and Recycling Coordinator are taking steps to improve waste diversion rates. Increasing awareness of the EPP Policy can also help in reducing overall waste.

The Park District has a very decentralized purchasing model, and each park employee can make environmentally aware decisions with his or her purchasing. Some park supervisors and supervising naturalists are very environmentally conscious – for example, the Crab Cove Visitors Center, Tilden Environmental Education Center, Peralta Oaks Court Administration Building, and Lake Chabot Corporation Yard have all achieved “Green Business Certification,” which requires facility managers to purchase and use products such as those specified in this EPP Policy. Meanwhile, other parks and park staff are less aware of the importance of environmentally sustainable purchasing practices.

Next Steps

The Finance & Management Services Division has met with various departments in order to gather necessary information to update the EPP policy. The next opportunity for feedback will be the November Operations Forum meeting, where the EPP Policy will be re-introduced and feedback will be solicited.

To-date, the following items and issues have been suggested for incorporation in the EPP Policy:

1. Reference existing IPM Policy.
2. Add references to new “Green Fleet Management Plan.”
3. requirements in order to reduce greenhouse gas emissions State-wide.
4. Adds language regarding discouraging the purchase and use of single-use plastic water bottles and other single-use food ware.
5. Realign the EPP Policy as a Finance Department Policy, increasing visibility and providing improved ability to control and report on environmentally friendly purchasing.
6. Update the name of the EPP to “Environmentally Sustainable Purchasing Policy.”
7. Add language to ensure that the EPP is incorporated into new concessionaire contracts.
8. Incorporate a “green products and services” reference guide, such as is used by the City and County of San Francisco.

Bringing this policy update to the Finance Committee is another opportunity to gather information and feedback from interested stakeholders. Staff will continue outreach and review for this policy update and plans to bring it to the Board in 2020.

RECOMMENDATION:

Staff requests that the Board Finance Committee review the EPP Policy and provide feedback to staff regarding potential updates or improvements to the Policy, such that it can be brought to the Board of Directors in 2020 for approval



Policy 8.1

Environmentally Preferable Purchasing Policy

| | |
|---------------------------|---|
| EFFECTIVE | April 1, 2008 |
| UPDATED | November >> 2019 |
| RESOLUTIONS | 2020-01-XX |
| RELATED POLICIES | Board Operating Guidelines, Appendix E, Policy for Purchasing, Contracting & Agreements |
| RELATED PROCEDURES | 8.1 Purchasing Methods 8.7 Purchase Orders Invoice Approval Limits 8.11 Vendor Payment Procedures |
| SUMMARY STATEMENT | <p>It is the policy of the East Bay Regional Park District to purchase products that minimize environmental impacts, toxics, pollution, and hazards to worker and community safety to the greatest extent practicable, and that include recycled content, are durable and long-lasting, conserve energy and water, use agricultural fibers and residues, reduce greenhouse gas emissions, use unbleached or chlorine free manufacturing processes, are lead-free and mercury-free, and use wood from sustainably harvested forests to the greatest extent possible. This policy is adopted in order to:</p> <ul style="list-style-type: none"> - conserve natural resources, - minimize environmental impacts and use of water and energy, - reduce toxics that create hazards, - support strong recycling markets, - reduce land-filled materials, - increase availability of environmentally preferable products, - identify environmentally preferable products and distribution systems, - reward manufacturers and vendors that reduce environmental impacts in their production, systems or services, - create a model that encourages other purchasers in our community to adopt similar goals. |



Financial Policies and Procedures Guide

- DEFINITIONS** Bay-Friendly Landscaping - working with the natural ecosystems of the San Francisco Bay Area to foster soil health, to reduce runoff and pollution, prevent and reuse plant waste, conserve water and other natural resources. Bay-Friendly Landscaping practices are described in the Bay-Friendly Landscape Guidelines, by StopWaste.Org.
- Bio-Based Products -commercial or industrial products (other than food or feed) that utilize agricultural crops or residues but does not include products made from forestry materials.
- Biodegradable plastic- the degradation of the plastic must occur as a result of the action of naturally occurring microorganisms.
- Buyer - anyone authorized to purchase or contract for purchases on behalf of the Park District.
- Chlorine free - products processed without chlorine or chlorine derivatives.
- Compostable plastic - plastic that is biodegradable during composting to yield carbon dioxide, water and inorganic compounds and biomass, at a rate consistent with other known compostable materials and leaves no visually distinguishable or toxic residues.
- Contractor - any person, group of persons, business, consultant, designing architect, association, partnership, corporation, supplier, vendor or other entity that has a contract with the District or serves in a subcontracting capacity with an entity having a contract with the District for the provision of goods or services.
- Degradable plastic - plastic that undergoes significant changes in its chemical structure under specific environmental conditions.
- Dioxins and furans - a group of chemical compounds that are classified as persistent, bio accumulative, and toxic by the U.S. Environmental Protection Agency (EPA).
- Energy Star - the U.S. EPA's energy efficiency product labeling program.
- Energy Efficient Product - a product that is in the upper 25% of energy efficiency for all similar products, or that is at least 10% more efficient than the minimum level that meets Federal standards.
- Forest Stewardship Council - a global organization that certifies responsible, on-the-ground forest management according to rigorous standards developed by a broad variety of stakeholder groups.
- Green Building - means a whole-systems approach to the design, construction, and operation of buildings and structures that helps mitigate the environmental, economic, and social impacts of construction, demolition, and renovation. Green Building Practices such as those described in the LEED Rating System, recognize the relationship between natural and built environments and seek to minimize the use of energy, water, and other natural resources and



DEFINITIONS provide a healthy productive environment.

CONTINUED Postconsumer Material - a finished material which would normally be disposed of as a solid waste, having reached its intended end-use and completed its life cycle as a consumer item, and does not include manufacturing or converting wastes.

Practical and Practicable - whenever possible and compatible with local, state and federal law, without reducing safety, quality, or effectiveness and where the product or service is available at a reasonable cost in a reasonable time period.

