

Board of Directors Regular Meeting Minutes February 22, 2018



The February 22, 2018 Special Meeting of the Pleasant Hill Recreation & Park District Board of Directors was called to order by Board Chair Glover at 6:00 p.m. in the Conference Room at the Administration Office.

ROLL CALL

BOARD PRESENT: Bonato, Glover, Ortega (arrived at 6:15p.m.), Pierce, Shess

STAFF PRESENT: Blair, Lacy

CLOSED SESSION- 6:00 P.M.

CONFERENCE WITH REAL PROPERTY NEGOTIATIONS

Pursuant to California Government Code Section 54956.8

Assessor's Parcel Numbers: 149-271-014, 149-230-005 and 149-230-008

Agency Negotiator: Michelle Lacy, General Manager

Seller: Contra Costa County Public Works

Board Chair Glover reported direction was given to staff and legal counsel, and no final decisions were made.

Board Chair Glover called to order the February 22, 2018 Regular Board Meeting of the Pleasant Hill Recreation & Park District Board of Directors at 7:23 p.m.

PLEDGE OF ALLEGIANCE

Board Chair Glover led the Pledge of Allegiance.

PUBLIC COMMENT

There was no public comment.

REPORT FROM EX-OFFICIO KATELYN DOWNING, COLLEGE PARK HIGH SCHOOL

Ex-Officio Downing gave the following report:

Teen Council news:

- The Battle of the Bands is on March 16. They are securing the bands for the event.
- There were 40 participants who attended the Black, White and Gold dance last week.

College Park High School news:

- The Band Festival is tomorrow at Chabot College.
- The Band Concert is on February 27 from 7 – 9 p.m.
- The Instrumental Music Sampler Cocktail Hour fundraiser is on March 1 from 5:30 – 7 p.m. at St. Andrews Presbyterian Church with a \$20 admission fee.
- The Drama Murder Mystery Dinner Fundraiser is March 1 & 2, 6 – 9 p.m. with general admission \$30 and \$25 for senior and ages 6-17.
- The Job/Career Fair is March 2 during 3rd and 4th period and lunch.
- 8th grade matriculation is on March 6, school starts at 10:25 a.m.
- Journalism class launches "The Claw", the school newspaper.

Board Chair Glover asked Katelyn how the Countywide Poetry Out Loud outcome was. She replied she placed 3rd in the event. She stated the winners will be presented a resolution on Tuesday at the Board of Supervisors Meeting. Board Member Shess congratulated her on her accomplishment.

REPORT FROM THE GENERAL MANAGER (ATTACHMENT B)

General Manager Lacy reviewed the report enclosed in the board packet. She added the following announcements verbally:

- Lacy reminded the Board that the Conflicts of Interest, Form 700 is due on April 2 and requested the Board to complete the form on-line with the County.
- The PHBA parade for their Opening Day will be on March 3 starting at Sequoia Elementary at 7:30 a.m. She is aware that Board Member Shess will attend and asked what other Board Members will be attending. There were no others at this time.
- The Community Service Awards is on Tuesday, March 27 at the Community Center. Susie will be sending out an email to RSVP. Let her know if you will be attending.

CONSENT CALENDAR (ATTACHMENT C)

- a. Approve Bills to be Paid, warrants #25057-25107 (Exhibit 1)
- b. Approve Minutes of December 21, 2017 (Exhibit 2)

Upon motion of Bonato and seconded by Shess, the Board approved the warrants as presented and the minutes of December 21, 2017 with a minor change requested by Board Chair Glover.

RECEIVE REPORT REGARDING PLEASANT HILL RECREATION AND PARK DISTRICT'S SECOND QUARTER FINANCIAL STATEMENTS ENDING DECEMBER 31, 2017 (ATTACHMENT C)

General Manager Michelle Lacy reviewed the financial statements ending December 31, 2017. She said they are tracking the budget and we are at 50% of anticipated revenue. There are a number of issues of comparison as things were moved around in the budget and looking at the bottom line is the best. Administrative Services Manager Blair reviewed the budget.

Blair continued to review the financial statements. He stated in the program revenue there is an increase in revenue and some departments have a decline in revenue and increase in expenses. There has also been an increase in legal fees. Capital Expenses are down by \$158K.

