



**California Special
Districts Association**
Districts Stronger Together

Special District Reserve Guidelines

SECOND EDITION



A GUIDE TO DEVELOPING A PRUDENT RESERVE.



Acknowledgements

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The Formation of Special District Reserve Guidelines

Answering a
Call, Fulfilling
a Need

The genesis for CSDA's Special District Reserve Guidelines was a 2000 Little Hoover Commission report entitled, *"Special Districts: Relics of the Past or Resources for the Future?"* The report included a section on special district reserves with an introductory finding that stated: *"Hundreds of independent special districts have banked multi-million dollar reserves that are not well publicized and often not considered in regional or statewide infrastructure planning."*

The 2000 report raised a number of issues relating to special district reserves including:

- Lack of guidelines and consistency
- Lack of visibility and publication of district financial information
- Lack of understanding among constituents and policymakers of district finances
- Lack of districts incorporating reserve information into infrastructure planning

News media reacted to the Little Hoover Commission report with banner headlines claiming that "obscure" public agencies have "hoarded" billions in reserves. Legislative hearings on special district finances were held and interest was spiked among grand juries, leading them to investigate how special districts within their counties handle reserves.

Ultimately, the Little Hoover Commission recommended that guidelines for prudent reserves be established, and that investment policies and practices be reviewed to determine if additional oversight was warranted.

...many independent special districts already have established reserve policies and most, if not all, special district officials recognize their fiduciary responsibilities and take them seriously.

CSDA Reserve Guidelines Task Force

Although special district advocacy organizations disagreed with some of the Little Hoover Commission's findings and data interpretation, CSDA concurred that the establishment of reserve guidelines would assist special district governing officials and administrators in fulfilling their fiduciary responsibilities. To accomplish this, CSDA formed a task force in 2001 to identify both the essential elements of a reserve policy and the issues to be discussed during policy development.

The Special District Reserve Guidelines were developed by the task force as a tool for special district governing officials and administrators to assist them in fulfilling their commitment to provide cost-effective and efficient public services for the communities they serve.

Special District Reserve Guidelines

Second Edition

Today, with over a decade having passed since CSDA convened its original task force in 2001, many special districts have utilized the guidelines to evaluate their reserve policies, develop new reserve policies, and/or promote comprehensive and easily understood policies.

Through this decade-long process, special districts have gained new insights on improved best practices. Furthermore, certain accounting practices and terminologies have evolved. Therefore, in order to ensure the most accurate and updated guidelines, and in continuance of efforts to promulgate widespread adoption, CSDA commissioned a second task force in 2012 to produce a Special District Reserve Guidelines, Second Edition. CSDA encourages district officials to incorporate these new guideline elements into their policies, where applicable, based on size and services offered.

In developing and updating the second edition, the CSDA task force recognized that many independent special districts already have established reserve policies and most, if not all, special district officials recognize their fiduciary responsibilities and take them seriously. What may have generated most of the concern regarding special district reserves in 2000 is not lack of policy, but lack of outreach to constituents and others regarding district operations. It is essential that special districts continue to promote understanding outside their boardroom and perform outreach on district financial management to facilitate understanding among the public, media and legislators.



Introduction

Reserves are the foundation of the sustainable delivery of core services.

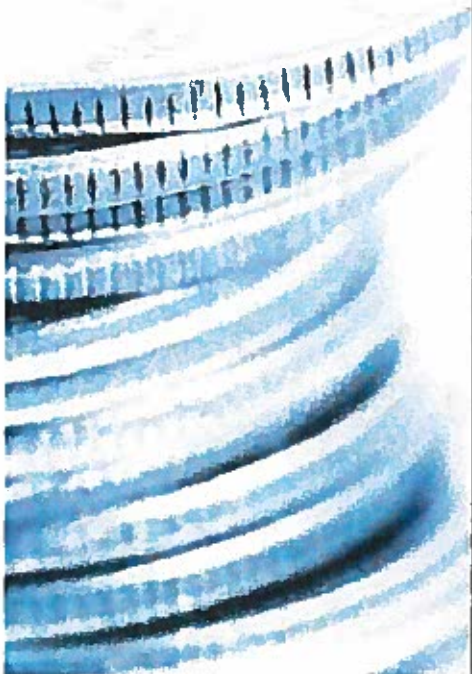
Importance of Maintaining a Reserve

Reserves are the foundation of the sustainable delivery of core services. Through prudent reserves, special districts offer taxpayers and ratepayers significant benefits including:

1. Savings to balance budgets
2. Emergency preparedness
3. Stable rates
4. Well-maintained infrastructure
5. Investment in the future

The fundamental question in maintaining a reserve is, how much is enough? In other words, when are reserves too low and when are they too high? These can be delicate questions because unwarranted reserves could undermine taxpayer and ratepayer support, while insufficient reserves could jeopardize the district's long-term sustainability.

There is also the question of where reserve funds should be spent. Pressure to expend reserves on making current services cheaper, rather than planning for the future, is all too frequent. Adopting a reserve policy will assist your agency in answering these fundamental questions.



Reasons for Adopting a Reserve Policy

In addition to the over-arching taxpayer and ratepayer benefits of reserves noted earlier, there are many specific reasons for a special district to adopt reserve policies:

Shared Vision:

A formally adopted policy promulgates a shared understanding of the proper level and use of reserves, which facilitates healthy working relationships.

Objectivity:

Revenue decisions represent some of the most controversial and difficult choices that governing boards must face. Utilizing reserve policies reduces political gamesmanship and promotes responsible long-term planning.

Fiscal Justification:

Inevitably, public agencies will face scrutiny over whether to raise or reduce rates, taxes or fees. Having reserve policies in place prior to such occasions serves as a valuable tool for both making and explaining difficult decisions.

Public Awareness:

Keeping the public informed about what you do is a fundamental responsibility for any public agency. They are the boss, after all, and all of us understand from personal experience that our jobs are a lot easier and a lot less stressful when the boss knows about and approves of what you are doing. Adopting a policy can help the district better communicate to the public the motives for adopting a reserve, as well as convey the reasons for maintaining the reserve at a certain level.



Important questions about reserves

The fundamental question in maintaining a reserve is, how much is enough? In other words, when are reserves too low and when are they too high? These can be delicate questions because unwarranted reserves could undermine taxpayer and ratepayer support, while insufficient reserves could jeopardize the district's long-term sustainability.



Prudent Accumulation and Management of Reserves: Developing Policy

Each special district should develop and adopt a reserve policy.

The Special District Reserve Guidelines reflect the common belief among special districts that there should be a clear and well-articulated rationale for the accumulation and management of reserve funds. Each special district should develop and adopt a reserve policy as a commitment to financial prudence and careful stewardship of community assets. It is critical to understand that a reserve fund is designated by a public agency to carry out specific purposes in a manner consistent with other financial policies, budgetary practices, district programs, and legal requirements.

Reserve Policy Objectives:

1. To provide adequate funding to meet the agency's short-term and long-term plans.
2. To minimize adverse annual and multi-year budgetary impacts from anticipated and unanticipated expenditures, thus minimizing the possibility of unplanned service fees or rate fluctuations.
3. To strengthen the financial stability of the agency against present and future uncertainties in an ever-changing environment.

Foundational Elements of a Reserve Policy:

Prior to developing a reserve policy, a district should first establish the three prerequisites below.

1. Clear, organizational philosophy/mission.
2. Policy-oriented board of directors, with long-term focus on fiscal sustainability.
3. Standardized method of financial reporting, such as Governmental Accounting Standards Board (GASB) Statement Nos. 34 and/or 54.

Communicating regularly about district financials and reserve priorities creates trust.

Principles for Developing a Reserve Policy:

1. Identify the uniqueness of the district.
 - a. Consider district goals, needs and constraints.
 - b. Utilize life-cycle analysis if district is capital intensive.
 - c. Regularly measure condition of assets.
2. Form a complete understanding of the district's core business and significant cost drivers for district operations.
3. Engage in strategic planning.
 - a. By developing, regularly evaluating and, when necessary, modifying strategic plans, districts can more efficiently plan and shape their futures. Strategic planning can help district boards anticipate and adapt to changing environmental, regulatory and demographic conditions. This assists districts in establishing appropriate reserve funds and adopting adequate target levels.
 - b. Seek community input in the strategic planning process, i.e., ratepayers and taxpayers, business groups, community organizations, other public agencies serving the same constituency, etc.
4. Make communicating a priority.
 - a. A regular newsletter and annual report are good starting points; it is critical for districts to reach out to the public and explain their financial position.
 - b. Seek input through customer surveys, community meetings, and other meaningful engagement.
 - c. Inform customers and constituents of output and seek their input in evaluating policies.
5. Recognize that a good reserve policy must be consistent with other financial policies, such as a balanced operating budget and investment policies.
6. Create and maintain a well-developed capital improvement plan.
7. Estimate the ebb and flow, or "seasonality," of cash-flow during the fiscal year and build a basic understanding of the degree of short-term borrowing necessary to meet such needs.
8. Clearly identify reserves—both categories and purposes. Set target levels for reserves that are consistent with the district's mission, the district's uniqueness and the philosophy of the district's board and community.
9. A broad reserve policy may include many elements or sub-policies. Some areas that may need sub-policies include:
 - a. Rate-stabilization funds
 - b. Fees and charges
 - c. Debt issuance and management
 - d. Deferred maintenance
 - e. Level of unrestricted (contingency) funds
 - f. Long-term repair and replacement



Every district has unique circumstances and a proper fund balance should be considered on a case-by-case basis.

Fund Balance and Net Position/Net Assets

There are many factors that must be considered when establishing an appropriate fund balance and ensuring the prudent management of your district's finances. Every district has unique circumstances and a proper fund balance should be considered on a case-by-case basis. Thoughtfully accounting for variables such as your district's revenue sources and income volatility will assist your district in determining its reserve amount. On the following pages are issues that should be considered when adopting a reserve level.



Specific Considerations for Budgeting and Allocating Fund Balance or Net Position/Net Assets

Considerations

1. Define the special district's fiscal objectives:

- a. Short-term
- b. Long-term
- c. Operating
- d. Capital

2. Identify where funds are used:

- a. Operating revenues are the general-purpose funds through which ongoing activities are funded.
- b. Special-purpose revenues often are legally restricted for a particular use. For example, a special assessment for infrastructure must be separately accounted for and spent on designated infrastructure costs.
- c. Debt proceeds should be used to fund costs that provide a benefit across fiscal years. The issuance of debt allows the district to allocate these costs by spreading the debt service to these periods. Debt proceeds should never be used for short-term operating costs because this would entail allocating current operating costs to future periods.
- d. One-time revenues should be used for one-time expenses. If a special district gets one-time revenues and uses it to provide additional full-time positions or to fund on-going operating costs, it may lead to a budget crisis when the one-time funding runs out.



One-time Revenue

According to the Government Finance Officers Association, "Examples of one-time revenue include: infrequent sales of government assets, bond refunding savings, infrequent revenues from development and grants. These revenue may be available for more than one year (e.g., a three-year grant) but are expected to be non-recurring."

One-time Expenditures

According to the Government Finance Officers Association, "Examples of expenditures which a government may wish to use one-time revenue include start up costs, stabilization (e.g. to cover expenditures that temporarily exceed revenues), early debt retirement, and capital purchases."

Components of Fund Balance

In governmental funds, "reserves" typically comprise a portion of the total fund balance. Fund balance reporting standards play a part in describing how much of fund balance might be available for a reserve and how much is limited to other purposes. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, changes how fund balance has traditionally been reported.

