



Livermore Area
Recreation and Park District
An independent special district

LIVERMORE AREA RECREATION AND PARK DISTRICT
REGULAR MEETING of the BOARD OF DIRECTORS
MINUTES

WEDNESDAY, FEBRUARY 9 2022

7:00 P.M.

NOTICE: Coronavirus COVID-19

In accordance with the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), as amended by Assembly Bill 361 (2021), members of the Livermore Area Recreation and Park District Board of Directors and staff participated in this meeting via teleconference (Zoom). In the interest of maintaining proper social distancing, members of the public also participated in this meeting electronically.

DIRECTORS PRESENT: Directors David Furst, Jan Palajac, Philip Pierpont, Vice Chair James Boswell, and Chair Maryalice Faltings

DIRECTORS ABSENT: None

STAFF MEMBERS PRESENT: Mathew Fuzie, Fred Haldeman, Jeffrey Schneider, Jill Kirk, Erica Densberger, Julie Dreher, Linda VanBuskirk, Marilyn Youngman, Nancy Blair, Pamela Healy

GENERAL COUNSEL: Rod Attebery with Neumiller & Beardslee

OTHERS PRESENT: Jesse Deol with James Marta Company, LLP

PUBLIC MEMBERS: Joseph Stevenson, Lynn Smet, Marisa Gan, Melanie Stanwood

1. CALL TO ORDER – ROLL CALL – PLEDGE OF ALLEGIANCE:

Chair Faltings called the meeting to order at 7:02 p.m. All Directors were present via Zoom. Chair Faltings led the Pledge of Allegiance.

2. PUBLIC COMMENT:

Marisa Gan addressed the Board regarding her frustration over the upcoming closure of ESS at her children's school. They have been attending ESS since her oldest began Kindergarten in 2015. She claimed the announcement of the transition was terribly mismanaged and has caused panic as many parents do not know what this means for their

children. She expressed support for the ESS program and staff members who have been wonderful to the kids, especially throughout the pandemic.

Lynn Smet addressed the Board and seconded everything that Ms. Gan said above. Her children having been attending ESS at Junction School since 2015/16. She expressed frustration over the changes and support for the ESS program and staff members.

3. CONSENT ITEMS:

- 3.1** Resolution No. 2736 determining to conduct meetings of the LARPD Board of Directors using teleconferencing pursuant to Government Code 54953 as amended by AB 361 for the period February 9, 2022 to March 11, 2022.
- 3.2** Approval of the Minutes of the Regular Board Meeting of January 26, 2022
- 3.3** General Manager's Monthly Update to the Board – February 2022

MOTION:

Moved by Director Palajac, seconded by Director Pierpont, approved the Consent Agenda, by the following roll call vote:

AYES: *Directors Furst, Boswell, Pierpont, Palajac, and Chair Faltings (5)*
NOES: *None (0)*
ABSTENTIONS: *None (0)*
ABSENT: *None (0)*

4. DISCUSSION AND ACTION ITEMS:

4.1 DISTRICT AUDIT FOR FISCAL YEAR 2020-2021

General Manager Mathew Fuzie introduced the item, and Business Services Manager Jeffrey Schneider presented the staff report on the completed District Audit for Fiscal Year 2020-2021. He reported the District received a clean, unmodified audit opinion and recognized Finance Officer Julie Dreher and her team for a job well done.

Recommendation: Staff recommended the Board accept the Fiscal Year 2020-2021 Audit Report.

BSM Schneider introduced Jesse Deol, a partner with James Marta & Company LLP, District auditors, who conducted the annual audit of the District's financial reporting and control processes for FY 2020-2021. Mr. Deol gave a presentation to the Board which provided an overview of the Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, and Required Supplementary Information, and concluded that no control deficiencies were identified nor were any instances of noncompliance identified. The District received an unmodified opinion which is the best opinion an auditor can provide.

Discussion ensued and Mr. Deol responded to Board questions relating to how LARPD compares to other agencies the auditors have worked with, the rise of insurance premiums due to the impact of California wildfire activity, and investments of the District. Board members thanked the Finance Team for their excellent work and Mr. Deol for his company's audit and presentation.

Chair Faltings opened public comment. There were no public comments. Chair Faltings closed the public comment period.