Lacy said we have budgeted our expenses to be higher and are still within budget of the year in expenses and in revenue. There have been vacant positions and now we have filled the positions, so there are increases, but we have budgeted for these. Board Member Glover asked about the RDA. Blair said we don't know what that amount will be until we receive them. Board Member Shess asked how long this current trend with significant expenses will last. General Manager Lacy responded that the trend should last six months and commented that we have budgeted for these increases. Board Member Bonato asked if the trend is seasonal. General Manager Lacy said she looks at what we have as deferred revenue that won't get posted until the start date of the program and some of it is a catch game. She doesn't believe there is any need for scrutiny for the departments. Bonato said on page 4 there is a surplus of building maintenance and long term debt is well underneath what was budgeted. She is concerned about the Capital items, but asked if we should be concerned. Blair stated that is when the payments are posted. Bonato said that for June 30, 2018 she confirmed a surplus of \$315K. She commented that we are doing better than expected. Next fiscal year will be easier to track since this year there were things switched around to correct categories.

Blair mentioned that LAIF added \$200K in December and the interest rate is up 1%. They are paid quarterly. The last two pages are the two retirement plans. Board Chair Glover thanked Blair for his report.

AUTHORIZE CONTRACT EXTENSION OF FECHTER & COMPANY TO PERFORM THE DISTRICT'S ANNUAL AUDIT FOR FISCAL YEARS 2018/19 AND 2019/20 (ATTACHMENT D)

General Manager Michelle Lacy stated our five year agreement with our current auditor Fechter & Company has ended after this year's audit. She said there are several options: 1) go out to bid for proposals, 2) extend the agreement with Fechter & Company for two more years. She recommended extending the contract with Fechter & Company for two years, which still falls under the Government Code 12410.6(b). She said the value is exceptional to extend the agreement, whereas, if we bring in a new auditor and to get them up to speed would take a lot of staff time. If we went out to an RFP, the bids would be more than what we are paying now for the services. Bonato said Fechter & Company has improved and she has confidence in Mark Blair and the risk of not changing CPA's, the cost savings is greater and the quality of their work and their integrity is great. When you put all the things together, the Budget and Finance Committee, recommend continuing with Fechter & Company. Board Member Pierce agrees and said to bring in staff to work with a new auditor will take more time. Blair explained issues with the old registration system and how the District has a new registration system and how the current firm, Fechter & Company, is familiar with and knows what they are looking for helps.

Upon motion of Bonato and seconded by Pierce, the Board unanimously approved to extend the contract of Fechter & Company to perform the District's Annual Audit for Fiscal Years 2018/19 and 2019/20.

AUTHORIZE GENERAL MANAGER TO EXECUTE A CONTRACT WITH ADP FOR PAYROLL PROCESSING (ATTACHMENT E)

The current process of payroll was explained by General Manager Lacy. There is one person who handles payroll and there are paper timesheets and they are all processed by hand. She stated they explored some options for payroll. ADP is the company and the cost per employee is reasonable and will increase efficiencies in the payroll and human resources department, reassign accounting services and to more efficiently use Mark's time. She said there are enough funds to cover this cost under professional services. She commented that in this fiscal year there will be one month cost, but the rest will be in the new fiscal year. Blair stated that ADP is the number one company in the nation and meets many of our needs.

Board Member Shess asked if there were other vendors. Lacy stated Hayward Area Recreation and Park District just changed to Paychex and she stated the costs are more per employee, about 25% more, and they have had issues and limitations. Board Member Ortega said they use ADP at her place of employment and stated ADP is very user friendly. She asked if they offer any discounts for government agencies and Lacy said there is a \$5,000 savings each year, for the first five years of the contract. Bonato said it will be adding \$31,000 in outside contracting services each year to our bottom line and without any offsetting savings in expenses. She said it is a consideration that we need to take into account and this is not a substitution, but rather payroll being static and simply adding additional duties to the person who handled this before. Board Chair Glover asked if this is budgeted for or will it be taking away funds from another account. General Manager Lacy said not for this year, but it will come from professional services and will be budgeted for in future years.

Board Member Shess said the final point is that the person currently handling payroll will have more time for Human Resources (HR). He would be curious how we are going to improve HR. Blair said

that the one handling payroll now, Julie, will handle more billing and invoices, so Blair will be able to handle more Human Resources and to be more pro-active. Lacy commented that HR is more reactionary now as a problem arises. She would rather have Blair more pro-active and more training to offer employees and supervisors. Board Member Bonato asked about the agreement and if there is an escalator clause each year. Board Members commented that the payroll process will be more streamlined.

Meghan Reid with ADP, spoke about the processes and how there is accuracy where you can log in with a time clock, or by a thumbprint, or on-line through their app. The contract is a non-binding agreement which includes an annual recurring fee of 12%, months 7 and 8 there will be no fees, for the first five years there will be a total savings of \$25,000. She stated year to year there may be a 1-5% increase depending on inflation. There will be an entire team for HR/payroll time keeping systems. We are only charged on the number of employees, so if there is a decrease in employees, the fees lower.