In the past, reporting of fund balance focused on whether resources were available for appropriation (i.e., budgeting) and distinguished between "unreserved fund balance" (i.e., available for appropriation) and "reserved fund balance" (i.e., not available for appropriation). GASB Statement No. 54 changes the focus to the "extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent" and establishes five different components of fund balance:

COMPONENTS OF FUND BALANCE

NONSPENDABLE FUND BALANCE	RESTRICTED FUND BALANCE	COMMITTED FUND BALANCE	ASSIGNED OR DESIGNATED FUND BALANCE	UNASSIGNED OR UNDESIGNATED FUND BALANCE
This category is inherently nonspendable, such as the long-term portion of loans receivable, the principle of an endowment and inventories.	This classification has externally enforceable limitations on the use of fund balance, imposed by parties such as creditors, grantors or laws or regulations of other governments.	This encompasses limitations imposed by the special district upon itself at its highest level of decision making (e.g., governing board through a resolution). For example, the governing board might commit a portion of fund balance to a "stabilization fund" to provide a cushion against unknown economic shocks and revenue declines.	This portion is earmarked for an intended use. The intent is established at either the highest level of decision making or by a body or official designated for that purpose. For example, a share of fund balance might be assigned to offset a gap in the budget stemming from a decline in revenues or an allotment could be assigned for an upcoming special project.	This comprises all fund balances that are left after considering the other four categories. Use is least constrained in this category of fund balance.



Unassigned fund balance is typically the primary subject of a reserve policy. However, committed and assigned fund balance may also be thought of as part of a reserve policy as the governing board or management, respectively, has some control over the balances. Conversely, restricted fund balances or nonspendable fund balances are fundamentally constrained, making it unnecessary to place parameters on them through reserve policy in order to achieve prudent savings and expenditures of public resources.

It is recommended that every district establish policies regarding minimum fund balance and spending priorities in order to communicate to users the importance of a reserve for economic uncertainties, why it consists of amounts that are unassigned and that it is not available for spending.

Districts' policies should specify the order in which fund balances are spent when more than one amount is available for a specific purpose. Where such policies do not exist, GASB 54 prescribes that the default order in which these amounts should be spent is committed, assigned, and then unassigned.



GASB 54

According to the Governmental Accounting Standards Board, statement No. 54 was issued after, "...research revealed that the existing standards guiding fund balance reporting were being interpreted inconsistently by different governments. Consequently, the fund balance information reported by many governments also was inconsistent. It also became clear that the understandability of fund balance information was affected and that financial statement users were unable to readily interpret reported fund balance information."

GASB fact sheet about Fund Balance Reporting and Governmental Fund Type Definitions



Sample Policy Language

The "X" district maintains a minimum unassigned fund balance of not less than "X" percent of budgeted general fund expenditures and other financing uses as a reserve for economic uncertainties. The district believes a reserve of this level is prudent to maintain a high bond rating and to protect the district from the effects of fluctuations in property tax revenues to which special districts are vulnerable. Because amounts in the nonspendable, restricted, committed and assigned categories are subject to varying constraints on their use, the reserve for economic uncertainties consists of balances that are otherwise unassigned.

Reserve Level Targets

A reserve policy must set a target level of reserves to maintain. The target is typically defined in terms of unrestricted fund balance as a percentage of either regular operating revenues or regular operating expenditures. The choice between revenue and expenditures as a basis depends on which element is more predictable. A government that relies heavily on property taxes typically would choose revenues, whereas a government with a less predictable revenue portfolio might choose expenditures. In either case, the base should only reflect operating numbers and should remove the effect of unusual spikes or drops that would distort long-term trends.

With the basis of the target defined, the next step is to select a reserve-level target number. The Government Finance Officers Association (GFOA) offers guidance as to the amount of unassigned fund balance governments should maintain in their general fund operating revenues or regular general fund operating expenditures, regardless of size. As special-purpose governments, special districts should carefully balance such general advice with the unique circumstances associated with the district's operational environment.

In considering what constitutes adequate reserves, a special district may want to establish key benchmarks or ratios. Many industries have key equity target formulas or ratios that establish minimums to provide a red flag warning when equity may be too low. Some of those ratios may include the following:

- Debt to Equity
- Property Taxes to Equity
- Current Ratio
- Capital Outlay to Equity
- Capital Outlay to Operating Expenses

Certain districts may establish their own ratios based on the unique aspects of the district or an operating environment that may be different than other organizations in their industry.



Local Conditions as a Basis

The Government Finance Officers Association notes that fund balance is ultimately a local decision based on local conditions. "...Finance staff should analyze the risks that influence the need for maintaining reserves as a hedge against uncertainty and loss."

(p 57, GFOA, Financial Policies)

Articulating Financial Position and Decisions

Is this organization in good financial shape? That depends on the condition of the current assets and the short-term and long-term needs of the organization as they relate to its resources. If there exists significant current infrastructure needs, then financing may be required. Is enough set aside for contingencies? If water costs increase by 10 percent, or new environmental or health standards are issued, how will that affect total net assets?

Governmental entities collect, hold and expend resources in public trust. If too little is collected, they risk failing to meet mandated needs. If too much is collected, they overburden the public and tie up resources that taxpayers and ratepayers could use in the economy. Historically, governments have been known to spend most of their resources each year and too often fail to properly plan for long-term needs. Special districts should carefully examine their operations and budget to ensure that expenses, such as capital needs and contingencies, are anticipated and appropriate resources are set aside.

Some governments, either through good fortune or good planning, have reserved net assets for future plans and needs. What most governments have failed to do, as emphasized in the 2000 Little Hoover Commission's report, is to effectively communicate their plans for the net assets and explain why the balance is appropriate.

Each special district needs to:

1. Analyze its financial position.
2. Examine its current and long-term needs, including a capital improvement plan.
3. Establish its target fund balance or net assets.
4. Outline its goals and needs through policy, budgets and enhanced financial statement note disclosures.
5. Anticipate public scrutiny of financial statements and proactively communicate how finances are being used in a manner the public can easily digest.

It is recommended that special districts, at minimum, conduct a review of their reserve policy annually to ensure it meets the needs of the district and is in compliance with any requirements/standards that may have changed.

Conclusion

Each special district's financial and legal professionals should review reserve policies prior to adoption to ensure they are in compliance with all current laws and regulations. Reserve policy should be established based on each district's unique financial situation. Any reserve policy needs to be reviewed regularly as the financial environment within which it functions is dynamic and there may be applicable legislative or regulatory changes.

The 2000 Little Hoover Commission report concluded that there was a disconnect between special districts and their constituents and other local government entities. Therefore, it is important that each agency not only develop a reserve policy, but ensure that stakeholders know and understand the district's financial position and decision-making process.

Districts should consider preparation of a public outreach program to communicate financial and program information on a regular basis to affected or interested populations. How involved each respective public outreach program is for a district is typically determined by the size and complexity of the district. A first step may be as simple as adding the information to an agency's website or the development of an annual report. CSDA encourages districts to take the next step and proactively engage the public to ensure its awareness.

We hope you find these guidelines helpful and if you have any comments or suggestions on how we can improve this document, please contact us at 877.924.2732.



Addendum I: Glossary

Assigned Fund Balance: Amounts that are intended to be used by the special district for specific purposes but do not meet the criteria to be classified as restricted or committed.

Capital Improvement Program (CIP): A short-range plan that identifies capital projects and equipment purchases, provides a planning schedule and identifies options for financing the plan.

Committed Fund Balance: Amounts that can only be used for the specific purposes as determined by a formal action of the special district's highest level of decision-making authority.

Net assets: The amount of assets in excess of liabilities. For non-enterprise fund types, this excess is referred to as "fund balance." For enterprise-fund types, this excess is referred to as "net assets" or, as of July 1, 2012, "net position."

Nonspendable Fund Balance: Amounts that cannot be spent or where cash has been spent previously to produce a fund balance – for example, inventory, pre-paid expenses or restricted assets.

Pay-Go: Is the practice of financing expenditures with funds that are currently available rather than borrowed.

Restricted Fund Balance: Amounts that can only be spent for specific purposes which are stipulated outside the control of the special districts, such as the constitution, external resource providers (such as granting entities) or enabling legislation.

Unassigned Fund Balance: The residual of all other funds that are not nonspendable, restricted, committed or assigned. Unassigned balances are not in special revenue, capital projects, permanent or debt service funds unless the fund is in deficit.



Addendum II: Special District Reserves Talking Points

PRUDENT RESERVES MAKE FOR SOUND BUDGETING

For countless families, saving for a rainy day is common-sense. For special districts, reserve funds are not just money in a bank; they are fundamental resources for ensuring reliable core services and community security.

How Taxpayers and Ratepayers Benefit

Special districts designate money toward savings in order to balance their budget, respond to emergencies, keep rates affordable, maintain current infrastructure and plan for future public works projects.

- **Balancing Budgets** – Over the course of the fiscal year, short-term reserves help balance the ebb and flow of revenues verse expenditures.
- **Emergency Preparation** – In the event of a disaster, communities can't afford not to have savings readily available to quickly repair critical local infrastructure and bring core services back online.
- **Affordable Rates** – With appropriate savings, special districts are able to use resources wisely and smooth out the highs and the lows of volatile economic conditions, rather than spend their entire surplus and then seek new revenue or jeopardize services.
- **Infrastructure Maintenance** – Reserves mean the pipes are fixed, roofs are patched, and worn equipment is replaced without going back to the taxpayers or ratepayers to pay for routine upkeep.
- **Planning for the Future** – A long-term, thoughtful approach to public infrastructure requires the foresight to plan for, and discipline to save for, future needs.

Reserves are Much More than Liquid Assets

- **What comprises a reserve fund?** Reserve fund balances and net assets are not just cash and investments. They also include the net value of capital facilities, land and equipment measured from the very inception of the district.
- **Assigned funds** are budgeted for specific long-term public needs as planned by the board of directors.
- **Committed funds** are set aside via established policies for specific uses such as cash-flow, capital improvements, contingencies, and rate stabilization.
- **Restricted funds** are limited by legal or contractual requirements, or cannot otherwise be spent.

Best Practices for Sensible Budgets

- Historically, governmental agencies and departments have been known to spend everything they have before the end of the fiscal year in order to justify increased future allocations from their larger bureaucracy.
- Special districts are different because they empower core local service providers with budgetary control, encouraging efficiency and fiscal restraint rather than punishing it.
- The CSDA Reserve Guidelines Task Force identified both the essential elements of reserve policies and key issues to be discussed during reserve policy development to assist districts in fulfilling their commitment to provide cost-effective and efficient public services to their communities.



Addendum III: Capital Planning

A Capital Improvement Program (CIP), also referred to as a capital plan, exists to identify and prioritize a special district's need for capital goods. A CIP should prioritize the importance and timing of the various assets to be acquired. In addition, a CIP should contemplate how those goods will be paid for – cash (equity) or debt. A capital plan is a strategic and comprehensive plan for the acquisition and implementation of the district's capital assets over time. In that sense, it is different from a finance plan, which focuses on individual acquisitions and how to pay for them.

To fulfill their mission, every district makes capital investments. Debt, especially tax-exempt debt, is recognized as an important and continuing source of a district's capital to fund improvements necessary to achieve its mission and strategic objectives. A CIP provides the framework by which decisions will be made regarding the use of cash and debt to finance capital projects.

Debt is defined to include all short and long-term obligations, guarantees and instruments that have the effect of committing the district to future payments. The assumption of debt, both direct and indirect, is subject to the district's approval. Any debt issued by subsidiary entities is subject to these policies. In satisfying their fiduciary responsibilities, it is important that a district's board and management know the extent of debt obligations.

CIP Objectives

1. To provide guidelines to management on the use of reserves and debt to support a special district's capital needs while achieving the lowest overall cost of capital.
2. To provide selected financial measures, with specific targets, to ensure that the district continues to operate within appropriate financial parameters while allowing the agency to maintain financial stability and the highest acceptable credit rating that permits it to issue debt at favorable rates.
3. To bridge the cash flow gap between the district's available funds and its capital needs when the assumption of debt is deemed prudent.

Creating a Capital Plan

1. Establish goals
2. Assess needs
3. Determine pay-go or borrow
4. Identify methods available for funding
5. Design the loan—the tactical plan
6. Organize approach

Details on the following pages.