Recycled Content - the percentage of recovered material, including pre-consumer and postconsumer materials, in a product.

Source Reduction - products that result in a net reduction in the generation of waste compared to their previous or alternate version and includes durable, reusable and remanufactured products; products with no, or reduced, toxic constituents; and products marketed with no, or reduced, packaging.

U.S. EPA Guidelines - the Comprehensive Procurement Guidelines established by the U.S. Environmental Protection Agency for federal agency purchases as of May 2002 and any subsequent versions adopted.

SOURCE REDUCTION

The Park District shall:

Institute practices that reduce waste and result in the purchase of fewer products, but without reducing safety or workplace quality or the level of public services.

Print all documents on both sides to reduce the use and purchase of paper, whenever practical.

Purchase remanufactured products such as toner cartridges, furniture, and equipment whenever practicable, but without reducing safety, quality or effectiveness.

All Buyers shall:

Consider short-term and long-term costs in comparing product alternatives, including total costs expected during the time a product is owned, warranties, operation, maintenance, disposal costs and expected lifetime.

Prefer products that are durable, long lasting, reusable or refillable whenever feasible.

Request that vendors eliminate packaging or use the minimum amount necessary for product protection, to the greatest extent practicable and to prefer packaging that is reusable, recyclable or



compostable.

Encourage vendors to take back and reuse pallets and other shipping and packaging materials.

Require suppliers of electronic equipment to take back equipment for reuse or environmentally safe recycling when the District discards or replaces such equipment, whenever possible.

Consider provisions in contracts to require suppliers to take back equipment/materials for reuse or environmentally safe recycling when the District discards or replaces such equipment, whenever practicable, or explore recycling and reuse outlets and service providers to excess equipment or materials.

The District shall:

RECYCLED CONTENT PRODUCTS

Attempt to achieve no less than the minimum recycled content standards established by the U.S. EPA Guidelines for printing paper, office paper, janitorial paper, construction, landscaping, parks and recreation, transportation, vehicles, miscellaneous, and non-paper office products.

Purchase copiers and printers compatible with the use of recycled content and remanufactured products.

Purchase re-refined lubricating and industrial oil for use in its vehicles and other equipment, as long as it is certified by the American Petroleum Institute (API) as appropriate for use in such equipment. Where use of re-refined lubricating oils are not practicable, the District shall use synthetic oils to increase drain intervals of fleet vehicles.

Specify recycled, reground, reusable materials for asphalt concrete, aggregate base or portland cement concrete for construction projects, when practicable.

Specify and purchase recycled content transportation products, including signs, cones, parking stops, delineators, channelizers and barricades, which shall contain the highest postconsumer content practicable, but no less than the minimum recycled content standards established by the U.S. EPA.

Purchase pre-printed recycled content papers intended for distribution that are containing a statement that the paper is recycled content. Whenever feasible, the statement should indicate the percentage of postconsumer recycled content it contains.

ENERGY AND WATER SAVINGS

Energy-efficient equipment shall be purchased when practicable with the most up-to-date energy efficiency functions. This includes, but is not limited to, high efficiency space heating systems and high



efficiency space cooling equipment.

When practicable, the District shall replace inefficient interior lighting with energy-efficient equipment.

When practicable, the District shall replace inefficient exterior lighting, street lighting and traffic signal lights with energy-efficient equipment. Exterior lighting shall be minimized where possible to avoid unnecessary lighting of architectural and landscape features while providing adequate illumination for safety and accessibility.

All products purchased by the District and for which the U. S. EPA Energy Star certification is available should meet Energy Star certification, when practicable. When Energy Star labels are not available, the District shall choose energy-efficient products that are in the upper 25% of energy efficiency as designated by the Federal Energy Management Program.

The District shall purchase water-saving products in the upper 25% of water conservation for all similar products, or at least 10% more water-conserving than the minimum level that meets the Federal standards whenever practicable. This includes, but is not limited to, high-performance fixtures like toilets, low-flow faucets and aerators, and upgraded irrigation systems.

GREEN BUILDINGS The District will refer to established green building resources in developing its own green building standards, which will be addressed in a separate policy. Said resources may include the following:

- Alameda County Waste Management Authority (ACWMA) guidelines for residential-scale projects.
- Leadership in Energy and Environmental Design (LEED) standards as appropriate for larger, commercial-grade construction projects.
- Model green building language and specifications to incorporate in RFQ/RFP documents for appropriate projects.
- ACWMA Design Assistance Program for select projects
- Construction and demolition model language to ensure a recycling/re-use component for the waste stream is included in all appropriate projects.
- Sponsored trainings for District staff development.

LANDSCAPING The District will refer to established sustainable landscape management resources in developing its own sustainable landscape management standards, which will be addressed in a separate policy.



Said resources may include the following: Bay Friendly Landscaping Guidelines.

TOXICS AND POLLUTION

To the extent practicable, the Facilities Manager and other Managers with contractual janitorial service providers shall purchase, or require janitorial contractors to supply, industrial and institutional cleaning products that meet Green Seal certification standards for environmental preferability and performance.

To the extent practicable, the Facilities Manager and other Managers with contractual janitorial service providers shall purchase, or require janitorial contractors to supply, vacuum cleaners that meet the requirements of the Carpet and Rug Institute “Green Label” Testing Program – Vacuum Cleaner Criteria, are capable of capturing 96% of particulates 0.3 microns in size, and operate with a sound level less than 70dBA. Where possible and as applicable, other janitorial cleaning equipment shall be capable of capturing fine particulates, removing sufficient moisture so as to dry within 24 hours, operate with a sound level less than 70dBA, and use high-efficiency, low-emissions engines.

The use of chlorofluorocarbon and halon-containing refrigerants, solvents and other products shall be phased out and new purchases of heating/ventilating/air conditioning, refrigeration, insulation and fire suppression systems shall not contain them when practicable.

All surfactants and detergents shall be readily biodegradable and, where practicable, shall not contain phosphates.

When maintaining buildings and landscapes, the District shall manage pest problems through prevention and physical, mechanical and biological controls per the District’s adopted IPM practices and policy using the least toxic pest control as a last resort.