Upon motion of Ortega and seconded by Bonato, the Board authorized the General Manager to execute a contract with ADP for payroll processing.

ADOPT RESOLUTION 2018-02-22 AUTHORIZING THE ADOPTION OF THE CONTRA COSTA COUNTY OPERATIONAL AREA HAZARD MITIGATION PLAN UPDATE AND ACCEPTING ALL OF VOLUME 1 AND THE PLEASANT HILL RECREATION & PARK DISTRICT'S PORTION OF VOLUME 2 OF THE CONTRA COSTA COUNTY OPERATIONAL AREA HAZARD MITIGATION PLAN (ATTACHMENT F)

Administrative Services Manager Mark Blair said we are one of a number of agencies in Contra Costa County that are required to update our piece of the County Operational Area Hazard Mitigation Plan. The last time it was updated was in 2011. Blair stated that the plan is regimental, but it is important to be a part of the plan to qualify for FEMA funding in the event of a disaster. Board Member Bonato asked if there is anything that we have to mitigate. He replied no. If there were renovations, then buildings would need to be brought up to current codes. General Manager Lacy said on page 1.2.2, the link in the plan does not work and asked that it be replaced with a link on our website.

Upon motion of Bonato and seconded by Shess, the Board approved resolution 2018-02-22 authorizing the adoption of the Contra Costa County Operational Area Hazard Mitigation Plan update and accepting all of Volume 1 and the Pleasant Hill Recreation & Park District's portion of Volume 2 of the plan.

VERBAL REPORT FROM COMMITTEE CHAIR AND OPPORTUNITY TO SET MEETING DATES

- a. Land and Facilities Committee – Lacy said there will be a meeting set for March.
- b. Personnel Committee – TBD
- c. Budget & Finance Committee – TBD
- d. Program Committee – Lacy stated there will be a meeting set for March.
- e. District/City Liaison Committee - TBD

BOARD ANNOUNCEMENTS AND REQUESTS TO STAFF

Shess made the following announcements/questions:

- He noticed on the warrants there was payment made to Structural Engineer Al Horeis. He asked if there will be a report made and the General Manager stated the report will be reviewed at the Land and Facility Development Committee Meeting.
- He went to the Town Hall event for Congressman Mark DeSaulnier and commented it was quite mellow and very well attended.

- In regards to the Master Plan meetings, he stated it was eye opening and he was thankful to the process in terms of having meetings with other groups. It is a great process that we are undergoing.
- Back in October at the Land and Facility Development Committee Meeting there were several topics; torn wallpaper at the Community Center, shade structure and the Eucalyptus Grove and wondered where they are on those topics.

Pierce made the following announcements/questions:

- He attended the Community Master Plan meeting and liked the presentation the consultants, Neelay and Doug, presented and how they had the live interactive polling. He is looking forward to more of the meetings.
- He said the Board Retreat was enlightening and productive. He thanked staff and the Board.

Ortega made the following announcements/questions:

- She announced that DeSaulnier is hosting a Town Hall meeting, Gun Violence Prevention event this Saturday, February 24 at Stanley Middle School at 11:00 a.m.
- She did not get to attend the Community Master Plan Meeting, but enjoyed her one on one meeting with them and was impressed by the consultants.
- She said the #phchallenge is great; she racked up the points this weekend and still has to post the photos.

Bonato made the following announcements/questions:

- She was not available to attend the Master Plan Community meeting and heard that it was videotaped. Lacy said there will be an email sent to the board when the taping will be available and they will post it on the website.
- She commented that she has not been able to meet with the consultants. Michelle Lacy said she will let the consultants know.
- She is concerned about the District being prepared with our preschool and teen programs due to the shooting incident in Florida. Lacy said there will be an active shooter training scheduled for staff.

Glover made the following announcements/questions:

- He was able to present the State of the District at the Rotary Meeting today. John Burgh, Contra Costa Water District Board Member, made a comment and said that he is very impressed with the Recreation and Park District and how we make our meetings inviting and interesting.
- He attended the Community Meeting on the Master Plan. He was impressed with the consultants. They gave each person an equal amount of recognition, taking in their concerns. He looks forward to the subsequent meetings.
- He will not be at the March 8, 2018 Board Meeting.

ADJOURNMENT

Board Chair Glover adjourned the meeting at 8:45 p.m.

Michelle Lacy, Clerk of the Board