Establish Goals

The key elements in setting clear capital plan goals include:

- 1. *Understanding the role of the planning horizon.*** Planning horizons are important considerations in well-developed capital plans. For example, it makes little sense to try to plan for a 10-year or 20-year horizon if innovation, technology, demographics or legislative threats to the plan occur frequently or on short notice. Conversely, agencies that are in low-technology businesses and stable demographic circumstances can more effectively and more appropriately plan for long periods. Planning horizons should mirror long-term repair and replacement requirements of existing facilities.
- 2. *Integrating the use (or lack thereof) of reserves.*** The extent to which a particular district has accumulated reserves will dramatically impact the CIP. The development of, and adherence to, strong reserve policies can greatly simplify funding choices for a capital plan, but blind adherence to arbitrary reserve levels can be just as inhibiting as no reserves at all. The key is to make reserve accumulation, or depletion, work in harmony with the CIP, operating budget and risk management of the district.
- 3. *Recognizing the repetitive nature of implementing the CIP.*** A capital plan is by its nature repetitive. For that reason, many districts choose to review and update it annually, usually as an adjunct to deliberation of the operating budget. This keeps the CIP current and tempered by present information on the priorities of the district.

Assess Needs

Every capital plan starts with a needs assessment. The assessment should be based on a comprehensive review of the agency's assets at the time an asset is recorded and an estimated useful life is assigned to each asset. This information later will be used as an indicator of when an asset is scheduled to be replaced. Estimated future replacement costs need to be obtained in order to reasonably estimate CIP fund requirements within an agency's long term financial plan.

Determining Pay-Go or Borrow

The "pay-go" method of using current revenues to pay for long-term infrastructure and other projects is often considered when sufficient revenues and reserves are available and long-term borrowing rates are higher than expected cash reserve fund earnings.

On the other side of the spectrum, the "pay-as-you-use" or "borrow" strategy limits the need for building of major amounts of equity in capital assets. Such accumulation can be less economically efficient, particularly for those districts that are capital intense and whose capital goods are "used up" over long periods of time. Similarly, financing of smaller capital goods, or those with short or uncertain useful lives, is also inefficient. The rationale behind the borrow approach is that the district's stakeholders should "pay" for the assets required to deliver the goods or services of the agency over a time period that more closely mirrors the useful life of those assets.

Most districts use a blended approach based on their debt management policy. Often, a district's approach is dictated as much by affordability as by philosophy, given that few public bodies are capable of paying cash for all capital assets.

Identify Methods Available for Financing

Once the goals have been set, the needs assessed and the decision whether to pay cash or finance the asset has been made, some thought must be given to the method of financing. For example, even if an asset is to be procured for cash, and the cash is on hand in a reserve set aside for that purpose, a decision still must be made on whether to replenish or restore that reserve, and over what time period and from what source it will be replenished.

Choosing to issue debt means that the following choices must be made: form of debt, mode (fixed or variable rate), repayment terms and method of sale. These are the tactical decisions that often blur the understanding of the strategic elements of the capital plan.

Design the Loan – The Tactical Plan

If a decision is made to borrow, an array of choices will follow. Some districts choose to borrow from banks or private lenders; others choose public offerings of debt. Lease financing may be considered as an alternate to bond financing. Some districts pool their needs with other similarly situated districts in order to reduce costs through economies of scale.

Regardless of the choice of lenders or approach matching the useful life of the financed asset to the borrowing term is an important consideration. Common sense tells us that we should hesitate to finance automobiles with 30-year bonds. By the same token, a water treatment plant with a design-life of 50 years can be safely and prudently financed over long periods of time. Still, debt issuances over 30 years are rare.

This element of the CIP should also carefully consider other needs within the strategic plan when pledging assets or revenues to lenders. A generous package to a lender on today's asset may make tomorrow's asset financing problematic or impossible. The key is to ensure that each tactical financing plan within the capital plan works harmoniously with other elements of the plan and is flexible enough to allow for the inherently changing nature of the CIP.

Organize the Approach

The successful capital planning process looks a great deal like the successful budgeting process. The end-result articulates the goals and objectives of the organization to all stakeholders and relies on an accurate and unbiased assessment of needs. It provides for an evaluation of the desired assets to distinguish between "wants" and "needs." It is written and shared with the district's stakeholders.

The capital plan is revisited often and provisions for changing or amending it are straightforward. Finally, it incorporates periodic analysis of results and achievements for management and the governing body.

Summary

A CIP need not be elaborate or weighty to be effective. Many effective capital plans consist of a single spreadsheet and several paragraphs of supporting text. The development of the program is vital to the efficient use of capital. It is a key ingredient in a lender's assessment of management's effectiveness and control. It is among the most important tools an elected official possesses to discharge the duties of office.

Readers who are interested in additional information about the development of capital plans should consider a variety of books, and other information sources, on the topic. Some suggested examples are shown in the attached resource listing at the back of this document.



Addendum IV: Resources

The Government Finance Officers Association (GFOA) is a great source for more information regarding various government financial matters, including fund balance and financial reporting. GFOA has an extensive publications department. View a list of its full offerings at www.gfoa.org. The following publications may be useful:

1. "An Elected Official's Guide to Financial Reporting"
2. "Best Practice – Replenishing Fund Balance in the General Fund"
3. "Governmental Accounting, Auditing, and Financial Reporting"
4. "Recommended Budget Practices: A Framework for Improved State and Local Government Budgeting"

The Governmental Accounting Standards Board (GASB) has a number of user guides written by the standard setter for use in many types of governments. These include:

1. *An Analyst's Guide to Government Financial Statements—revised, updated, and significantly expanded*
2. *What You Should Know about the Finances of Your Government's Business-Type Activities—a completely new guide for 2012*
3. *What You Should Know about Your Local Government's Finances*

In addition, in 2013, GASB is expecting to publish a guide directed at "Business-Type Activities." Most special districts in California are "Business-Type Activities."



**California Special
Districts Association**

Districts Stronger Together

1112 I Street, Suite 200
Sacramento, CA 95814
toll-free 877.924.2732
csda.net

Item 8.3 Cover sheet – Board Member Training at CSDA’s Annual Conference in Monterey, CA

Auburn Recreation District Board of Director’s Meeting, August, 2017

The Issue

Shall the Auburn Area Recreation and Park District (ARD) approve attendance for one or more ARD Directors to attend CSDA’s Annual Conference in Monterey September 25 - 28, 2017? Director Holbrook requested this item be considered.

Background

ARD is a member of the California Special District Association (CSDA). CSDA organizes many different training opportunities, workshops and conferences for Special District Board Members and staff throughout California. CSDA’s signature event is the Annual Conference. The event takes place in Monterey September 25 – 28. More information on the Annual Conference is attached.

The ARD Board Procedures and Responsibilities Manual address reimbursement for such trainings. The following is Section IV of that manual, with the pertinent information highlighted:

Section IV

BOARD MEMBERS COMPENSATION AND REIMBURSEMENT FOR EXPENSES

Board Members are eligible for compensation and reimbursement for necessary and actual District related activities in accordance with California Public Resource Code 5784.15 and as supplemented by Chapter 2 (commencing with Section 20200) of Division 10 of the California Water Code:

1. The Board of Directors may provide, by ordinance or resolution, that each of its members may receive compensation in an amount not to exceed two hundred fifty dollars (\$250) for attending each meeting of the Board.
2. The maximum compensation in any calendar month shall be five hundred dollars (\$500).
3. In addition, members of the Board of Directors may receive their actual and necessary traveling and incidental expenses incurred while on official business.
4. A member of the Board may waive or designate to another entity, any and/or all compensation and/or reimbursement.
5. For the purposes of this section, a meeting of the Board of Directors includes but is not limited to, regular meetings, special meetings, closed session, emergency meetings, Board field trips, district public hearings, or meetings of a committee of the Board. It may also include any appearance and/or participation of a Board Member acting in a capacity as a representative of the Board of Directors, purposes benefiting District business, attendance or participation at meetings or gatherings of other agencies or organizations that have a relationship with the Auburn Recreation District, and training or educational seminars or classes that relate to the position of a Director.

The following items are included for the purposes of clarification and the establishment of procedures.

1. Expenses covered are for authorized Board members only.
2. All anticipated expenses over five hundred dollars (\$500) for a single event must be pre-approved by the Board of Directors
3. Any expenses arranged by the District for non-Board members must be paid in advance (example: airfare/meals, etc., for a spouse joining a member at a conference)
4. Mileage expenses are to be reimbursed monthly based on District Policy.
5. District staff will be responsible for noting attendance of Board Members at “qualifying” meetings and automatically process payments. Each Board Member will be responsible for notifying staff of reimbursable expenses other than meeting stipends.
6. Meetings in excess of the allowable amount of meetings per month will be documented in the month they occur and may be carried over to subsequent months to the end of the Fiscal Year.
7. Reimbursement for alcoholic beverages will not be allowed.
8. Any appeals for non-payment will be handled by the Board of Directors as an agenda item.

Recommendation for the Board of Directors

Approve attendance and reimbursement of related expenses at CSDA’s Annual Conference for interested Board members.

Fiscal Impact

The estimated costs for a 2 night stay are as follows:

Conference cost:	\$630
Hotel room (\$169/night + tax x 2 nights):	\$390
Meals	\$120
<u>Mileage (436 miles, .54/mile)</u>	<u>\$235</u>
Estimated cost:	\$1,375

Attachments

CSDA Annual Conference Brochure

Sept. 25-28, 2017
Monterey, California

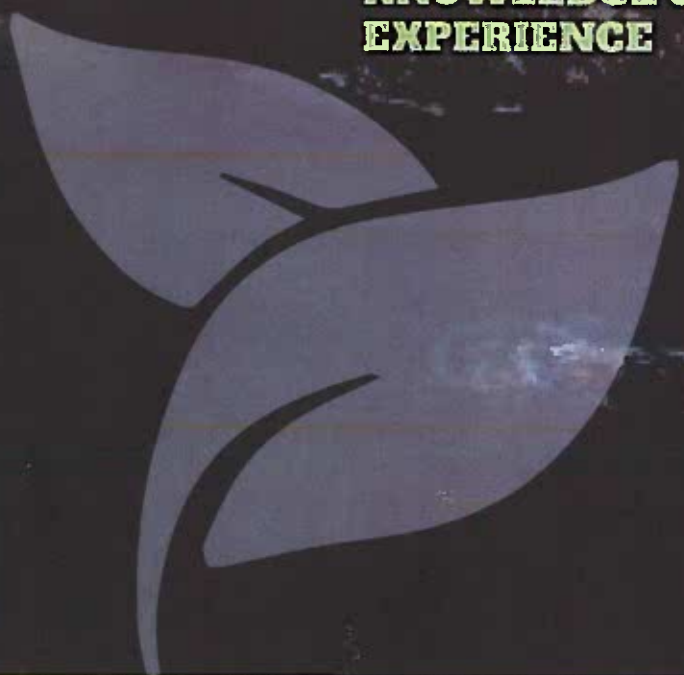
2017 CSDA ANNUAL CONFERENCE AND EXHIBITOR SHOWCASE

the leadership conference for special districts



growth

**KNOWLEDGE &
EXPERIENCE**



Attendee Registration

conference.csdanet.org

Growth

YEAR AFTER YEAR DUE TO
Value Delivered to Attendees

The one conference for you!

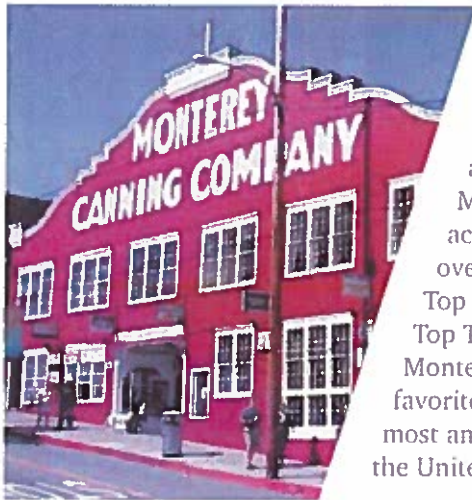
The CSDA Annual Conference & Exhibitor Showcase is the one conference special district leaders can't afford to miss! Cultivate new connections this September in Monterey.

Join 800-plus special district professionals and industry experts for a three day, must-attend education, and networking event. Develop new partnerships. Participate in inspiring and motivating keynote sessions. Walk away with strategies, new connections, and innovative ideas to move your district forward.