When maintaining buildings, the District shall use products with the lowest amount of volatile organic compounds (VOCs), highest recycled content, and low or no formaldehyde when practicable when purchasing materials such as paint, carpeting, adhesives, furniture and casework.

The District shall reduce or eliminate its use of products that contribute to the formation of dioxins and furans. This includes, but is not limited to paper, paper products, and janitorial paper products that are unbleached or that are processed without chlorine or chlorine derivatives, whenever possible.

The District shall prohibit purchase of products that use polyvinyl chloride (PVC) such as, but not limited to, office binders, furniture, and flooring whenever practicable. PVC irrigation, plumbing and electrical pipe, conduits, fittings and appurtenances are excluded until alternative materials are practicable.



The District shall purchase products and equipment with no lead or mercury whenever possible. For products that contain lead or mercury, The District shall give preference to those products with lower quantities of these metals and to vendors with established lead and mercury recovery programs.

The Chief of Information Services shall specify that desktop computers, notebooks and monitors purchased meet, at a minimum, all Electronic Product Environmental Assessment Tool (EPEAT) environmental criteria designated as “required” as contained in the IEEE 1680 Standard for the Environmental Assessment of Personal Computer Products, whenever practicable.

When replacing vehicles, the Maintenance Superintendent shall consider less-polluting alternatives to diesel such as compressed natural gas, bio-based fuels, hybrids, electric batteries, and fuel cells, as they are available and suitable for the District’s purposes.

FOREST CONSERVATION

To the greatest extent practicable, the District shall not procure wood products such as lumber and paper that originate from forests harvested in an environmentally unsustainable manner. When possible, the District shall give preference to wood products that are certified to be sustainably harvested by a comprehensive, performance-based certification system. The certification system shall include independent third-party audits, with standards equivalent to those of the Forest Stewardship Council certification. The District can waive Forest Stewardship Council certification if the wood products cannot be delivered within construction project deadlines.

The District encourages the purchase or use of previously used or salvaged wood and wood products whenever practicable.

BIO BASED PRODUCTS

Whenever practicable, the District will consider using vehicle fuels made from non-wood, plant-based contents such as vegetable oils, as long as use is approved by vehicle manufacturer.

Paper, paper products and construction products made from non-wood, plant-based contents such as agricultural crops and residues are encouraged whenever practicable.

Bio-based plastic products that are biodegradable and compostable, such as bags, film, food and beverage containers, and cutlery, are encouraged whenever practicable.

Compostable plastic products purchased shall meet American Society for Testing and Materials (ASTM) standards as found in ASTM D6400-04. Biodegradable plastics used as coatings on paper and other compostable substrates shall meet ASTM D6868-03 standards.

Proof of compliance with ASTM standards for compostable,



Financial Policies and Procedures Guide

biodegradable and degradable plastic products shall be provided by vendors of such products, upon request.

PRIORITIES Health and safety of workers and citizens is of utmost importance and takes precedence over all other policies.

The District has made significant investments in developing a successful recycling system and recognizes that recycled content products are essential to the continuing viability of that recycling system and for the foundation of an environmentally sound production system. Therefore, to the greatest extent practicable, recycled content shall be included in products that also meet other specifications, such as chlorine-free or bio-based.

Nothing contained in this policy shall be construed as requiring a department, purchaser or contractor to procure products that do not perform adequately for their intended use, exclude adequate competition, or are not available at a reasonable price in a reasonable period of time.

Nothing contained in this policy shall be construed as requiring the District, department, purchaser or contractor to take any action that conflicts with local, state or federal requirements.

IMPLEMENTATION

The Assistant General Manager of Management Services shall implement this policy in coordination with other appropriate the District personnel.

As applicable, successful bidders shall certify in writing that the environmental attributes claimed in competitive bids are accurate. In compliance with State law, vendors shall be required to specify the minimum or actual percentage of recovered and postconsumer material in their products, even when such percentages are zero.

Upon request, buyers making the selection from competitive bids shall be able to provide justification for product choices that do not meet the environmentally preferable purchasing criteria in this policy.

Purchasers shall include businesses certified by the Bay Area Green Business Program in requests for products and services.

Vendors, contractors and grantees shall be encouraged to comply with applicable sections of this policy for products and services provided to the District, where practicable.

**PROGRAM
EVALUATION**

Managers will include compliance with this policy in the annual work assignments and evaluations of responsible personnel. The Assistant General Managers shall periodically evaluate the success of this policy's implementation.



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – October 30, 2019

SUBJECT: Job Order Contracting Program – Quarterly Report
Report Prepared by Ren Bates, Capital Program Manager

ATTACHMENT: Job Order List

RECOMMENDATION: The quarterly report is for information only. No action required.

DESCRIPTION:

Job Order Contracting (JOC) plays a vital role in East Bay Regional Park District contracting. The JOC process is an alternative procurement method to the typical competitive design/bid/build process that the District employs. It is a competitively bid fixed unit cost, fixed term contract which allows for quantities to be discussed with the contractor and which are verified and approved by Park District Staff prior to the commencement of work. It promotes a beneficial relationship with contractors in that the Park District is not obligated to provide work beyond a minimum amount, and rewards good work with additional work up to the contract value limit.

