



Board of Directors Meeting Minutes October 10, 2012

The October 10, 2012 Board Meeting of the Pleasant Hill Recreation & Park District Board of Directors was called to order by Board Chair Donaghu at 6:10 p.m. in the Conference Room at the Administration Office. Donaghu announced that the Board met in closed session but no action was taken.

PLEDGE OF ALLEGIANCE

Board Chair Donaghu led the Pledge of Allegiance.

ROLL CALL

BOARD PRESENT: Donaghu, Bonato, Shepard

ABSENT: Sterrett, Glover

STAFF PRESENT: Berggren, Blair, Luke, Hunn, Miller, Young

PUBLIC COMMENT

No public comment.

TO CONSIDER RESOLUTION 2012-10-10 WITH MUNICIPAL FINANCE CORPORATION FOR FINANCING \$300,000 FOR THE ACQUISITION OF FURNISHINGS AND EQUIPMENT FOR BOND PROJECTS (ACTION)

At the August 22, 2012 Board Meeting the Board approved awarding the furniture bid for the Senior Center for \$310,661. At that time the General Manager was recommending that part of the furniture, fixtures and equipment be funded by securing a CSDA loan for \$500,000. At the September 12, 2012 Board Meeting the Board approved utilizing \$200,000 in Special District Reserve Funds, thus reducing the loan amount to \$300,000. CSDA utilizes the Municipal Finance Corporation, which is a separate corporation from CSDA, for arranging and securing loans for Special Districts in the State of California. The District has utilized the Municipal Finance Corporation for short term loans on two occasions: in 1995 for District facility renovations along with a District wide phone system, and again in 2002 for repair of the roof at the Pleasant Hill Community Center. Marty Synder, attorney with Synder and Hunter has reviewed the installment documents for the loan and will submit a letter to the Municipal Finance Corporation after the proposed Resolution has been approved by the Board.

Shepard asked what funds were agreed to utilize for the \$200,000 difference needed. It was explained by Accounting Supervisor Blair that the funds will be taken from the Capital Projects Funds, and the Reserve Funds. Nothing will be taken from the Computer Funds. Blair said there will be money left in the Reserve Funds for future needs.

Donaghu questioned the wording about the Bond rating in the Resolution. The General Manager explained that the Bond Rating is based on combining other Special Districts with our own. Donaghu asked if one District were to default on their Bond if that would affect the Bond rating. The General Manager explained that this would not have an effect on the rating.

Due to the absence of two of the Board members it was decided to table this agenda item to the October 24, 2012 Board Meeting.

REPORT ON CURRENT FUNDRAISING ACTIVITIES AND GIFT TOTALS

The General Manager reviewed the updated revenue and expense summary from October 2, 2012. He announced that fundraising efforts are continuing in a positive manner, and that revenue has increased from the last report.

Donaghu asked if there has been anyone looking into the Little House to give us an amount of what it might be worth. The General Manager stated that he had Flaskerud's with ReMax look at the property and they valued the property at \$250,000. He said they based this price on comparables in the neighborhood.

Shepard commented on the amount on the report showing the total amount still needed to fundraise. She does not think the loan amount should be deducted from the amount that still is in need of being raised. She feels it would be better to state that the District is borrowing \$300,000. She questioned how the money that is raised will be shown as going back into the reserve fund. The General Manager explained that if there were more fundraising money collected the District would not have to use the full \$200,000 from the Reserve Funds. However, the CSDA loan will still continue for 7 years. If the District does receive more fundraising money, the Board will need to make the decision as to whether to pay down a debt that the District is paying interest on. Bonato feels that the District would probably pay down the loan if we are doing well on the fundraising efforts.

The Board members questioned as to whether the District could prepay on the CSDA loan. Bonato would like to discuss the terms of the loan at the next meeting.

TO CONSIDER GARDEN STUDY CLUB NAMING OF THE SENIOR CENTER COURTYARD (ACTION)

Originally the District assigned the contribution price for the Senior Center Courtyard at \$25,000. Once the plans were completed by Architect Steve Hariman he said this small area was a break from the long hallway and a spot to have a nice garden setting. Based on this new information it was felt by District staff that the \$25,000 contribution price for the area was too high.

The Pleasant Hill Garden Club met with District staff to take a look at the Senior Center site for contribution ideas. Staff indicated to the Garden Club that they would consider \$3,000 for the 16' X 15' courtyard area. They asked if they could have their Club's name on that area for \$2,500. Staff is bringing this to the Board with the recommendation to allow the Pleasant Hill Garden Study Club to name the Senior Center Courtyard area in the amount of \$2,500.

Bonato expressed concern about letting groups or individuals name a reduced price for areas of our new buildings for which they would like to be a named contributor. She is concerned about fairness where current contributors have paid the full requested amount for a naming opportunity, based on the original pricing developed by the District and approved by the Board. Bonato stated that the Garden Club's request and the challenges that the District has had with fundraising suggests that the District's pricing might be too high and that perhaps the pricing for remaining naming opportunities should be revisited. To encourage more contributors like the Garden Club who can participate at a lower price range, Bonato asked staff to come back to the Board with a list of new naming opportunities within the \$2,500 price range.

