

**Item 7.1 Cover Sheet for Annual Audit for Fiscal Year 2019/2020**

Auburn Area Recreation and Park District Finance Committee meeting July, 2020; Board of Directors' meeting, July, 2020.

**The Issue:** Shall the Auburn Area Recreation and Park District (the District) approve the annual audit conducted by Richardson and Company, LLC?

**Background:** Richardson and Company, LLC conducted an audit of the Auburn Area Recreation and Park District FY 2019/2020 Financial statements in May & June of 2020. The report issued audited financials with auditors' opinion. The auditor has made note of some recommendations that they would like implemented by the District.

The District purchased a variety of equipment during the year valued at approximately \$322,129. The major items were a Reelmaster Mower valued at \$86,290 for Railhead Park. A new Pond Filter Pump was purchased for Regional Park for \$158,222 (approximately \$20,000 of these costs were incurred in 2018-2019). A new security system was installed at Recreation Park, valued at \$39,234.

Additionally, the District expensed approximately \$817,631 in Capital Improvement projects during the 2019-2020 Fiscal Year. \$88, 234 resulted in completed Structures. These are the two major projects:

- |                                  |           |
|----------------------------------|-----------|
| 1. James Field Major Renovation: | \$437,144 |
| 2. CVCC Bike Park (Phase One):   | \$351,665 |

The funding for the James Field Major Renovation was provided by City Mitigation and Future Capital Construction. The CVCC Bike Park construction was funded by Public Donations, City Mitigation, County Mitigation and Future Capital Construction.

The District's property tax revenue increased by 5.5% this year over last year 2018/2019. The District is showing a decrease in our overall Net Position of \$48,647, primarily due to the implementation of GASB 75 for post-employment benefits.

The State of California, through GASB 68, mandates that all State agencies must recognize unfunded pension liabilities on their balance sheets. The Districts portion of unfunded pension liability totaled \$1,197,610 in 2019/2020 and was reduced by payments of \$120,181, making the net pension liability \$1,077,429. This assumes that every employee currently with the District works to full retirement age and

accumulates 30 years of work history. While that is highly unlikely, GASB 68 requires such recognition of the liability. Because pension liability is long term, it does not fully affect the income statements of the District. CalPERS has adopted a “smoothing” method of amortizing the expense, so that the unfunded portion of the liability will be paid through increasing the percentage of payroll dollars paid into the system each year. So effectively, the District will pay an increased “premium” each year until the unfunded liability is extinguished. This will, of course, be expensed through the income statement. Additionally, because CalPERS uses an assumed rate of return on investment of 7% and the actual rate is less than the assumed rate, it creates a funding gap that must be made up by each government entity.

Staff, at the Board’s direction, has created a reserve account to facilitate erasing the full amount of the District’s unfunded portion of the liability. As of March 31, 2020, the reserve account had been funded by \$183,200.

**Recommendation:**

The Standing Finance Committee recommends adopting the annual audit with two minor adjustments to the original recommendations. The Standing Finance Committee forwards this to the Board of Directors for a final approval.

**Attachment:**

- 1) Audit letter from Richardson and Company
- 2) Governance letter from Richardson and Company
- 3) Management letter from Richardson and Company, amended
- 4) Audit Summary from Ingrid Sheipline, CPA
- 5) Final Audit from Richardson and Company

**INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES  
APPLIED TO APPROPRIATIONS LIMIT TESTING**

Board of Directors  
Auburn Area Recreation and Park District  
Auburn, California

We have performed the procedures enumerated below to the accompanying calculation of the Appropriation Limit of the Auburn Area Recreation and Park District (the District) for the year ended March 31, 2020. These procedures, which were agreed to by the District and the League of California Cities (as presented in the publication entitled Article XIII-B *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed By of the California Constitution*) were performed solely to assist the District in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The District management is responsible for the appropriations limit calculation. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the District's calculation of the 2019/2020 appropriations limit and compared the limit and annual adjustment factors included in the calculation to the limit and annual adjustment factors that were adopted by resolution of the Board of Directors.

Finding: No exceptions were noted as a result of our procedures.

2. We compared the methodology used to determine the cost of living adjustment component to Article XIII B which states that the District may annually adjust the component for either the change in California per capita personal income or, the percentage change in the District's assessed valuation which is attributable to non-residential new construction. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the methodology used to determine the population adjustment component to Article XIII B which states that the District may annually choose to adjust the component for either the change in population in the County in which the District is located, or the change in population within the unincorporated area of the County in which the District is located. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Calculation to the prior year appropriations limit adopted by the Board of Directors for the prior year.

Finding: We noted the County prepares the appropriations limit calculation, but the District's Board of Directors does not adopt it.