MOTION:

Moved by Director Pierpont, seconded by Director Palajac, accepting the District Audit Report for Fiscal Year 2020-2021, by the following roll call vote:

AYES: *Directors Furst, Boswell, Palajac, Pierpont, and Chair Faltings (5)*
NOES: *None (0)*
ABSTENTIONS: *None (0)*
ABSENT: *None (0)*

4.2 REVISIONS TO FUND BALANCE RESERVE POLICY

GM Fuzie introduced the item, and Business Services Manager Jeffrey Schneider presented the staff report on proposed revisions to the existing Fund Balance Reserve Policy, which was last updated in May 2016, and on opportunities to enhance the policy.

BSM Schneider led the discussion by summarizing the existing fund balances held within the categories of Restricted Reserves, Committed Reserves, Assigned and Unassigned Reserves. Total reserves, based upon the current policy, total \$7,843,659. The group viewed a Cash Balance Trend for FY16-17 through FY21-22. Mr. Schneider then moved to a discussion on the proposed opportunities staff has identified to enhance the District's Reserve Policy including addressing existing debt obligations such as PG&E on-bill-financing and the June 2021 Pension Obligation Bond; incenting program growth and supporting ongoing program needs; revisiting existing reserve funds and the calculations related to them; and establishing a policy that recognizes the reality of the District's cash flow balances so that, at any point in the fiscal year, the monies called for in the policy can be relied upon.

Recommendation: BSM Schneider summarized the recommended revisions to the reserve fund structure and associated fund amounts:

- Establishing, initially, a total reserve balance of \$4 million
- Assigned Reserves, initial fund balance of \$1.5 million for Budget Contingency (emergency/stabilization). This fund balance should be targeted to reach \$10 million, which is approximately 50%, or 6 months, of the total annual operating budget in its current state.
 - Establishment of program-specific funds (none specified at present)
 - ACERA UAAL elimination, which currently amounts to \$526k (no reserves were currently proposed for this item)
- Restricted Funds, currently \$408k
- Committed Funds, initial fund balance of \$2.09 million consisting of \$958k for Annual Debt Service related to the Pension Obligation Bonds and PG&E on-bill financing, and \$1.132 million for Deferred Maintenance of facility and park infrastructure.
- Following the adoption of this revised Fund Balance Reserve Policy will be a future recommendation for a Treasury Policy.

This item was reviewed and discussed by the Finance Committee on December 20, 2021 and January 24, 2022, and the Finance Committee recommends Board approval.

Director comments and questions: Director Furst asked his fellow Board Members who are on the Finance Committee what they think of the policy as presented and if they recommend any changes. Finance Committee Chair Boswell explained that significant changes were made to the policy, the results of which were presented today and those reflect the input from the Finance Committee. Of significance is migrating towards treasury management that will allow for different investment options depending on the relative liquidity required for the proposed reserve funds. The detail shown today and the balances recommended are conservative, though they provide a significant benefit to the District as a whole should something arise. It also adds flexibility operationally to expand into areas that the District potentially will need to in the future as things change. Overall, it fully meets and exceeds general accounting practices and moves toward best practices for reserve accounts and policies for the District. Director Boswell continued that the numbers established by account reflect what the Committee thinks is safe and reasonable for the District overall. In addition to that, there is flexibility in the policy that allows the Board of Directors to get directly involved when there is a surplus amount available and to make decisions about distribution of funds to the accounts that need funding at that point in time. The Finance Committee recommends approval but would not want to usurp the responsibilities of other Directors to review the policy and feel comfortable with the recommendation.

Director Pierpont seconded what Director Boswell said and added that the Finance Committee particularly spent a lot of time on the proper measure of three months vs. six months' worth of reserve needed to operate under, including researching other policies in this regard. This policy provides a framework within which to work, especially regarding making decisions about how to use surplus monies in the future. At a minimum, this is a positive step forward.

Director Palajac expressed support for the flexibility to maneuver in response to the District's needs while also allowing for ways to make decisions on money management that we did not have before.

GM Fuzie appreciated the confidence with which the Board and Finance Committee members spoke. He expressed his own confidence in the policy and the District's Finance Team, whose long view is reflected in the policy as well.

Chair Faltings opened public comment. There were no public comments. Chair Faltings closed the public comment period.