Monterey Marriott & Portola Hotels

Room reservations for the CSDA Annual Conference and Exhibitor Showcase begin at \$169 plus tax and are based on availability. In order to book a hotel room, you must first register for the conference to obtain a CSDA room reservation code.



What to Do?

Just 100 miles south of San Francisco, Monterey's breathtaking scenery, rich history, world-renowned attractions, and outdoor adventures invite one to grab life by the moments! Monterey is a dramatic setting for endless choices of activities all within minutes of convenient, charming overnight accommodations. Monterey is named a Top North American Golf Destination and the 2013 Top Ten Wine Travel Destination in the World. The Monterey Bay National Marine Sanctuary is home to favorite marine life that can be observed in one of the most amazing natural environments found anywhere in the United States. www.SeeMonterey.com



Attendance at the CSDA Annual Conference Qualifies for CIPs

Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses, and positively impact the overall cost of property, liability and workers' compensation coverage through the Credit Incentive Program. Credit incentive points (CIPs) can be earned based on an agency's attendance at the CSDA Annual Conference & Exhibitor Showcase, reducing SDRMA members' annual contribution amounts.

The CSDA Annual Conference and Exhibitor Showcase has something for everyone. From board members and trustees to clerks and general managers...from fire chiefs to legal counsel...we've got you covered with these breakout sessions and more!

IS HR YOUR THING? THEN YOU MIGHT LIKE...

- Lions, Tigers and Comfort Animals - As the employer, what (and how) are you required to accommodate?
- CalPERS Update & How to Prepare for and Survive a CalPERS Audit
- Employment Law Update: Gender Identity in the Workplace

ARE YOU A DIRECTOR OR TRUSTEE? DO YOU WORK WITH DIRECTORS AND TRUSTEES? WE THOUGHT SO...

- Right this Way to a Better Board - Board Best Practices
- Better Boards Equal Better Districts
- The Empty Chair - Handling Board Vacancies and Appointments

NOT A TECH GURU? THAT'S OK...

- Being Open-Minded about Open Data
- Beyond Website Basics
- Open Government: Managing Public Meetings and Public Records in an Electronic Age

Which one is right for you?
breakouts

NOT A LEGAL EAGLE? US EITHER - BUT WE KNOW PEOPLE...

- Look Before You Leap! Protecting Your District Before Litigation
- What's New in California Prevailing Wage Updates
- CEQA Basics and Hot Topics for Board Members and Staff

STRUGGLING TO FIND THE RIGHT WORDS? WE CAN HELP WITH THAT...

- Full Court Press: A Media Crash Course
- Tie in to TIERS - A New Framework for Practical Public Engagement at the Local Level
- Turning Public Perceptions of Your District from Negative to Positive: Dealing with Opposition, Complaints, Angry Customers, and Negative Media Coverage

GOT MONEY ON YOUR MIND? CHECK THESE SESSIONS OUT...

- Building a Solid Financial Foundation: Financial Policies and Internal Controls
- Understanding Special District Investments – What is the Trustee's Fiduciary Responsibility?
- Beyond the Next Budget: Fiscal Forecasts for Effective Planning

Everything went great. The breakout sessions were so informative and the speakers very helpful and willing to find info on any questions they couldn't immediately answer. The hotel was very comfy and the staff - hotel and conference alike - were very attentive.

CRYSTAL SMITH, DIRECTOR

Pre-Conference Program Events - Monday, September 25, 2017



Pre-conference Workshops

(pre-registration/payment required)

9:00 a.m. – 3:00 p.m.

Special District Leadership Academy Module 1: Governance Foundations

EARN SDRMA CIPS

As the core curriculum of CSDA's Special District Leadership Academy, this workshop serves as the "foundation" for the series on effective governance of special districts. It is specifically designed for special district board members and meets the requirement for six hours of governance training for Special District Leadership Foundation programs.

\$225 Member, \$340 Non-member

11:15 a.m. – 3:15 p.m.

Building Your District Strong - Principles for Sustained Success

BHI Management Consulting

This workshop will systematically examine each area of building a strong district from the foundation to the top-level, optimized best practices. The course is designed for boards and their managers to assess their district against a template for success.

\$150 Member, \$225 Non-member



1:30 – 3:30 p.m.

Special District Administrator (SDA) Certification Exam

Special District Leadership Foundation

(OPTIONAL – MUST BE SCHEDULED PRIOR TO CONFERENCE)

Golf Tournament

(pre-registration/payment required)



NEW! THE CSDA ANNUAL GOLF TOURNAMENT IS NOW THE **SDLF Scramble for Scholarships Golf Tournament**

9:00 a.m. – Shotgun Start
Del Monte Golf Course

Join special district elected officials, staff, and business

affiliates at this optional fun event. Great golf skills are not necessary! Proceeds benefit the Special District Leadership Foundation scholarship fund.

\$115 includes golf with cart, lunch, and prizes! Transportation to/from on your own

“ **This conference is a great, once-a-year opportunity for special district elected officials and managers to share and learn among our peers.** ”

JOE BARGET, SDA
GENERAL MANAGER



Elkhorn Slough Safari



Moss Landing Harbor District



Monterey Regional Airport District

Pre-conference tours & more!

(pre-registration/payment required)

10:30 a.m. – 2:00 p.m.

PRE-CONFERENCE TOUR

Elkhorn Slough Safari™ and Moss Landing Harbor District Tour

Elkhorn Slough Safari™ is an exciting way to visit Elkhorn Slough, where you will see a fantastic variety of wildlife such as playful sea otters, curious harbor seals, sea lions, and hundreds of species of birds. The tour will provide excellent opportunities to view and photograph wildlife close at hand.

These two-hour boat cruises include an in-depth look at various aspects of slough ecology, fascinating history, and birding in the company of a naturalist guide.

\$60 per person includes transportation to/from the hotel, light snacks, and Elkhorn Slough Safari™

Limited to 24 attendees!

Early registration is encouraged.

12:00 – 3:00 p.m.

PRE-CONFERENCE TOUR

Monterey Regional Airport District Tour

Check out what's new at the airport. That's right! Get a tour of Monterey Regional Airport and briefing on projects and initiatives. Monterey Airport (MRY) a 498 acre is a "Non-Hub" airport created in 1941. Four airlines serve Monterey: Alaska Airlines, American, Allegiant and United Airlines.

\$50 per person includes lunch, tour, and transportation to/from the hotel.

Limited to 45 attendees!

Early registration is encouraged.

3:30 – 4:30 p.m.

Chapter Roundtable Discussion

Join CSDA board members and local chapter leaders from across the state to share best practices and discuss issues and opportunities. *All attendees welcome.*

4:30 – 5:15 p.m.

District NetWorks Meetings

Designed by local special district leaders to connect and interact with other leaders from throughout California; come take part in one of our six District NetWorks meetings. No matter where you are in the state, you belong to a district Network. Share challenges, solutions, and opportunities with your neighboring districts. Learn how you can take part in CSDA's grassroots advocacy and public outreach efforts. Take this opportunity to meet your public affairs field coordinator, connect with special district leaders, and grow your Network!

To learn more about CSDA District NetWorks efforts, visit: www.csda.net/about-csda/district-networks/



CSDA ANNUAL CONFERENCE BEGINS Monday evening @ 5:30 p.m.

CSDA Annual Conference begins!

5:30 – 7:30 p.m.

President's Reception with the Exhibitors

(All registered attendees welcome)

Join us in the exhibit hall as we network with business professionals who provide all types of goods and services to special districts. Enjoy appetizers and refreshments as you meet with Monterey native and CSDA Board President Vincent Ferrante and CSDA board members from around the state.



Tuesday, September 26, 2017

7:30 a.m. – 6:00 p.m.

Exhibitor Showcase Open



7:30 – 8:45 a.m.

Continental Breakfast with the Exhibitors *(Raffle)*



9:00 – 10:45 a.m.

OPENING KEYNOTE PRESENTATION:

Eric Boles Moving to Great

Eric Boles, president and founder of The Game Changers, Inc., will be starting off CSDA's 2017 Annual Conference with his keynote session "Moving to Great." Through his company, Mr. Boles has been able to create several executive and emerging leader development programs that are used globally and have set a new standard for organizations to enhance their culture and develop higher levels of commitment and performance. Mr. Boles' presentation will prepare you for Annual Conference with a drive to move toward greatness.

11:00 a.m. – 12:15 p.m.

CSDA Finance Corporation Board and Annual Meeting

Growth

11:15 a.m. - 12:15 p.m. **BREAKOUT SESSIONS**

Building a Solid Financial Foundation: Financial Policies and Internal Controls

Jane S. Marta & Company LLP CPAs
Best practices start with board adopted policies and procedures in key financial areas and internal controls. Special districts that are financially well-managed have clearly articulated fiscal policies. Formal documentation and communication are critical for proper implementation and monitoring. In this session you will learn what policies are critical for financial management, security, internal control, and financial decision-making. Questions to consider: Do you have written fiscal policies, how often are they reviewed, what do they cover, and are your employees aware of the policies?

Full Court Press: A Media Crash Course
CV Strategies

Dealing with scrutiny from news media can be uncomfortable and even intimidating – especially going on-camera. In this hands-on workshop, hone real-world media skills from Emmy Award-winning former news insiders with decades of experience. Be prepared to step out of your comfort zone! In a safe setting, you'll stage a mock news conference complete with questions from our expert "reporters", discover the do's and don'ts of conducting an on-camera interview and come away with an increased awareness of how to face the media in even the most difficult of circumstances. Plus, learn about the latest industry best practices that combine the challenges and opportunities of managing an ever-evolving media landscape. Participants will leave with more self-confidence plus a state of the art "communications toolbox" complete with the tactics and tools they can't live without!

It's Getting Hot in Here – Climate Change Adaptation Recommendations for Special Districts

Local Government Commission and Office of Planning and Research
Climate mitigation and adaptation are hot topics in California and for special districts, especially with the climate change focus of the Little Hoover Commission's special district study. The Commission's report is expected to include numerous recommendations for special districts to be more involved in climate adaptation efforts. This session is the perfect opportunity to be responsive and learn about ways all districts, large and small, can prepare for and adapt to changes in the environment due to climate change.

Lions, Tigers, and Comfort Animals – As an Employer, What (and How) Are You Required to Accommodate?

Kane Ballmer & Berkman
This session will discuss the different categories of animals recognized by the Fair Employment and Housing Act, what the employer can ask the employee about the disability and the request for an accommodation, what the employer can demand in terms of documentation for the need for an accommodation and how the animal will assist the employee in performing the job functions, and importantly, what can the employer refuse to allow into the workplace?

Look Before You Leap! Protecting Your District Before Litigation

Stradlin, Yocca Carlson & Rauth
Discuss and explanation of the various mistakes and pitfalls that districts make that impair the ability to defend against later litigation. Topics discussed will include preserving the protections of the Government Claims Act, the need for a records retention policy, steps that should be immediately taken if you think the district might be sued, learning the steps necessary to preserve the protection of the Government Claims Act, how to maintain records in the digital age to increase chances in litigation, and how to respond when you think your district might be sued.

Open Government: Managing Public Meetings and Public Records in an Electronic Age

Richards Watson Grishon
Open government has taken on new meaning in this electronic age, and the legislature and courts are catching on. The result: new obligations for public agencies. Hear how other special districts have addressed electronic records and the use of personal email accounts and devices following the California Supreme Court's decision in *City of San Jose v. Superior Court*. How should your agency respond to Public Records Act requests for these, and other types, of records? What changes must be made to Brown Act practices in light of recent legislation? Find out during this update on open meeting and public records requirements.

Right this Way to a Better Board – Board Best Practices

BHI Management Consulting
Based on the instructor's new book *Fifty-Two Ways to be a Better Board*, this session will narrow the 52 ways down to four overall concepts that he has correlated as the most important elements of being a board member.

Tuesday, September 26, 2017



12:15 – 1:45 p.m.