On November 7, 2017 the Board of Directors awarded six \$1 million job order contracts. Nineteen projects have been completed and three job orders are currently in construction. With the completion and close-out of these three remaining projects, the 2017 round of JOC contracts will conclude. Please see Lists below:

I) Completed projects

- Miller/Knox – Shop ADA Remodel
- Del Valle – Service Yard Improv. Phase II
- Del Valle – Buildings 19 & 21 – Asphalt work
- Wildcat Canyon – WC003 Alvarado Fuels Management Prescription
- Hayward Shoreline – Winton Ave Staging Area Tiger Teeth
- Hayward Shoreline – Cogswell Marsh Bridge Structural Repairs
- Hayward Shoreline – Urgent Levee Repairs
- Borel Property – Remove Single Wide Trailer
- Martinez Shoreline – Trail Repair
- Iron Horse Trail Repave – Walden to Jones and Alcosta to County Line
- Las Trampas – Water Tank Replacement – Tank Purchase & Demo and Install
- Point Isabel – Hoffman Channel Bridge Repairs
- Camp Arroyo – Repair Storm Damage – Dumpster Enclosure
- Las Trampas – Holly Court Building Abatement and Demolition
- Crown Beach – Crab Cove Visitor Center Renovation
- Shadow Cliffs – Boat Concession Building Replacement

- Del Valle – Service Yard Improv. Phase II Buildings 2,3, & 4 replacement
- Kennedy Grove – Playground and ADA Improvements
- Lafayette Moraga Regional Trail – Glenside Olivera Bridge

2) Projects in Construction

- Black Diamond (Arata) – 3 Ponds Repair, FEMA 2017
- Las Trampas – Water Tank Replacement – Pipe replacement
- Del Valle – Kayak Concession Site Work

On May 21, 2019 the Board of Directors awarded another round of eight \$1 million job order contracts. Currently, five projects are in construction and eleven projects are being priced. Please see Lists below:

1) Projects in Construction

- Dry Creek Pioneer – 4 Bridges Replacement
- Lake Chabot – Repair Creek Bank – FEMA
- Hayward Shoreline – Marsh Ponds 3A and 3B Repairs
- Crown Beach – Shoreline Trail Repair
- Las Trampas – Rocky Ridge Paved Road Repair

2) Projects being priced

- Hayward Shoreline – Oro Loma Marsh Bridge Repair
- Huckleberry – Creek Restoration and Culvert Replacement
- Camp Arroyo – Yurt Repair
- Lake Chabot – Public Safety HQ Renovation
- Del Valle – Visitor Center Renovation
- Peralta Oaks – Breezeway Lighting
- Black Diamond Mines – Arata Barn Restoration
- Cull Canyon – Paint Refresh
- Mission Peak – McClure Residence Roofing Replacement
- Deer Valley – Roddy Golf Paving & Cart Paths
- Camp Arroyo – Repair Pathways

RECOMMENDATION

The quarterly report is for information only. No action is required.

East Bay Regional Park District - 2018/2019 Job Order Contracts Project List

October 30, 2019

In Construction

| Park | Project Name | Approved Project Cost | Gordian Group Cost |
|-------------------------|---|-----------------------|--------------------|
| 1 Black Diamond (Arata) | 3 Ponds Repair - FEMA 2017 | 146,388 | 7,319 |
| 2 Las Trampas | Water Tank Replacement - Pipe Replacement | 330,484 | 16,524 |
| 3 Del Valle | Kayak Concession Site Work | 66,655 | 3,333 |
| Subtotal | | 543,527 | 27,176 |

Complete

| Park | Project Name | Approved Project Cost | Vendor Cost |
|------------------------------------|---|-----------------------|-------------|
| 1 Miller/Knox | Shop ADA Remodel | 68,243 | 3,412 |
| 2 Del Valle | Service Yard Improvements - Phase II | 42,644 | 2,132 |
| 3 Del Valle | Buildings 19 & 21 Asphalt work | 45,654 | 2,283 |
| 4 Del Valle | Service Yard Improvements - Phase II Buildings 2,3, & 4 replacement | 143,688 | 7,184 |
| 5 Wildcat Canyon | WC003 Alvarado Fuels Management Prescription | 46,839 | 2,342 |
| 6 Hayward Shoreline | Winton Avenue Staging Area Tiger Teeth | 17,070 | 853 |
| 7 Hayward Shoreline | Cogswell Marsh Bridge Structural Repairs | 123,226 | 6,161 |
| 8 Hayward Shoreline | Urgent Levee Repairs | 234,546 | 11,727 |
| 9 Borel Property | Remove Single Wide Trailer | 27,564 | 1,378 |
| 10 Martinez Shoreline | Trail Repair | 196,318 | 9,816 |
| 11 Iron Horse Trail | Repave Walden to Jones and Alcosta to County Line | 465,903 | 23,295 |
| 12 Las Trampas | Water Tank Replacement - Tank Purchase & Demo and Install | 753,730 | 37,687 |
| 13 Point Isabel | Hoffman Channel Bridge Repairs | 122,527 | 6,126 |
| 14 Camp Arroyo | Repair Storm Damage - Dumpster Enclosure | 14,264 | 713 |
| 15 Las Trampas | Holly Court Building Abatement and Demolition | 409,325 | 20,466 |
| 16 Lafayette Moraga Regional Trail | Glenside Olivera Bridge Replacement | 385,769 | 19,288 |
| 17 Shadow Cliffs | Boat Concession Building Replacement | 547,142 | 27,357 |
| 18 Kennedy Grove | Playground Replacement and ADA Improvements | 212,174 | 10,609 |
| 19 Crown Beach | Crab Cove Visitor Center Renovation | 403,745 | 20,187 |
| Subtotal | | 4,260,371 | 213,018 |

Total 4,803,898 240,195

East Bay Regional Park District - 2019/2020 Job Order Contracts Project List

October 30, 2019

In Construction

| | Park | Project Name | Approved Project Cost | Gordian Group Cost |
|-----------------|-------------------|-------------------------------|------------------------------|---------------------------|
| 1 | Dry Creek Pioneer | 4 Bridges Replacement | 472,387 | 23,619 |
| 2 | Lake Chabot | Repair Creek Bank - FEMA | 40,560 | 2,028 |
| 3 | Hayward Shoreline | Marsh Ponds 3A and 3B Repairs | 84,033 | 4,202 |
| 4 | Crown Beach | Shoreline Trail Repair | 233,654 | 11,683 |
| 5 | Las Trampas | Rocky Ridge Paved Road Repair | 86,224 | 4,311 |
| Subtotal | | | 916,858 | 45,843 |