RESOLUTION:

Moved by Director Boswell, seconded by Director Pierpont, approved Resolution No. 2737, approving revisions to the Policy No. FIN-07-2079 Fund Balance Reserve Policy, by the following roll call vote:

AYES: *Directors Palajac, Furst, Pierpont, Boswell, and Chair Faltings (5)*
NOES: *None (0)*

ABSTENTIONS: *None (0)*
ABSENT: *None (0)*

5. INFORMATIONAL ITEMS (No Action Required)

5.1 GENERAL FINANCIAL UPDATE

BSM Schneider reported that Finance Officer Dreher and her team will be closing the books in a matter of days for January, at which point we will share the results with Board members. These results are expected to be favorable. There has been some lag in reporting and receipt of funds from the county on a couple of tax accounts that have come in in January, so we will see a bonus of over \$100k for those two accounts. District management has been doing an excellent job providing service and controlling spend.

The Board of Directors had no comments or questions. This was information only and no Board action was taken.

5.2 COVID-19 PROGRAM UPDATES

GM Fuzie reported that on February 15, 2022 California's mask mandate for indoor masking will expire and there is currently no plan for the state to renew. Each county may provide guidance within their own protocols. It looks like we are over the crest of Omicron, and we are on the downward trend towards recovery. It is understood that COVID will be with us and stay with us and we are going to have to adjust to it. LARPD has proven that we can do an excellent job adjusting to it. We hope that the Emergency Declaration is lifted soon, and we can return to some level of normalcy. LARPD is closely watching this. We have seen an increase in indoor activities. Recreation Supervisor Vicki Wiedenfeld and her team are so creative and doing remarkable things. The Open Space team at Sycamore Grove Park has already met and exceeded its annual revenue goal only six months in. We continue to grow.

Director Palajac added that the Alameda County Health Officer came out late this afternoon to say that they are lifting the mask mandate effective February 16th. All the counties in the Bay Area, except for Santa Clara, are lifting, except for education, health care and some others.

This was information only and no Board action was taken.

6. COMMITTEE REPORTS:

- a) Director Furst reported his attendance, along with Director Palajac, at the February 3, 2022 Facilities Committee meeting. The agenda was included in the Board meeting agenda packet.
- b) Director Furst reported his attendance, along with Director Boswell, at the February 8, 2022 Personnel Committee meeting. The agenda was included in the Board meeting agenda packet.
- c) Director Furst reported his attendance at the February 2, 2022 Chamber of Commerce Business Alliance meeting.
- d) Director Palajac reported her first attendance at the February 2, 2022 Livermore Cultural Arts Council meeting.

- e) Chair Faltings reported her attendance at the February 7, 2022 LARPD Foundation meeting.

7. MATTERS INITIATED/ANNOUNCEMENTS BY THE DIRECTORS

- a) Director Furst commented that all Directors recently received an email regarding the major changes in the ESS program, and the topic was discussed at the February 8, 2022 Personnel Committee meeting. He asked to have the topic placed on the next Board meeting agenda. Chair Faltings added that this item is also on the next Program Committee Agenda for discussion.


8. MATTERS INITIATED/ANNOUNCEMENTS BY THE GENERAL MANAGER

Executive Assistant to the General Manager Linda VanBuskirk made the following announcements:


- a) The CSDA Board of Directors has sent out a Call for Nominations for Seat B of the Bay Network. Their Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the CSDA for the 2023-2025 term. This topic will be placed on the Board Agenda for the February 23, 2022 LARPD Board meeting.
- b) LARPD staff has been working with the Alameda County Board of Supervisors' office on the creation and implementation of an electronic system for the filing of Form 700s for filing year 2021. Once the information is uploaded into the new system, automatic notifications will be sent to all designated filers at LARPD. Form 700s will be due by April 1, 2022.
- c) This year the Livermore Rodeo returns live and in person. The rodeo will be held Saturday June 11th and Sunday June 12th. More information will be relayed regarding the Rodeo Parade and the Rodeo Queen Coronation and Dinner once it becomes available.

9. ADJOURNMENT: The meeting was adjourned at 8:23 p.m.

APPROVED,


Maryalice Summers Faltings
Chair, Board of Directors

ATTEST:



Mathew L. Fuzie
General Manager and
Ex-officio Clerk to the Board of Directors

/lvb