Lunch with the Exhibitors

(All registered attendees welcome)

Enjoy your lunch while taking time to learn more about our exhibitors and the valuable services they provide. From risk management, accounting, HR, legal, banking services, and more – our exhibitors have some of the best of what you're looking for!

Lunch is included in conference registration.

2:00 - 3:15 p.m. **BREAKOUT SESSIONS**

Being Open-Minded about Open Data

Lozano Smith

Data increases geometrically on an almost daily basis. The methods by which you can harvest it and then put it to use for your district and those whom you serve increase in a similar manner. A general understanding of cyber-data, and how it can both benefit and compromise you, is critical in today's regulatory and business environment.

CalPERS Update & How to Prepare for and Survive a CalPERS Audit

Lichert Cassidy Whitmore

Many special districts have been audited by CalPERS and more will be audited in the future. This session will provide a timely update on CalPERS developments for 2017 and the critical topics that your districts should know to prepare for a CalPERS audit and have a successful outcome.

Successful Strategies for Utilizing Debt

CSDA Finance Corporation

Debt is not necessarily a four-letter word. Borrowing funds for mission-critical infrastructure can be a valuable strategy for protecting cash reserves while achieving your district's goals. Consultants from the CSDA Finance Corporation discuss ways to take advantage of low interest rates, including utilizing various financing structures, and refinancing of existing debt to save money in the long-term.

Required Ethics AB1234 Compliance Training (PART 1)

Mcyers Navr

AB1234 mandates that local agency officials receive two hours of ethics training every two years. This two part training covers all the required topics, including laws relating to: (1) personal financial gain by public servants (conflict-of-interest, bribery), (2) claiming perquisites of office (gift, travel and mass mailing restrictions, use of public resources for personal or political purposes, free or discounted transportation), (3) government transparency (financial interest disclosure requirements, open meeting laws), and (4) fair process (incompatible offices, competitive bidding, nepotism).

Special Districts Jeopardy!

CSDA and Panel of Legal Experts

"I'll take special district laws for \$1,000 Alex." Join us for this fast-paced and informative session featuring a panel of attorneys answering questions commonly asked by special districts regarding various areas of law, including the Brown Act, Public Records Act, Proposition 218, elections, board training requirements, and more. The session will also feature a 'Lightning Round' to allow the audience to ask our experts general legal questions.

Understanding Special District Investments – What is the Trustee's Fiduciary Responsibility

Wells Fargo Advisors and Orange County Cemetery District

Presenters will cover the board's fiduciary responsibilities by reviewing the importance of having an Investment Policy Statement, the Prudent Investor Rule, an overview of permitted investments per California Government Code, and investment strategies for rising interest rates. Concluding with a special district case study from a general manager's perspective on the Investment Management Program.

What's New in California Prevailing Wage Updates

Contractor Compliance and Monitoring Inc.

Prevailing wage law in California is constantly changing. Attend this session to get the latest update on recent changes. Key topics will include when: Maintenance and Service work is covered by prevailing wages; preconstruction work is covered by prevailing wages; and, work can be exempt from prevailing wage by using agency staff, volunteers, CCC, and students. CCMI will also be sharing its Public Agency Prevailing Wage Checklist designed to help agencies understand and comply with prevailing wage requirements.

NETWORK WITH PEERS

Tuesday, September 26, 2017

3:30 - 4:30 p.m. **BREAKOUT SESSIONS**

A New Look at Design Immunity – Expanding Protection for Public Entities

Hanson Bridgett, LLP

Design immunity is an incredibly powerful doctrine that is underutilized by public entities. It provides an absolute defense to dangerous condition of public property liability for public entities. With some creative thinking, public entities can use design immunity not only to shield them from liability for injuries caused by the structural design of their facilities, but also for the way in which those facilities are operated. Come learn about this significant defense to dangerous condition claims and get tips on proactive steps your agency can take to strengthen and expand this immunity to maximize the potential of obtaining design immunity when sued.

Beyond the Next Budget: Fiscal Forecasts for Effective Planning

Hayward Area Recreation & Park District and Management Partners

Many agencies base next year's budget on this year's, assuming that most details will remain the same. But the risks of this practice were revealed during the Great Recession, when many special districts had to scramble to recover from plunging revenues. Hayward Area Recreation and Park District recently worked with Management Partners to develop a five-year fiscal forecast, which will allow the district to see how pay increases, new debt, pension costs, revenue changes, possible recessions, and inflation will affect the district.

Employee Engagement

CPS HR Consulting

Leaders at all levels of government are under enormous pressure to maintain and improve performance, while managing increased turnover and doing more with less. One proven response to this difficult leadership challenge is to improve the level of employee engagement. This workshop provides participants with the knowledge and tools to understand what engagement is and why it matters, and measure and improve employee engagement. Participants will be able to apply what they learn to measure and improve employee engagement in their organizations.

One Toke Over the Line: The Growing Specter of Marijuana in the Workplace

Atkinson, Anderson, Loya, Ruud & Romo

Marijuana is more common place than ever. With this changing legal landscape, it is critical that public employers understand their rights in addressing employee marijuana use. When and how can a public employer conduct drug testing? What is the scope of acceptable marijuana use in the workplace? What affirmative steps can a public employer take to address issues of marijuana use with its employees? Join us for a discussion of these timely issues to ensure that your agency is not left high and dry.

Required Ethics AB1234

Compliance Training (PART 2)

Myotis Nave

See previous session description.

Say What?!? Speaking Plainly Through Policy

BHI Management Consulting

This session outlines the critical nature and importance of making long-lasting and meaningful policy as a board. Good policy is the most professional expression of a great board and agency. Yet special districts struggle with what policy means and how to make and use them. From BHI Management Consulting's President, Brent Ives, "Making good policy moves our board to the highest level of performance". Don't miss it.

Tie in to TIERS – A New Framework for Practical Public Engagement at the Local Level

Institute for Local Government

In this interactive session, participants will learn about a new public engagement framework created by the Institute for Local Government. The TIERS (Think-Initiate-Engage-Review-Shift) Framework provides a practical step-by-step approach for any local government, small to large. Share your challenges and hear from special districts that have begun to implement this framework.



4:30 – 6:00 p.m.

Mix & Mingle in the Exhibit Hall: Grand Prize Drawings

Root yourself and connect with exhibitors in the exhibit hall for a cocktail and appetizer before you go out on the town in Monterey for dinner.

Be sure to enter for one more chance to win one of our fabulous prizes!

Wednesday, September 27, 2017



8:15 – 9:00 a.m.

SDRMA Sponsored Full Plated Breakfast

(All registered attendees welcome)

9:00 – 10:45 a.m.

SDRMA GENERAL SESSION, SAFETY AWARDS, KEYNOTE

Manley Feinberg



Reaching Your Next Summit! 9 Vertical Lessons to Lead with More Impact
Manley Feinberg, business leader and author of *Reaching Your Next Summit! 9 Vertical Lessons to Lead with More Impact* will be our keynote speaker on Wednesday. Prior to Mr. Feinberg's career as a speaker, he worked with Build-A-Bear Workshop and helped the company land on the FORTUNE 100 "Best Companies to Work For" List four years in a row with his award-winning business solutions. This keynote will leave with you many actionable techniques, frameworks, and insights to help lead your organization to a better tomorrow.

11:00 a.m. - 12:15 p.m. **BREAKOUT SESSIONS**

Beyond Website Basics

Streamline

If your district has a website—regardless of the platform—and you're ready to take it to the next level, this is the session for you! We'll share resources for free, beautiful photos and iconography you can use to dress up your site; cover various tools for converting Word files to PDFs, and scanned PDFs to text files (important for upcoming compliance requirements!); demonstrate easy ways to engage with citizens using things like email signup forms, voting and polling tools; and discuss search engine optimization including submitting your site to search engines, and how to craft content for the best search results. You'll leave with handouts including additional resources to take back to your district or share with peers.

CEQA Basics and Hot Topics for Board Members and Staff

Best Best & Krieger and Albert A. Webb Associates

CEQA is complex and fast changing but this panel of CEQA attorneys and consultants will break this crucial environmental law down to its essential components. A special emphasis on the latest CEQA developments relating to greenhouse gas emissions, tribal cultural resources, SGMA, and marijuana use and cultivation will also be provided, focusing on how these "CEQA hot topics" affect special districts.

Employment Law Update: Gender Identity in the Workplace

Special District Risk Management Authority

In this session, we will discuss and provide examples of gender issues facing employers in California today. What is the current state of California law? What is an Employer's legal duty to accommodate LGBTQ employees and/or the public? Exactly how many restrooms do we need?

Get in the Mix! Work-Life Blending

CPS HR Consulting

The concept of "work-life balance" is changing. With the ability to be connected all the time, we are moving to more of a work-life blend. How does that translate in the workplace? What does this look like for you and how can you find your right blend? By rethinking balance and seeking to blend, not only will you feel less guilty about mixing work and life together, but you will find it more realistic to feel fulfilled both at and outside of work.

The annual conference always gives me something I can use in my role as a board member.

MICHAEL SEAMAN,
DIRECTOR

Wednesday, September 27, 2017



11:00 a.m. - 12:15 p.m. **BREAKOUT SESSIONS CONTINUED**

Planning for the Future Through Effective Rate Setting

Best Best & Krieger and Santa Margarita Water District

Rate-setting is a necessary, yet often a difficult, obligation for every district. Districts must consider short-term financial requirements, including day-to-day operation and maintenance of water and wastewater systems, while simultaneously planning for the future through building reserves and preparing for future capital projects and improvements, and unexpected expenses. This session explores legal and technical requirements for rate-setting, as well as strategies for successful adoption and implementation of water rates designed for long-term financial stability from Santa Margarita Water District, based on experience.

The Doctor Will See You Now: Assessing the Financial Health of Your District

Mann, Urrutia, Nelson CPAs & Associates, LLP

This session will provide a review and insight of important financial concepts, reports, and policies specific to public agencies including special districts. The presenter will cover: understanding the financial audit process and how to evaluate audit results, application of basic financial ratios to help assess the financial health of your district, and evaluating fraud risk and implementation of related internal controls.

Turning Public Perceptions of Your District from Negative to Positive: Dealing with Opposition, Complaints, Angry Customers, and Negative Media Coverage

Rauch Communication Consultants, Inc.

Whether your district is seeking to overcome lack of support for an important program or buffeted and besieged by opposition, this seminar can help by providing clear examples and guidance on how to deal with difficult public issues and regain public trust, understanding, and support so your district can move forward.



12:30 - 1:45 p.m.

CSDA Annual Awards Luncheon

(All registered attendees welcome)

Recognize and celebrate your peers! Join us as we celebrate the best of special districts with awards including: Board Member of the Year, General Manager of the Year, the prestigious William Hollingsworth Award of Excellence, Chapter of the Year, Special District Leadership Foundation (SDLF) awards, and more!

CSDA Recognizes the Best Among Special Districts

Do you have a board member, staff member, volunteer, or district program that you feel deserves recognition?

Each year, CSDA presents various awards during the CSDA Annual Conference and Exhibitor Showcase. There are several different categories. Please consider outstanding individuals within your districts for individual awards. Chapter awards and district awards are also open for nominations. Visit the Awards section of our conference website at conference.csda.net for more information.

CSDA Awards Luncheon

(Guest Only, without a conference registration): \$45

If you have any questions regarding the awards or the awards process, please contact Charlotte Lowe at 877.924.2732 or by email at charlottel@csda.net.

Deadline for submissions is Friday, July 21, 2017. All applicants will be notified prior to the Annual Conference as to the winner.

Wednesday, September 27, 2017

2:00 - 3:30 p.m. **BREAKOUT SESSIONS**

Before You Press Send: Public Records and Brown Act Considerations

Lozano Smith

Questions regarding use of e-communication, and retention of and public access to electronic documents, continue to challenge board members and staff. Hear the latest on e-communication and the Brown Act; public records; social media implications; and use of personal devices for public business. This session will help attendees better understand how the law applies to the use of technology.

Better Boards Equal Better Districts

Rauch Communication Consultants, Inc.