Being Priced

| | Park | Project Name | Approved Project Cost | Gordian Group Cost |
|----|---------------------|---|------------------------------|---------------------------|
| 1 | Hayward Shoreline | Oro Loma Marsh Bridge Repair | TBD | TBD |
| 2 | Huckleberry | Creek Restoration and Culvert Replacement | TBD | TBD |
| 3 | Camp Arroyo | Yurt Repair | TBD | TBD |
| 4 | Lake Chabot | Public Safety HQ Renovation | TBD | TBD |
| 5 | Del Valle | Visitor Center Renovation | TBD | TBD |
| 6 | Peralta Oaks | Breezeway Lighting | TBD | TBD |
| 7 | Black Diamond Mines | Arata Barn Restoration | TBD | TBD |
| 8 | Cull Canyon | Paint Refresh | TBD | TBD |
| 9 | Mission Peak | McClure Residence Roofing Replacement | TBD | TBD |
| 10 | Deer Valley | Roddy Golf Paving & Cart Paths | TBD | TBD |
| 11 | Camp Arroyo | Repair Pathways | TBD | TBD |



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – WEDNESDAY, October 30, 2019

SUBJECT: Policy on Major Infrastructure Renovation and Replacement (MIRR) Fund

Report Prepared by: Deborah Spaulding, Assistant Finance Officer

ATTACHMENTS: Draft Policy 6.1 Major Infrastructure Renovation and Replacement Fund; FCI Scores by Park; National Park Service Project Data Sheet

RECOMMENDATION: Review the draft policy, and direct staff to prepare the information for approval by the Board of Directors

Summary

The Park District maintains a large and diverse array of infrastructure and facilities across its ~125,000 acres, all of which must be maintained to a level that ensures safe public use. The Major Infrastructure Renovation and Replacement (MIRR) Fund was created in 2012 to ensure the long-term viability of existing Park District infrastructure and facilities by planning for their eventual major renovation or replacement. The proposed Draft MIRR Fund Policy (Attachment A) is designed to ensure that Park District assets are funded at a level that ensures continued high-quality services, safe public use, and long-term cost savings.

As stated in the proposed policy: The Government Finance Officers Association (GFOA) recommends capital planning, budgeting and reporting practices to encourage adequate capital and maintenance spending levels. Deferring essential asset maintenance and replacement reduces the ability to provide services and could negatively impact public safety and overall quality of life and increases long-term costs and liabilities. GFOA recommends the following: 1. develop a complete inventory condition of facility and infrastructure assets, including paved roads and trails; 2. establish performance standards; 3. allocate sufficient resources; and 4. monitor and report progress.

Infrastructure Assessment:

The Park District's first infrastructure assessment efforts began in the mid-1990s, with pavement management. A database called Streetsaver was implemented to record the Park District's overall Pavement Condition Index (PCI). Over the years, the Park District's PCI score has improved from a low score of 55, to its current rating of 72, reflecting the benefit of using data to improve asset management.

In 2014, the Park District expanded the scope of its proactive infrastructure management, engaging VFA Inc. to compile a database of all major structures and infrastructure, detailing asset construction date, current condition, and estimated renovation/replacement cost. This multi-year asset inventory will be completed in mid-2020, at which time the Park District will have a detailed “Facilities Condition Index” (FCI) to help guide decision-making. FCI information gathered to-date is attached to this report as Attachment B.

Managing Assets through an Internal Service Fund

In 2012 the Park District began developing a funding strategy to support its infrastructure tracking systems, called the Major Infrastructure Renovation and Replacement (MIRR) Fund. The goal of the MIRR Fund is to account for infrastructure maintenance in the same way that the Major Equipment Replacement (MER) Fund accounts for replacement of equipment valued at \$50,000 and above. Both the MER and the MIRR funds will set aside funding in advance for asset repair/renovation/replacement, and will utilize data to determine the ideal timeline for asset repair or replacement, prioritizing safety as well as reducing long-term maintenance costs.

For the first six years of the MIRR Fund, revenue came from opportunistic transfers from the General Fund during the annual and mid-year budget processes, based on funding availability. This has provided funding during this time from fund balance surpluses, but during an economic downturn, would be more challenging to maintain.

The ideal funding practice would be to implement MIRR as an annually funded “Internal Service Fund” in which the cost of repairing or replacing Park District assets is projected over a multi-year time period, necessary funds are set aside annually, and those costs are shared proportionately by department beneficiaries. The Park District’s auditors have strongly recommended managing the MIRR Fund as an Internal Service Fund in this manner to follow proper financial reporting requirements and the Park District has made small steps in this direction. In 2018 the MAST Major Maintenance Department, including personnel costs, supplies, and a \$2.8 million budget for infrastructure repair was moved from the General Fund to the MIRR Fund.

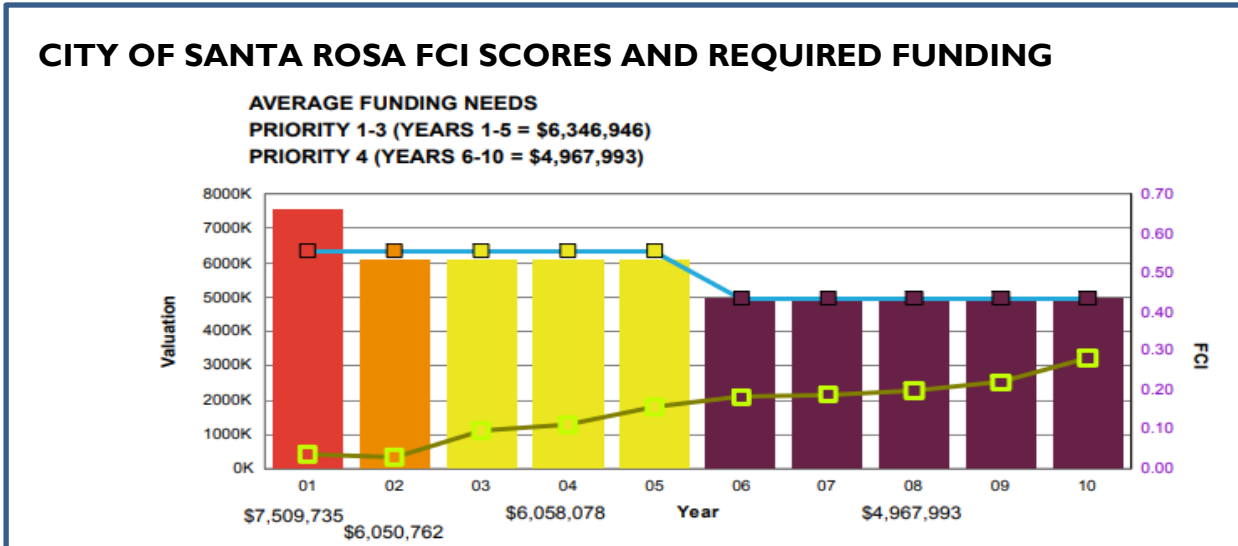
The next step in maintaining MIRR as an Internal Service Fund is to establish the level of desired asset maintenance. Confirming the desired FCI and PCI targets will determine the amount of funding that should be set aside into this fund. The Draft MIRR Policy proposes an FCI target score of 72 and a PCI target score of 80 based on best practices and comparable agencies.