Shepard stated that she feels the Garden Study Club makes a lot of money from their annual parking lot sale which is held at the Districts Winslow Center Facility. She acknowledged that they do pay the District a rental fee for the event, but it still does quite well for their club and she feels they have the

capability to contribute more than \$2,500. She would like to see them do something larger for the courtyard area at the new Community Center.

It was decided to table this agenda item to the October 24, 2012 Board Meeting. Acting Recreation Superintendent Tina Young gave the following updates for upcoming fundraising events:

- The Teen Center Grand Opening events are coming together with entertainment at both the VIP reception on October 17, 2012 and the official Grand Opening on October 20, 2012. We have 9 community sponsors for the BBQ portion of the October 20, 2012 Grand Opening. Thank you to Steve Wallace and the Pleasant Hill Rotary for their contributions to the BBQ.
- Celebrity Bingo will be held October 23rd from 5:30pm – 8:00pm at Hillcrest Church. Hillcrest is donating the space for us to use for the event. Advertising for this event has been done via e-news, the Chamber website and Face Book. There are "surprise" celebrity bingo callers confirmed for each of the 8 games to be played that evening. To date there are four game sponsors at \$50 each and over 30 auction prizes donated by local businesses.
- The Wine Tasting Fundraiser is scheduled for November 11th from 3:00pm-6:00pm at the new Teen Center. The cost is \$25 per person for 6 tastings. We are anticipating an attendance of 100 people. There are wines donated so far from Climbing Monkey, Do Good Vines, Kinders, and a local wine distributor.

Bonato commented that she did not feel that during an election time local candidates should be included in the District's fundraising events. The rest of the Board agreed commenting that it would give candidates an opportunity to be at a public event during election time which could be seen as an unfair advantage to other candidates.

UPDATES ON BOND PROJECTS

The General Manager made the following comments:

SENIOR CENTER

- Floors at the Senior Center are getting cleaned in preparation for compacting.
- Finishings and casework at the Senior Center are complete.
- The Senior Center passed the moisture test.
- Landscaping at the Senior Center is almost complete.
- Paving will begin at the Little House next week.

TEEN CENTER

- Health and Fire Inspections will take place tomorrow at the Teen Center.
- Substantial Completion Certificate was issued for the Teen Center.
 - a. Have keys
 - b. Insured through CAPRI
 - c. The punch list items are being worked on
 - d. Furniture has begun to arrive, and there should be more next week.
- The VIP Opening for the Teen Center will be October 17, 2012 at 6:30 PM, and the Grand Opening will be October 20, 2012 at 11:00 AM.

COMMUNITY CENTER

- The rebar is arriving for the Community Center so that work can begin.
- The footings will be poured at the Community Center in about 2 weeks.
- The Fire Hydrant on Taylor Blvd. will be installed by Contra Costa Water District next week.

PLEASANT OAKS PARK

- At the Planning Commission meeting last night for Pleasant Oaks Park the commission asked for a written agreement endorsement with MDUSD for portions of the proposed park improvements that border the School District's property, a title report, and a Boundary Survey. The biggest part of the meeting was that the neighbors were there to express their

opposition to the fence. After having the neighbors sign off on the City proposed petition, the Planning Commission decided that the petition was not acceptable and that either the EIR needs to be amended or there needs to be other alternatives to the fence. There will be an architectural review on October 18th, with the issue going back to the Planning Commission on October 23rd.

Bonato who also attended the Planning Commission meeting suggested that staff look into a way to bring the fencing issue to the City without appealing all of the park plans.

After the General Manager finished the Bond Projects Update report, Bonato commented on how gorgeous the landscaping is around the Senior Center and the Teen Center.

Board Chair Donaghu started the regular board meeting at 7:10 p.m.

PUBLIC COMMENT

Steven Burch, resident of Pleasant Hill, commented on the condition of the Basketball Courts at Pleasant Hill Park. He has been playing on the courts for 17 years, but is currently worried about safety issues regarding the surface of the courts. He would like to see the court surface leveled and the lines re-painted. He wanted to raise awareness now to the Board so that the courts can be safely used by the youth in our community.

The General Manager will check on the Safety Site Inspection reports on this issue.

EX-OFFICIO MEMBER REPORT, GENESIS CASSIDY – COLLEGE PARK HIGH SCHOOL

- College Park Homecoming went very well.
- The Teen Council will be doing a See's Candy fundraiser.
- The Grand Opening for the Teen Center is on October 20th. Invitations have gone to local Middle Schools and High Schools. Fliers have also been given to the local private schools.

CONSENT CALENDAR (ACTION)

- a. **TO APPROVE BILLS TO BE PAID**
- b. **TO APPROVE MINUTES OF AUGUST 22, 2012**

Upon motion of Board Members Bonato & Shepard, the Board approved the Consent Calendar with the revisions to the August 22nd minutes.