Best practices in board and committee meetings, role of the President, fostering healthy dialogue, board and general manager roles and relationships, and more. Streamline and update how your board operates. Gain ideas on how to make board meetings more effective, interesting, and meaningful. Learn how to evaluate whether to have committee meetings and if so, how to structure them. Get tips on how to ensure your board is focusing on the right information and issues, and providing clear policy direction to the manager. This is an interactive session full of examples and real world ideas.

Effectively Communicating Financials and Key Questions Board Members Should be Asking

James Marta & Company LLP CPAs and Olivenhain Municipal Water District

In this session, you will learn what key financial reports management and the board need for effective decision making and how to effectively present information to those with non-financial backgrounds to ensure a better understanding of the district's finances. Presenters will discuss the use of financial dashboards to summarize and present the most critical financial data needed on a regular basis, effective budget actual comparison, and multi-year analysis.

LAFCOs and Special Districts: Pitfalls and Opportunities

Meyers Nave

LAFCOs have significant authority over special districts and special care is needed to ensure that a district does not run afoul of its powers. This panel will look at specific instances where special districts can work with LAFCOs to avoid problems with other districts, evaluate new opportunities and understand where regional cooperation is the best policy for all involved.

Required AB1825 & AB1661 Harassment Prevention Training for Officials and Supervisors (PART 1)

Burke Williams Sorrentin

AB1825 and AB1661 makes sexual harassment prevention training mandatory for supervisory employees and officials receiving any compensation. This legislation requires employers to ensure that all supervisors and officials receive at least two hours of sexual harassment prevention training every two years. Receive your AB1825/AB1661 compliance training for special districts with this breakout.

Winning the War for Talent

Santa Clara Valley Water District and Management Partners

The session will identify the key talent challenges identified in a series of focus groups involving senior leaders in local government and explore strategies and best practices to address the challenges and more.

Workers' Compensation Update

Special District Risk Management Authority

Are all workplace accidents compensable under California Labor Code? What does Arising Out Of/ Course of Employment (AOE/COE) mean? Join SDRMA for this lively and informative session that will answer these questions and more!



5:00 – 7:00 p.m.

SPECIAL DISTRICT LEADERSHIP FOUNDATION (SDLF)

Taste of the City

(All registered attendees welcome)

Brews, Blues & BBQ

This party was so much fun this last time – we are bringing it back for an encore performance. Sample local BBQ and craft brews while enjoying music from our DJ/ auctioneer, games, and a silent auction.

Wednesday, September 27, 2017

3:45 - 5:00 p.m. **BREAKOUT SESSIONS**

FPPC Update: Conflicts of Interest

Fair Political Practices Commission

This session presented by a representative from the FPPC will include a presentation regarding conflicts of interest under the Political Reform Act and Government Code Section 1090 and a discussion of recent advice letters.

Get On Board: Employee Orientation Requirements and Best Practices

Liebert Cassidy Whitmore

Employee orientation is more than just a nice way to acquaint new employees with your history and mission. It's also a key tool to ensure employees work in compliance with your district's goals, policies and procedures, as well as to provide them with any applicable information about their legal protections in the workplace. This session will cover the best practices for districts, including best practices for districts with represented bargaining units.

Going to the Ballot?: Restrictions on the Use of Public Funds for Political Purposes

Hanson Bridgett

Need to raise revenues or change the law, but confused by pitfalls and restrictions? Want to support a bill or local measure, or ask your residents to approve a property-related fee or assessment, but not sure whether or how to reach out to the public? Come learn about the laws governing public agency efforts surrounding ballot measure campaigns, grassroots lobbying and legislative advocacy. Hanson Bridgett's attorneys will provide you with a framework to figure out next steps for your agency to inform the public, state or federal government, about your agency's needs.

How'd You Do That? Panel Discussion with CSDA Award Winners

Communication Advantage

Do you ever attend the CSDA Awards Luncheon and think "That's a great idea, but I wouldn't even know where to start on something like that"? This panel will explore such topics as where the great ideas come from, what additional resources are needed for implementation, how to gain board approval, and what factors help our judge select a winner.

The panel will include representatives from winning agencies and an awards judge.

The Empty Chair – Handling Board Vacancies and Appointments

Myers Nave

Attendees will receive instruction and information on board vacancies and appointments. Discussion will also include board governance related to behavior and removal, including legal process and procedures.

Watch Out! Dangerous Condition of Public Property

Special District Risk

Management Authority
How dangerous does a condition have to be before a public entity is legally liable? What is a Trivial Defect? Are there immunities for recreational activities? These issues and more will be discussed during this informative session.

Required AB1825 & AB1661 Harassment Prevention Training for Officials and Supervisors (PART 2)

Burke Williams Sorocsen

See previous session description.

Thursday, September 28, 2017



8:30 – 10:30 a.m.

Closing Breakfast

2017 Legislative Impacts on Special Districts

CSDA's lobbying team will present attendees with the most up-to-date information on the outcome of the biggest state budget and legislative issues impacting special districts in 2017, as well as a sneak peak of what to expect in 2018. Get all the latest legislative results and learn what they mean for special districts going forward.

10:30 a.m.

Conference ends



This party has a purpose. Attendees at this reception will have the opportunity to participate in the Special District Leadership Foundation (SDLF) silent auction to raise funds for scholarships.



A special wine raffle will be held at 6:30 p.m. Purchase your tickets throughout the conference for the chance to win a deluxe 35-bottle wine cellar fully stocked. You must be present to win!

conference.cdda.net

Item 8.4 Cover sheet – Claim Against ARD – Fall at Regional Park During ARD Concert Event

Auburn Area Recreation and Park District August, 2017 Board of Directors meeting

The Issue

Shall the Auburn Area Recreation and Park District (ARD) approve or deny a claim against ARD for a fall that occurred at ARD's "Ain't Necessarily Dead Festival" on July 15, 2017?

Background

ARD policy on accidents and claims states the following (from the District Policy Manual):

- B. District Policy for Handling Claims Against the District. All claims will be directed to the District Administrator to handle pursuant to California Association for Park and Recreation Indemnity (CAPRI) guidelines. Any claim under \$5,000 will be handled by the District Administrator and sent to the Consent Calendar at the next available Board meeting. Claims without a dollar amount will be handled per CAPRI guidelines.

The California Association for Park and Recreation Indemnity (CAPRI) "Summary of Accident Handling Procedures" states the following:

CLAIMS

If the claim is sufficient, it should be placed on the Board agenda for **action on its merits**. Notify the Claimant in writing of action taken by the Board.

A copy of the claim, estimate and investigation notes is attached.

Recommendation for the Board of Directors

Deny the claim from Brandon VonLoren. Third Party Administrator George Hills Company Inc. contracted by CAPRI, also recommends denying the claim. The area where the fall occurred is well constructed and has been there for some time. There were dozens of other ways for Mr. VonLoren to access the event, all of which would have afforded better lighting and a clearer path to the stage. There have also been no other known incidents or accidents in this location.

Fiscal Impact

No impacts if the claim is denied.

\$13,000+ if approved

Attachments

Claim from Brandon VonLoren and accompanying investigation notes and information

ACCIDENT REPORT

AUBURN AREA RECREATION AND PARK DISTRICT
471 Maidu Dr. Auburn, CA 95603
(530) 885-8461

DO NOT USE THIS FORM FOR EMPLOYEE INJURIES. HANDLE EMPLOYEE INJURIES ACCORDING TO WORKERS' COMPENSATION GUIDELINES. District staff (not the Injured person) should complete this form. After completing it, forward to the District Investigator, who should mail a copy to CAPRI and keep a copy for district files. All accidents should be reported, since there is always the potential for a claim. If an accident involves serious bodily injury or death, call CAPRI immediately, then follow up with a written report.

INJURED

Name of Injured: Brandon Vonloren Age: 27 Sex: M

Address: P.O. Box 4008

City, State, Zip: Auburn, CA 95604

Home Phone: (530) 613-7685 Mother (Coleen) Phone: (916) 717-1772

Date of Accident: 7/15/17 Time: _____ Location: Regional Park – near tennis courts

Part(s) of body injured: Knee; rib cage area

Describe how the accident happened. Include persons, equipment and objects involved: Brandon was attending the "Ain't Necessarily Dead Festival", an all day music festival at Regional Park. Brandon claims that he stepped into a hole used for the Disc Golf Course and fell on his face, injuring his knee and ribs.

Did the Injured cause or contribute to the injury or accident? (Y/N) Unsure Describe:

Who was notified? Mother Coleen called Kahl Muscott, District Administrator, on Monday, July 17th. Relationship:

Where was the Injured taken? _____ Home _____ Hospital _____ Doctor _____ Other

If "Other," where? _____

Was 911 called? (Y/N) No Was first aid provided? (Y/N) _____

Name of person giving first aid:

Address of person giving first aid: _____ Phone (____)

Was the Injured participating in a district activity? (Y/N) Yes

If "Yes," had the Injured (or parent) signed a Waiver and Release? (Y/N) No; this is a free to the public event

Name of person in charge: Kahl Muscott Phone (530) 537-2186

Was any property damaged? (Y/N) No If "yes," describe

WITNESSES

Name: _____ Home Phone: (____) _____

Address: _____ Work Phone: (____) _____

City, State, Zip: _____ District Employee? (Y/N)

Name: _____ Home Phone: (____) _____

Address: _____ Work Phone: (____) _____

City, State, Zip: _____ District Employee? (Y/N)

Name: _____ Home Phone: (____) _____

Address: _____ Work Phone: (____) _____

City, State, Zip: _____ District Employee? (Y/N)

Was a police or fire report filed? (Y/N) _____ Was a citation issued? (Y/N) _____

Name of police department or fire department: _____

COMPLETED BY:

Print Name: Kahl Muscott Title: District Administrator

Signature: Kahl S. Muscott Date: _____

REVIEWED BY:

Print Name: _____ Title: _____

Signature: _____ Date: _____

Injury

brandon v [bvonlore@yahoo.com]

Sent: Wednesday, July 26, 2017 9:20 AM

To: Print & Marketing Services 424

PO Box 4008
Auburn, CA 95604

July 21, 2017

Board of Directors
Auburn Area Recreation & Park District
123 Recreation Dr.
Auburn, CA 95603

Dear Board of Directors:

I incurred injuries on July 15, 2017 at 10:10 pm during the Aint Necessarily Dead Music Festival at Regional Park. I was walking from the parking structure to the venue through the tennis courts. It was very dark with no lighting on the walking path or beyond. As I attempted to approach the show I was suddenly falling over bricks of the disc golf area (approximately 3 feet high). Immediately I knew something was wrong. I landed on my right shin and left rib cage splitting open my shin and fracturing my rib. There were no lights, caution tape or cones indicating the hazard. It was completely dark. The disc golf area was right in path to the concert.

The doctor estimated recovery time to heal rib to be 1-3 months. I am now unable to work, move without pain or sleep comfortably. I have incurred damages. I have been forced to miss work and unable to pay my bills.

I work for myself doing weed abatement and summer is my busy time. Prior to this incident, I was working between 8-10 hour days making \$20 an hour usually 6 days a week. My estimated loss is \$4500 per month. If I am unable to work for 1-3 months my losses could incur to be over \$13,000.

Thank you


Brandon VonLoren
530 613 7685
bvonlore@yahoo.com







Item 8.5 Cover sheet – Addressing the Board; Amendments to Public Comment Policies and Procedures

Auburn Area Recreation and Park District (ARD) Board of Directors Meeting August, 2017

The Issue

Shall the Auburn Area Recreation and Park District (ARD) amend its policy on addressing the Board by allowing the Board to place limits on the time allowed for Public Comment? Director Holbrook requested that this item be considered.

Background

ARD's existing policy on addressing the Board, specifically in regards to public comment, is as follows:

Section III BOARD PROCEDURES AND CONDUCT OF BOARD MEETINGS

ADDRESSING THE BOARD – PROCEDURE. Each person desiring to address the Board shall approach the podium, state their name and address for the record (optional) and state the subject which they wish to discuss (unless they are speaking to an agenda item), state whom they represent if thereon on behalf of an organization or other persons, and unless further time is granted by the Presiding Officer or majority of the Board, shall limit their remarks to three (3) minutes unless the Presiding Officer, with the consent of the Board, shall grant more time at the present meeting, and shall confine remarks to the subject matter which was previously stated or which is pending before the Board. No person shall address the Board unless they have first been recognized by the Presiding Officer.