Using FCI Scores to Guide Asset Maintenance

At the September 25th Finance Committee, Finance staff provided information regarding MIRR funding and expenditures to-date and shared FCI scores for selected parks. Committee members requested information regarding how other agencies have utilized asset data to set aside funding for major maintenance. Sample policies and briefings are attached, and / or summarized below:

City of Santa Rosa, CA – a study completed for the City of Santa Rosa in 2018 developed a custom scale that identifies the current FCI score for all assets, as well as the criticality of each

component or system. The report established a ten-year spending plan with funding levels of approximately \$6 to \$7 million per year in in the first five years, and declining costs in years 6-10 based on gradually reducing those funding needs. The chart below illustrates this concept.



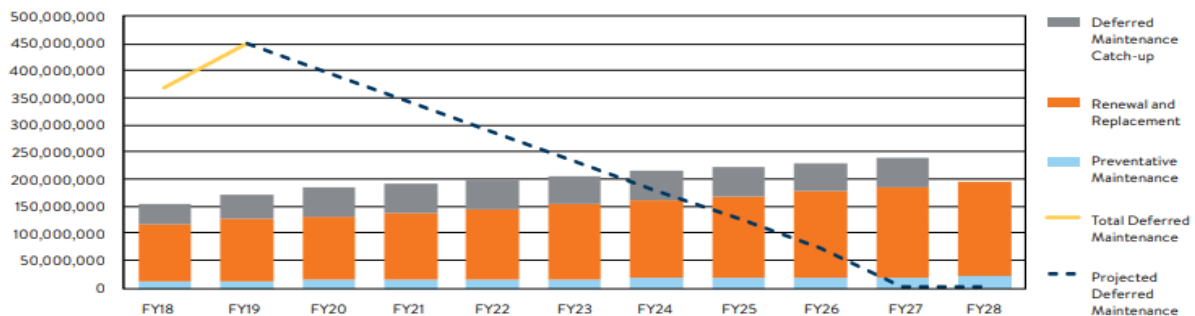
Minnesota Department of Natural Resources– The State of Minnesota recently completed a ten-year capital asset needs report, called “Taking Care of What We Have.” This asset analysis established a goal to restore and maintain all capital assets at “average” or better condition within ten years. The estimated cost to achieve this goal is \$169 million annually. The chart and graph below reflect the projected improvements that will be achieved over a ten-year horizon if these deferred maintenance needs are fully funded.

MINNESOTA DEPT. OF NATURAL RESOURCES TEN-YEAR FUNDING PLAN

Figure 1: Total DNR Costs

| CURRENT REPLACEMENT VALUE (CRV) | DEFERRED MAINTENANCE | ANNUAL PREVENTATIVE MAINTENANCE | ANNUAL RENEWAL AND REPLACEMENT | ANNUAL DEFERRED MAINTENANCE CATCH-UP (2018 - 2027) | ANNUAL TOTAL |
|---------------------------------|----------------------|---------------------------------|--------------------------------|--|----------------------|
| \$3,043,871,862 | \$445,794,798 | \$12,887,707 | \$111,006,082 | \$44,579,480 | \$168,691,742 |

Figure 2: Actual Trending Data for the last 2 years. Future prediction of Preventative Maintenance, Renewal and Replacement, and Deferred Maintenance Catch-up if fully funded annually over the next 10 years.



This graph shows projected deferred maintenance declining to zero in ten years and the annual investments needed to achieve the projected trend.

National Park Service (NPS) – The National Park Services incorporates FCI scores into its Capital Improvement Program (CIP) in order to maximize the benefit of maintenance and construction expenditures. The NPS tracks its FCI scores according to asset type, as well as at the individual park level, and at the national level. Improvement projects are prioritized based on health and safety, resource protection and visitor services. Projects with the highest combined scores are prioritized in their funding requests. A sample NPS budget justification form for a maintenance and CIP project is attached as Attachment C.

PCI and FCI Goals for the MIRR Fund

The Park District's Draft MIRR Policy proposes a practice of setting aside revenue for the MIRR based on achieving specific FCI and PCI scores. The Policy also proposes establishing a reserve fund balance that would prepare for and accumulate funds for future needs and provide funding stability. Based on the assessment work performed to-date, the Draft MIRR Policy targets an FCI score of 72 and a PCI score of 80. The selected goal for the FCI and PCI scores will determine required annual appropriations. Project-throughput will also determine how quickly the desired FCI and PCI scores are achieved.

Annual reporting and Regular Review of MIRR Policy

The Draft MIRR Policy proposes that facilities and pavement assessment data will be reported annually at the December Board Executive Committee meeting. Staff will provide the average condition of Park District infrastructure as well as a recommendation for funding necessary to 1) maintain assets in the current condition, 2) improve the asset conditions to reach established policy goals, and 3) funding amounts at which the current condition would eventually decline.