REVIEW JUNE 30, 2012 FISCAL YEAR FINANCIAL REPORT

Accounting Supervisor Mark Blair was present to give a review of the June 30, 2012 fiscal year end financial report. Overview of the report included:

- Combined bottom line results for the General Fund and Landscaping & Lighting 6 Fund show a material improvement over the prior year. The combination of Landscaping & Lighting 6 and the General Fund is a profit of \$56,200 for the year. The total last year showed a loss of \$198,400. This is an improvement of \$254,600 over the year. This improvement resulted even with incurring a \$59,000 expense in the General Fund for a contribution to the Capital Projects Fund, and paying \$49,500 more in unemployment benefit costs. The District is self insured for Unemployment Claims and pays claims at actual rather than in the form of a payroll tax based on past claims.
- Tax Revenue (Secured, Unsecured and HOPTR) collected in the current year totaled \$2,449,200 compared to \$2,473,100 received in 2011. This represents a decline of about 1%. Bonato asked

if the tax revenue figure is the final amount that we should expect for the year. Blair explained that it was.

- Overall Program Revenue for the current year is down by 12% compared to last year. The contributing factors to this were the Community Center and the Senior Center closures. The departments showing revenue increases were the Winslow Center, and Child Care. Bonato asked the General Manager if there will be budget adjustments in the calendar year with the two new buildings coming online. The General Manager explained that the budget will be updated throughout the year.
- Overall Program Expenses for the current year were down by \$505,000. This is due to staff and expense reductions from site closures and program reductions.
- The Athletic and Teen departments were separated into individual departments making comparisons to the prior year difficult. The collective improvement in these two departments was \$14,500.
- Combining the Parks and the Landscaping & Lighting 6 accounts also makes comparisons to the prior year in this area more difficult. The combined results are an increase in the net loss of \$34,000 over the prior year.

Bonato asked about overall budget projections for the upcoming year. Blair explained that the District still has an \$82,000 deficit in our General Fund Unrestricted Fund. If the 2012-13 budget projection is achieved the District will still have a small negative net worth to begin the 2013-14 fiscal year. Bonato was happy to see the revenue up in the Athletics Department. She is appreciative of the fact that staff has found ways to maintain quality programs and facilities in tough budget times.

Shepard asked about the anticipated staffing needs for the new Teen Center and how this will affect the budget. Acting Recreation Superintendent Tina Young explained that the staffing needs for the program will depend on the participation numbers.

REPORT ON RECENT PENSION REFORM BILL APPROVED BY THE GOVERNOR AND THE LEGISLATURE

Accounting Supervisor Mark Blair reviewed the California Public Employees Pension Reform Act of 2012. These are mandated changes that target cost savings for pension costs for Public Employees. Most of the changes only apply to "new employees" and all changes go into effect on Jan 1, 2013. The following changes will impact the District:

- Defined Benefit Pensionable Compensation Cap (New Employees) - Establishes a cap on the amount of pay for all new members that can be used to the Social Security Wage index limit. The District currently has no cap and only has 1 employee over this threshold limit.
- Non-Safety Retirement Ages and Formulas (New Employees) - Mandates the formula for retirement to be a 2% at age 62 plan. The District currently has two plans, 2% at 55 for employees hired prior to 7/1/11, and 2% at 60 for those hired after 7/1/11. The new mandate will create a third tier.
- Required Employee Contributions (New Employees) - Requires employee contributions to the plan equal to one-half of the normal costs. Currently District employees contribute 4.25% of the 19.41% contribution.
- Final Compensation Period (New Employees) - Requires that final compensation be defined as the highest average annual compensation over a consecutive three-year period.
- Final Compensation Elements (New Employees) - Prohibits the inclusion of certain types of pay from being used to calculate the retirement benefit. The items excluded are: pay for unused leave or time off, pay for work outside of normal hours, vehicle allowances, etc. Currently all paid compensation qualifies for benefit calculation.

- Elimination of Pension Holidays (**current employees**) - Requires inclusion of all Holidays into the contribution calculation for both employees and employers. These can be rescinded if the plan becomes super funded. Currently Holiday pay is not included.
- Retiree Restrictions (**current employees**) - Prohibits post-retirement employment from exceeding 960 hours in a consecutive 12 month period. If a retiree received unemployment benefits he/she is prohibited from working for 12 months for a public employer. Prohibits a person who retires on or after 1/1/13 from working for a public employer for a period of 180 days after retirement unless the action is approved in an open meeting. Currently the 960 hour restriction uses a fiscal year period as the measuring gauge and there is no restriction period for a retiree to begin working.

Blair explained that the Board will be asked to pass a resolution to create the mandated 3rd tier in the reform act.

BOARD ANNOUNCEMENTS AND REQUESTS TO STAFF

Bonato made the following announcements/questions:

- Asked if there will be a final report on the Blues & Brews event. The General Manager said it would be on the next agenda.
- She complimented staff on the District's booth at the Pleasant Hill Art Jazz & Wine event on October 6th and 7th.

STAFF ANNOUNCEMENTS

The General Manager made the following announcements:

- He is checking on the closed session start time for the next Board Meeting.

ADJOURNMENT

Board Chair Donaghu adjourned the meeting at 7:58 p.m.

Robert B. Berggren, Clerk of the Board