All remarks shall be made to the Board as a whole, and not to any member thereof. No questions shall be asked of any Board Member or member of the District staff without first obtaining permission of the Presiding Officer. Any person violating this procedure while addressing the Board shall be called to order by the Presiding Officer.

After public comments have been made on an agenda item, each Board Member will be allowed time to address the matter and ask questions regarding the information presented by members of the public. Once a motion and second has been made on the matter, no further questions of the public will be allowed.

It has been suggested that this policy should be amended to allow the ARD Board the opportunity to limit the time for public comment in situations where many people wish to speak. The Brown Act does not set a limit for the amount of time that must be made available for public comment. Per the First Amendment Coalition:

“California’s open meeting law, known as the Brown Act, requires that “[e]very agenda for regular meetings shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body’s consideration of the item, that is within the subject matter jurisdiction of the legislative body.” Gov’t Code section 54954.3(a). The scope of comment permitted at a regular meeting includes not only agenda items, but any item within the body’s jurisdiction that has not already been considered at a previous meeting where public comment was permitted.

The Brown Act permits legislative bodies to adopt “[r]easonable regulations” for public comment periods, including regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker, but the body may not “prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body.” Gov’t Code section 54954.3(b), (c).”

Excerpts from other documents are included as an attachment.

Recommendation for the Board of Directors

Staff has provided proposed changes to District Policies regarding Address the Board.

Review and approve the changes.

Attachments

Proposed changes to ARD Policy on Addressing the Board

Excerpts from other documents on public comment

Proposed changes to ARD Policy on Addressing the Board

Section III BOARD PROCEDURES AND CONDUCT OF BOARD MEETINGS

ADDRESSING THE BOARD – PROCEDURE. Each person desiring to address the Board shall approach the podium, state their name and address for the record (optional) and state the subject which they wish to discuss (unless they are speaking to an agenda item), state whom they represent if ~~thereon~~ there on behalf of an organization or other persons, and ~~unless further time is granted by the Presiding Officer or majority of the Board,~~ shall limit their remarks to three (3) minutes. ~~unless~~ If it is determined that circumstances such as the presence of many speakers or the need to hear a lengthier presentation exists, the Presiding Officer, with the consent of the Board, ~~shall~~ may grant more or less time for public comment. Such changes to the time limit shall be enforced fairly and without regard to speakers' viewpoints. ~~at the present meeting, and~~ Speakers shall confine remarks to the subject matter which was previously stated or which is pending before the Board. No person shall address the Board unless they have first been recognized by the Presiding Officer.

All remarks shall be made to the Board as a whole, and not to any member thereof. No questions shall be asked of any Board Member or member of the District staff without first obtaining permission of the Presiding Officer. Any person violating this procedure while addressing the Board shall be called to order by the Presiding Officer.

After public comments have been made on an agenda item, each Board Member will be allowed time to address the matter and ask questions regarding the information presented by members of the public. Once a motion and second has been made on the matter, no further questions of the public will be allowed.

Excerpt from **Open & Public IV: A Guide to the Ralph M. Brown Act —2nd edition, revised** by the League of California Cities

THE PUBLIC'S PLACE ON THE AGENDA Every agenda for a regular meeting must allow members of the public to speak on any item of interest, so long as the item is within the subject matter jurisdiction of the legislative body. Further, the public must be allowed to speak on a specific item of business before or during the legislative body's consideration of it. Moreover, the legislative body cannot prohibit public criticism of policies, procedures, programs, or services of the agency or the acts or omissions of the legislative body itself. But, the Brown Act provides no immunity for defamatory statements.

The legislative body may adopt reasonable regulations, including time limits, on public comments. Such regulations should be enforced fairly and without regard to speakers' viewpoints. The legislative body has discretion to modify its regulations regarding time limits on public comment if necessary. For example, the time limit could be shortened to accommodate a lengthy agenda or lengthened to allow additional time for discussion on a complicated matter.

Excerpt from **Navigating the Gray Haze of the Brown Act** by Fagen, Friedman & Fulfrost, LLP

Meetings of legislative bodies are business meetings that must be conducted in public.

- At regular meetings, the public may address the legislative body on any matter within the agency's jurisdiction whether or not on the agenda.
- An agency's policy may indicate the amount of time that each speaker has to address the Board. Further, the agenda may indicate the total amount of time allocated for public comment, e.g., 30 minutes.
- Speakers should offer their name for the record, but they are not required to provide any other information.
- The public may criticize the board, its individual members and public employees. Members of the legislative body should resist engaging in debate or dialogue with the public when personally criticized and not comment on any personal matter that might be raised by members of the public.

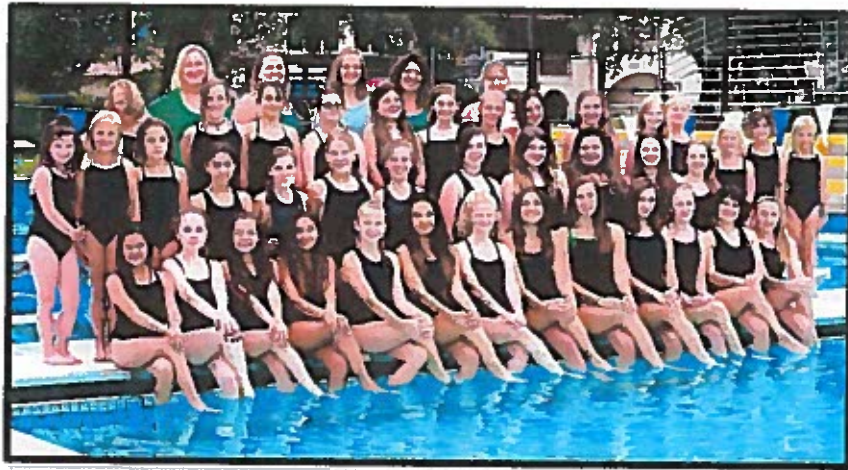
SECTION: 9.0 ITEMS FOR DISCUSSION AND INFORMATIONAL ITEMS

1. Board Member compliance – status of Board Member training (Program, Personnel, Policy, Fee & Legal Review Committee)
2. County Mitigation Fund, current balance \$276,624.

SECTION 11.0

**ITEM: CORRESPONDENCE/COMMUNICATIONS AND
INFORMATIONAL**

1. Thank you letter from Auburn Mermaids Synchronized Swimming.



Dear ARD Staff,

Thank you for your
ongoing support of our
Auburn Mermaids year
after year. We are so grateful
for the use of your facilities.

Sincerely, The Auburn
mermaids



Auburn Mermaids
Synchronized Swimming

Auburn Journal

Friday Aug 11 2017 | 0 comments

0

Ukulele concert tonight, festival tomorrow

Uke players are invited to attend

By: Journal Staff



Auburn Ukulele Concert and Festival

When: Concert 7 p.m. today, Festival 9 a.m. tomorrow August 12

Where: State Theatre; Canyon View Community Center

For more information and to download a registration form: Go to auburnrec.com/events/ukulele or call 530-863-4615. Concert tickets only can be purchased directly by going to the State Theater website.

Daniel Ward and Heidi Swedberg will kick off the 6th annual Auburn Ukulele Concert and Festival, along with Dani's Trio and the Strum Shop Pee Wee Players.

The concert is at the State Theater in Auburn, the festival is at the Auburn Recreation Park in Auburn.

Uke players of all ability are welcome.

The combo ticket is \$45 and is good for the concert, workshops and includes lunch on Saturday.

Keywords:

concert Festival ukulele

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SEND CORRECTIONS



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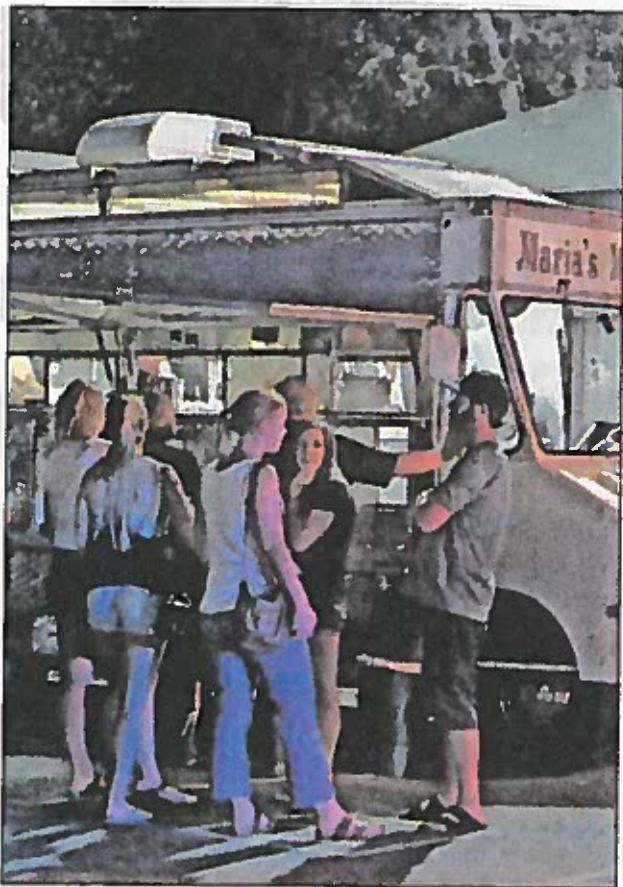
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FILE PHOTO BY EYRAGON EIDAM • AUBURN JOURNAL

Attendees queue up to check out the menus and sample dishes during the 2014 Auburn Recreation District's Food Truck Fiesta at Recreation Park Friday evening.

Food Truck Fiesta tonight

Food, music, fun

BY AURORA SAIN
OF THE AUBURN JOURNAL

Food. Beer. Music. These are just a few of things expected at the Food Truck Fiesta tonight.

This event will feature a beer garden provided by Auburn Alehouse, a kidzone and about 30 vendors.

There will also be 13 food trucks including Dave's Dawgs, Pho King Good, It's Nacho Truck, Curry Bowl, Ohmaha Shaved Ice and more.

"Any kind of food you're looking for you can find it," said Recreation Services Manager Sheyl Petersen.

There will be business vendors as well as craft vendors, and music provided by the Pine Street Ramblers.

The event serves as a fundraiser for the cre-

FOOD TRUCK FIESTA

When: 5 p.m. Tonight
Where: Recreation Park, 123 Recreation Drive in Auburn
Info: Call 530-885-8461

ation of the Auburn Bike Park and purchases will go towards supporting that.

There will also be bike shops present with a drawing for a free bike.

Petersen said that there have been several fundraisers benefiting the bike park and the outlook is good.

"We're pretty close," she said.

The bike park is set to be a place for kids and families to get outside and enjoy. It will feature bumps and turns where riders complete laps along a dirt course.

The proposed bike park would be on Maidu Drive.

*Aub. Journal
Friday Aug. 18, 2017*

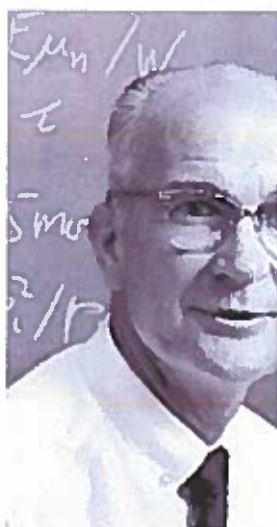


Monday Aug 21 2017 | 2 comments

1

Media Life: Park's Nobel-winning namesake has shocking dark side

By: Gus Thomson, Reporter/Media Life columnist



Media Life's Gus Thomson is not at the Journal this week so we're publishing an April 2009 "classic column" from the archives.

No doubt about it. William Shockley was one of the smartest humans on the planet.

He was the co-winner of a Nobel Prize in 1956 for his groundbreaking work on transistors and Time magazine chose him as one of the 100 most influential people of the 20th century.