The Draft MIRR Policy identifies the AGM of Management Services / CFO as being responsible for balancing the competing needs for General Fund resources, considering all necessary factors and recommending a prudent MIRR internal service fund annual budget to the Board of Directors.

Lastly, the Draft MIRR Policy states that FCI and PCI funding targets will be reviewed at least every five years and adjusted as necessary to include consideration of all necessary factors including the condition of assets, competing needs, and risk of asset failure.

RECOMMENDATION:

Staff requests that the Board Finance Committee review and recommend to the full Board of Directors adoption of the Major Infrastructure Renovation and Replacement Fund Policy.



Policy 6.1

Major Infrastructure Renovation and Replacement Fund

| | | |
|---------------------------|---|-------|
| EFFECTIVE | November 2019 | DRAFT |
| ADOPTED | November X, 2019 | |
| RESOLUTIONS | 2019-11-XXX | |
| RELATED POLICIES | 5.0 Balance Budget Policy 6.0 General Fund Reserve Policy | |
| RELATED PROCEDURES | 8.1 Purchasing Methods 8.7 Purchase Orders Invoice Approval Limits 8.11 Vendor Payment Procedures | |

SUMMARY STATEMENT

The Government Finance Officers Association (GFOA) recommends capital planning, budgeting and reporting practices to encourage adequate capital and maintenance spending levels. Deferring essential asset maintenance and replacement reduces the ability to provide services, and could negatively impact public safety and overall quality of life, and increases long-term costs and liabilities.

GFOA recommendations include the following:

1. Develop a Complete Inventory Condition of Facility and Infrastructure Assets, including Paved Roads and Trails
2. Establish Performance Standards
3. Allocate Sufficient Resource
4. Monitor and Report Progress



DEFINITIONS The District uses established standards for Pavement Condition Index (PCI) and Facility Condition Index (FCI) to inventory and assess its infrastructure.

Pavement Condition Index (PCI) – A numerical index between 0 and 100 which is used to indicate the general condition of a pavement, with 0 representing the worst possible condition and 100 representing the best possible condition. Pavement with a PCI score below 66 may require complete reconstruction. PCI is a widely used score in transportation civil engineering and requires a manual survey of the pavement. The Park District has used the StreetSaver system since the mid-1990s to determine PCI scores District-wide.

Facility Condition Index (FCI) – A numerical index used in facility management to compare the relative condition of a group of facilities. FCI is used primarily in federal, state and local government facilities organization, including schools and universities. The Park District has been using an asset management assessment and management system called VFA since 2014. To match the PCI system, the District analyzes the remaining life for the asset to calculate FCI with 0 representing the worst possible condition and 100 representing the best possible condition. Facilities with an FCI score below 50 may need to be fully replaced rather than repaired.

Current Replacement Value (CRV) – The amount that an entity would have to pay to replace an asset at the present time according to its current worth.

MAJOR INFRASTRUCTURE RENOVATION AND REPLACEMENT INTERNAL SERVICE FUND The Park District's Internal Service Fund for Major Infrastructure Renovation and Replacement Fund (MIRR Fund, 553) was created in 2012. The MIRR Fund is designed to address the financial liability of aging infrastructure, and to set aside annual funding for infrastructure renovation and replacement, as necessary. The purpose of an Internal Service Fund is to recover the full cost of services, take advantage of economies of scale, avoid duplication of efforts, and recover funds from restricted resources. Ideally, the MIRR Internal Service Fund should have sufficient reserves to ensure that assets may be repaired, renovated or replaced as needed to achieve or maintain a particular FCI score.



PERFORMANCE Pavement

STANDARDS To protect public safety, provide overall quality service and reduce long-term costs and liabilities, the Park District has set a goal of maintaining its PCI at an average score of above 80. The Bay Area average PCI score has been maintained at a score of approximately 67. A PCI score of 70 – 84 is considered “good.” The Board of Directors will review this performance standard every five years.

Facilities

To protect the public and employees, provide safety and high-quality service, and reduce long-term costs and liabilities, the Park District has set a goal to maintain its infrastructure at an average score of 72. International Facility Management Association (IFMA) standards indicate that facilities should have an FCI of 90%, however, the Park District would be challenged to meet this industry standards. The Board of Directors will review this performance standard every five years.

APPROPRIATION OF MIRR FUNDS

The Park District’s Board of Directors approves the appropriation of all MIRR Funds. Approval can be obtained through the annual budget process, regular Board of Directors meeting approvals, or through the mid-year budget process. Projects over \$100,000 will be budgeted to individual project accounts. Non-capitalizable MIRR fund projects will be budgeted as operating funds, into the following four above categories.

1. Paving
2. Buildings/Structures
3. Bridges/Docks and Piers
4. Utilities/Communication

ALLOCATION OF SUFFICIENT RESOURCES

The initial inventory of the Park District’s paving, bridges, piers, docks, water utilities, buildings and structures resulted in an estimated need to fund and deliver between \$7.5 and \$9.5 million per year in renovation and replacement projects. In 2018, after the review of 80% of the District assets using the VFA, the system predicts \$10 million/year in renovations and replacement projects across the District to reach recommended performance standards.

The District’s annual General Fund budget is limited, and budget



Financial Policies and Procedures Guide

capacity is split between many high priorities. The AGM of Finance & Management Services/CFO is responsible for considering the above factors and recommending a prudent internal service fund annual budget to the Board of Directors.

MIRR RESERVE FUND The Park District will maintain an adequate level of fund balance in the MIRR Fund based on anticipated or potential future events, sufficient to ensure financial stability and to mitigate current and future risks that could adversely affect the District's services to the public. Retaining an adequate fund balance is critical for long term financial planning. For the purpose of this policy, the MIRR Fund reserve fund balance is the amount of total fund balance in the internal service fund.

CALCULATION OF RESERVE AMOUNT The AGM of Finance & Management Services/CFO is responsible for considering the above factors and recommending a prudent reserve amount to the Board of Directors. The initial reserve amount is recommended at 10% of the Current Replacement Value (CRV) of assets. In 2016, the CRV was \$167 million, which equates to a reserve amount of \$16.7 million.