He was also a racist who thought whites were intellectually superior to blacks and, because of his standing in the scientific community, became the go-to genius for white supremacists and Nazis to point toward when looking for some supportive comments from the academic world.

– Media Life's Gus Thomson is not at the Journal this week so we're publishing an April 2009 "classic column" from the archives –

By what seems to be a quirk of circumstance, his estate included 28 acres of undeveloped land in Auburn and after his widow died in 2007, it was offered to the Auburn Recreation District as a passive park site.

The bequest was approved last week by the board, without any discussion on its donor's racism.

This past week, the Journal published a story about the parks district's acceptance of the forested land off Auburn Ravine Road and a Wikipedia search on the Web about the famous benefactor yielded some disturbing facts to go with the story of his landmark scientific discovery.

"NASTY OLD MAN"

As Joel Shurkin, author of the 1996 Shockley biography would say, the Nobel laureate and so-called father of Silicon Valley was one "nasty old man."

Shurkin's biography about Shockley is called "Broken Genius: The Rise and Fall of William Shockley, Creator of the Electronic Age."

No one doubted that Shockley was always the smartest person in the room. Even his enemies said he was one of the smartest people they'd ever met, Shurkin would say.

His list of enemies was a long one, including the two scientists who shared the Nobel with him. Shockley's name isn't on the Bell Labs patent for that first transistor because he lightly oversaw the actual work. He did go on to develop a different, more effective transistor that became the foundation for the electronic age.

His biographers agree that by the time the Nobel was awarded, he was estranged from the co-creators. Several sources have detailed how Shockley tried to cash in on his genius with electronics by starting his own lab. He was good at hiring people but quickly lost those best and brightest minds as they dealt with his jealousy and paranoia, writers like Shurkin have documented. Two of his employees went on to help found Intel while Shockley's enterprise floundered.

EUGENICS PROPONENT

Shockley began to publicly embrace the theory of eugenics in the 1960s and became one of its most prominent proponents. Technically speaking, eugenics is the name of a movement devoted to improving the human species through the control of hereditary factors in mating.

Some of Shockley's proposals were shockingly discriminatory. It was recorded that he didn't dislike blacks and didn't advocate discriminating against them, but advocated stopping compensatory programs for educating African Americans because of what he believed was their genetic inferiority. That was wrong on many levels and he suffered for that. And he suffered for suggesting that people with an IQ below 100 be compensated if they underwent voluntary sterilization.

Shockley has never been described as anti-Semitic but his attempts to steer debate into the mainstream forum of ideas destroyed his reputation. Then, as now, discussion cannot get past the fact that Nazi Germany used eugenics to justify the Holocaust.

Shockley died in 1989, despised by even his own family. His children were estranged and read about his death in newspaper obituaries, his biographer said. His wife, Emmy, lived until 2007.

Where does the Auburn park fit into this odd tale of genius?

BEQUEST REQUIREMENT

Well, it comes down to a requirement of the bequest. To receive the 28 acres, the recreation district board had to agree to name the park "Nobel Laureate William B. Shockley and his wife Emmy Shockley Memorial Park."

The board debated the cost of upkeep before voting 3-2 in favor of accepting the gift, plus \$50,000 to help maintain the land. But Shockley's bigotry and racism were never addressed.

Kahl Muscott, district administrator, only learned about Shockley's racism and ties to eugenics when Media Life presented him with the facts. Director Scott Holbrook opposed the park bequest but said he had no knowledge of Shockley's dark side.

Director Gordy Ainsleigh, who favored the bequest, said he was probably the only board member who knew about Shockley's eugenics views. But he decided not to mention them to the others.

Almost everyone has some dirty laundry in their closets and in the case of Shockley, "I think we should let it go," Ainsleigh said.

Media Life gave Ainsleigh an opportunity to respond to criticism that naming the park after Shockley would be a serious mistake.

AINSLEIGH COMMENTS

Here are his unedited comments. You can judge for yourself:

"Regarding Dr. Shockley's views on genetics: It is a solid scientific fact that the genetics of all life forms, from bacteria to humans, are formed by the environment in which our ancestors existed and survived.

"For instance, in Norway, where many of my genes come from, you see a remarkable ability to produce an organized and orderly home, community and society, because people who wouldn't or couldn't function cooperatively simply were weeded out of the gene pool by the severe winters. Italy, on the other hand, has a much kinder climate that didn't weed out those who were less organized and acted spontaneously on emotion. Italy's government doesn't work nearly as well as Norway's does, but Norway didn't produce Michelangelo and Leonardo da Vinci, either.

"So Shockley's view that blacks from equatorial Africa have different genetic abilities than whites from northern Europe is unquestionably correct. Where I disagree with Shockley is in his narrow definition of intelligence. Is the proof of intelligence a government that functions intelligently, or the presence of geniuses like Michelangelo and Leonardo?" Ainsleigh wrote.

"DIFFERENT TIMES"

"It's also important to judge people by the context of their times and society. Shockley died of old age 20 years ago. He grew up and spent his most productive years in a world where blacks were not allowed to fight beside whites in the military, sit at the same table, or use the same toilet. And all the commanding officers were white. Shockley was a product of his society, and perhaps didn't evolve as fast as his society evolved – a very common human trait.

"Still, he is a Nobel Laureate, and I trust the Nobel committee enough to believe he deserved that prize just as much as Linus Pauling, Ernest Hemingway or John Steinbeck. With all Shockley's awkward realities, Auburn is honored to have been the home of the family that produced a Nobel Laureate.

"Colfax has managed okay after being named after one of the most notorious scoundrels in American political history. I'm sure we will do fine with a park named after a Nobel Laureate who was ahead of his time in electronics and behind his time in sociology."

Media Life's Gus Thomson can be reached at gust@goldcountrymedia.com.

Keywords:

william shockley park eugenics racism nobel prize

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Wednesday Aug 23 2017 | 9 comments

2

Another View: The genius and stupidity of William Shockley

By: Gordon Ainsleigh



Regarding the timely rerun of Gus Thomson's 2009 article on Shockley Park, Auburn Journal, Friday, August 18:

William Shockley was a man of extremes: astoundingly smart and astoundingly stupid. During WWII, working in Bell Laboratories with one partner who said Shockley did all the work, he beat the entire team of Manhattan scientist geniuses by several months in designing the first functional nuclear reactor, a necessary step toward producing the atomic bomb that ended the war. That was so embarrassing for the Manhattan scientists that Bell Labs assigned Shockley to anti-submarine warfare, where he promptly tripled the kill rate on enemy submarines.

When Shockley and two partners developed the first semiconductor, Shockley did the foundational research and then got distracted by another project, his partners finished it up and got the patent, and all three were awarded the Nobel Prize. But the semiconductor they designed was an awkward thing, made with gold, about the size of a small fist, and

of limited usefulness. Shockley's partners wandered off into other research while Shockley started working on a semiconductor made with silicone, not gold, that would enable the creation of semiconductors so tiny that trillions of them would fit into a computer frame. That is why Shockley is correctly called the father of the electronic (computer) age.

Yet Shockley, as a child, was predicted to not be all that smart.

When Shockley was in elementary school, Professor Lewis Terman of Stanford University had recently produced the Stanford-Binet intelligence test. (It's still used today.) Terman wanted to prove that the smartest kids would produce the greatest accomplishments in the future. So he tested children all around the Bay Area, and identified a group of kids with intelligence quotients (IQ) of 135 and higher. Their average IQ was 151. Then he groomed and assisted these kids through high school and college and beyond, making sure they had every opportunity to accomplish great things. They were all quite successful, but not one produced truly outstanding accomplishment.

Shockley didn't make the cut to be in Professor Terman's gifted group. His Stanford-Binet IQ was a lackluster 128, fully seven points below Terman's 135-IQ cutoff; not even close. Yet Shockley, without any help in education and career opportunities from Professor Terman, proved himself to be far smarter than any of Terman's gifted group: the smartest technical scientist of his time, whether the field was electronics, nuclear energy, or antisubmarine warfare. Shockley was himself living proof that the best tool we have for measuring intelligence is a crude and inaccurate tool, and a woefully poor predictor of a person's ability to make valuable contributions to society.

Shockley's spectacular accomplishments with an IQ of 128, contrasted with the lackluster performance of Professor Terman's "gifted" kids with IQs going into the 180s, would lead any reasonable, logical person to conclude that using the Stanford-Binet test to label people stupid or smart was an exercise in the absurd. Terman and his chosen kids proved that the Stanford-Binet predicted success in school, while Shockley proved that people with lower IQs can be outstanding intellectual performers after school is over, when it really counts.

Shockley spent his later years trying to prove that Americans whose African genetics came to America in slaves were intellectually inferior to people of European origin, using, of all things, the Stanford-Binet test, which his own life attainment had proven didn't work. Of all people, Shockley should have known that intelligence tests are a poor measure of future attainment and the worth of a person to society. His efforts to declare black people intellectually inferior denied the reality of his own life: that there are many forms of intelligence that cannot be measured.

Shockley chose to ignore the fact that the tool he was using had been proven inaccurate by his own life. And Shockley pushed ahead relentlessly in spite of the obvious fact that labeling an ethnic group as inferior can have only negative effects on society by discouraging members of that ethnicity from high attainment and depriving them of opportunity to express their talents for the benefit of society.

Shockley could have retired to a position of honor in our world and the world of science. Instead, he was spurned, ignored, and made an outcast by the scientific community and our culture at large.

Shockley's life speaks volumes about the dysfunctional stupidity of racism, and that is why I have always supported making the Shockley 28-acre donation into an educational park that explains all the negative aspects of racism, eugenics and using IQ testing to limit the opportunities of individuals; that showcases the labeling of Thomas Edison as a "retarded" child, that showcases Shockley's monumental accomplishments with a lackluster IQ, that has a parade of African-American geniuses at each rest stop along its paths.

We should create a park that sets people to pondering: "How could anyone that smart be that stupid?" It should be an educational park that would have Shockley rolling over in his grave with the torment of how thoroughly his mean-spirited efforts to insult and demean a whole ethnicity have been found to be intellectually and morally lacking. We have the opportunity to turn Shockley's dark side into an enlightenment for generations yet to come. We should do this.

H. Gordon "Gordy" Ainsleigh is a chiropractor and member of the Auburn Area Recreation District Board of Directors. He was born in Auburn and has lived in the Meadow Vista area for 55 years.

Keywords:

Gordon Ainsleigh

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Efforts fail to save homeless man's life on Auburn footpath No foul play believed involved; Drugs could have played role

By: Gus Thomson of the Auburn Journal



Valiant efforts by a parks worker on an Auburn pathway to save a homeless man's life today ended in failure.

The 37-year-old man was spotted slumped and in physical distress along the Auburn Ravine Trail linking the Grocery Outlet-Rite Aid plaza with Auburn Ravine Road.

According to Auburn Police, the man died after a prolonged effort to revive him at the scene.

That effort included initial aid from an Auburn Recreation District employee, who was called over to the emergency scene by another homeless person.

The recreation district worker contacted emergency personnel and followed instructions on how to resuscitate the downed man, district board member Scott Holbrook posted on Facebook.

But the man was declared dead at the scene, triggering an Auburn Police investigation into the circumstances surrounding the death, on a quiet, isolated pedestrian route yards away from the Auburn Ravine and off a paved walkway.

Police Lt. Victor Pecoraro said the investigation is to include an autopsy, blood tests and further questions by the Placer County Coroner's Office. Preliminary indications were that no foul play was involved, he said. Auburn Police responded to an emergency call at 1:25 p.m.

While no conclusions had been made late Tuesday, Pecoraro said investigators are looking into the possibility that the death could be an overdose related to illegal drug use by the victim. The name of the dead man wasn't being released until next-of-kin had been contacted. He was known by authorities to have been a member of Auburn's homeless population, the police said.

Holbrook said he was sending "best thoughts and prayers" to the family and friends of the man who died.

"I also thank the district staff for their actions and efforts to save this man's life and hope they are OK too," Holbrook said. "This has to be extremely emotional of an experience."

Keywords:

Auburn Recreation District Homeless Scott Holbrook

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