MONITORING AND REPORTING Annually, at the Board Workshop, staff will report on the Park District's current FCI and PCI scores and performance compared to the targeted standard for the two asset categories. In addition, staff will report on the operational impacts of the program and on the delivery of projects.

POLICY ADMINISTRATION The AGM of Management Services /CFO is responsible for bringing an updated Major Infrastructure and Renovation Fund (553) Policy to the Board Finance Committee for review and approval every five years, in compliance with the funding targets in place at the time.

The funding target in place will be reviewed by the Board of Directors at least every five years and adjusted as necessary to include consideration of all relevant factors, including:

- Condition of assets
- Impact of infrastructure failure
- Availability of funds
- Delivery and completion of projects
- Other Unfunded long-term liabilities

Park FCI Scores 2014-19

(scores only for assets accessed,
does not include all residences and all structures)

| | Park Name | Ave FCI | |
|----|-----------------------------|----------------|---------|
| 1 | McLaughlin Eastshore (café) | 9 | poor |
| 2 | Cull Canyon | 23 | poor |
| 3 | Lake Chabot | 30 | poor |
| 4 | Crockett Hills | 40 | poor |
| 5 | Las Trampas | 44 | poor |
| 6 | Anthony Chabot | 49 | poor |
| 7 | Tilden | 51 | at risk |
| 8 | Sibley | 53 | at risk |
| 9 | Radke Martinez | 54 | at risk |
| 10 | Redwood | 55 | at risk |
| 11 | Roberts | 55 | at risk |
| 12 | Ardenwood | 58 | at risk |
| 13 | Brushy Peak | 59 | at risk |
| 14 | Alameda County Trails | 61 | at risk |
| 15 | Bay Point | 62 | at risk |
| 16 | Brooks Island | 62 | at risk |
| 17 | Morgan Territory | 62 | at risk |
| 18 | Vargas Plateau | 62 | at risk |
| 19 | Garin/Dry Creek Pioneer | 65 | at risk |
| 20 | Coyote Hills | 67 | at risk |
| 21 | Black Diamond Mines | 68 | at risk |
| 22 | Wildcat Canyon | 68 | at risk |
| 23 | Briones | 69 | at risk |
| 24 | Miller/Knox | 70 | good |
| 25 | Don Castro | 73 | good |
| 26 | Peralta Oaks | 73 | good |
| 27 | Martin Luther King, Jr. | 74 | good |
| 28 | Contra Costa Trails | 77 | good |
| 29 | Carquinez Strait | 78 | good |

Park FCI Scores 2014-19

(scores only for assets accessed,
does not include all residences and all structures)

| | Park Name | Ave FCI | |
|----|--------------------------------|---------|-----------|
| 30 | Mission Peak | 78 | good |
| 31 | East County Trails | 79 | good |
| 32 | Temescal | 79 | good |
| 33 | Diablo Foothills / Castle Rock | 80 | good |
| 34 | Point Isabel | 82 | good |
| 35 | Camp Arroyo | 85 | good |
| 36 | Sunol / Ohlone Wilderness | 85 | good |
| 37 | Crown Beach | 86 | good |
| 38 | Pleasanton Ridge | 86 | good |
| 39 | Deer Valley | 87 | good |
| 40 | Shadow Cliffs | 87 | good |
| 41 | Vasco Hills | 90 | excellent |
| 42 | Del Valle | 91 | excellent |
| 43 | Hayward Shoreline | 91 | excellent |
| 44 | Contra Loma | 92 | excellent |
| 45 | Kennedy Grove | 92 | excellent |
| 46 | Round Valley | 92 | excellent |
| 47 | Antioch/Oakley | 95 | excellent |
| 48 | Quarry Lakes | 95 | excellent |
| 49 | Vasco Caves | 95 | excellent |
| 50 | Delta Access | 97 | excellent |
| 51 | Point Pinole | 97 | excellent |
| 52 | Big Break | 100 | excellent |
| 53 | Dublin Hills | 100 | excellent |

National Park Service (NPS) – The National Park Service incorporates FCI scores into its Capital Improvement Program in order to maximize the benefit of maintenance and construction expenditures. The NPS tracks FCI scores according to asset type, at the individual park level, and at the national level. Projects are prioritized based on health and safety, resource protection and visitor services. Projects with the highest combined scores are prioritized in their funding requests. A sample NPS budget justification form for a maintenance and CIP project is pasted below. (Note that the NPS FCI scoring system uses 0 = best and 100 = worst, which is the reverse of EBRPD’s FCI scoring system.)

National Park Service**FY 2019 Budget Justifications****DEPARTMENT OF THE INTERIOR DEFERRED MAINTENANCE AND CAPITAL IMPROVEMENT PLAN**

**NATIONAL PARK SERVICE
Project Data Sheet**

| | |
|--|-----------|
| Total Project Score/Ranking: | 91.10 / 3 |
| Planned Funding FY: | 2019 |
| Funding Source: Line Item Construction | |

Project Identification

| | | |
|--|-------------------------------------|-----------|
| Project Title: Repair Degrading Concrete at Meridian Hill Park | | |
| Project Number: PMIS 185767A | Unit/Facility Name: Rock Creek Park | |
| Region/Area/District: National Capital | Congressional District: DCAL | State: DC |

Project Justification

| DOI Asset Code | FRPP Unique Id# | API: | FCI-Before: | FCI-Projected: |
|----------------|-----------------|------|-------------|----------------|
| 40750300 | 25952 | 100 | 0.36 | 0.12 |

Project Description:

This project will repair/replace integrated infrastructure servicing the fountains and make the lower reflecting pool fully operational. It will repair the exposed aggregate walls, walkways, and stairs to eliminate safety concerns and to preserve one of America’s earliest examples of decorative exposed aggregate concrete. It will incorporate new ramps into the historic landscape, creating an accessible route to the lower plaza level and will restore the plantings in accordance with the park’s historic landscape plan.