5. We recalculated the 2019/2020 Appropriation Limit by multiplying the product of the two above factors by the 2018/2019 appropriation limit.

Finding: No exceptions were noted as a result of our procedures.

6. We compared the District's actual expenditures to the computed appropriation limit for fiscal year 2019/2020.

Finding: For the 2019/2020 fiscal year, the District's actual expenditures subject to the appropriations limit did not exceed the calculated appropriation limit.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit calculation. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the use of the District and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*Richardson & Company, LLP*

July 16, 2020

**APPENDIX A**

**AUBURN AREA RECREATION AND PARK DISTRICT  
APPROPRIATION LIMIT CALCULATION  
Year Ended March 31, 2020**

**APPROPRIATION LIMIT  
ADOPTED BY DISTRICT:**

Recorded in Final 2019/2020 Budget \$ 6,936,690

**APPROPRIATION LIMIT  
COMPUTATION PER REVIEW:**

2018/2019 Appropriation Limit \$ 6,619,611

Cost of living factor:  
Change in California per capita income 1.0479

Auditor computed limitation 6,936,690

Variance \$ (0)



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## GOVERNANCE LETTER

To the Board of Directors  
Auburn Area Recreation and Park District  
Auburn, California

We have audited the financial statements of the governmental activities, each major fund, and the remaining fund information of the Auburn Area Recreation and Park District (the District), for the year ended March 31, 2020, and have issued our report thereon dated July 16, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 22, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis, budgetary comparison information, schedule of changes in the net pension liability and related ratios, and schedule of contributions to the pension plan, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

### Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We noted no material weaknesses in internal controls as a result of our audit.

### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note A to the financial statements. The District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* as of March 31, 2020, which resulted in the District recording a restatement of beginning net position at March 31, 2019 to record the other postemployment benefit (OPEB) liability related to health benefits provided to retirees as discussed in Note \_\_\_ of the financial statements. We noted no transaction entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period after the necessary adjustments were made.

Accounting estimates are an integral part of the financial statement prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were determining the depreciable lives and methods used for capital assets, and the accrual of the unfunded pension and OPEB liabilities. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The accrual for the unfunded pension liability was determined by an actuarial valuation performed by CalPERS, which is performed annually. The accrual for postemployment benefits was determined by an actuarial valuation, which is required to be performed every two years.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements were:

Pension Liability: Information on the District's pension plans, including the District's share of the unfunded pension liability, is shown in Note G. The District's share of the unfunded pension liability at March 31, 2020, the most recent measurement date, was \$1,077,429 which is reflected as a liability in the District's financial statements as of March 31, 2020.

Liability for Postemployment Benefits: The OPEB disclosure in Note H shows that due to the implementation of GASB 75, which was effective with the fiscal year ended March 31, 2019, the District has recorded an OPEB liability of \$247,764 as of March 31, 2020. Net position as of April 1, 2019 was reduced by \$226,612 to reflect the retroactive implementation of GASB No. 75.

Restatements: Note J of the financial statements reflects areas where adjustments were made to net position reported in the audited financial statements as of March 31, 2019.

The financial statement disclosures are neutral, consistent, and clear.

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. During the course of our audit, 27 closing entries and audit adjustments to correct balances of the accounts and transactions were made as follows:

- Include financial information of the Friends of the District Foundation in the District's financial statements
- Record City Mitigation fund activity posted directly to fund balance
- Reclassify negative cash in Atwood Fund to a liability
- Roll forward equity from the prior year financial statements in the fund and government wide statements
- Record revenue and expenses related to Atwood Fund
- Record prior year pension balances and current year pension liability activity
- Revise compensated absence entry made by the District in reverse
- Accrue accounts payable not previously recorded
- Accrue for March program refunds not made until April
- Restate government-wide financial statements to record other postemployment benefits
- Adjustments to capital assets including true ups for capital outlay, recording of depreciation expense and related accumulated depreciation, and recording loss on disposal of capital assets
- Record OPEB liability

In addition, the attached schedule summarizes an uncorrected misstatement of the financial statements, management has determined that its effect is immaterial, both individual and in the aggregate to the financial statements taken as a whole.

#### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 16, 2020.

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.



Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) listed in the table of contents, which are RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

*Richardson & Company, LLP*

July 16, 2020

AUBURN AREA RECREATION AND PARK DISTRICT  
SUMMARY OF UNADJUSTED AUDIT DIFFERENCES - GOVERNMENT WIDE  
YEAR ENDED MARCH 31, 2020

Description	Financial Statements Effect - Amount of Overstatement (Understatement) of:			
	Total Assets and Deferred Outflows	Total Liabilities and Deferred Inflows	Total Fund Balance/Net Position	Total Change in Fund Balance/Net Position
Amount refunded for child care classes after March 31, 2020 recorded as decrease in cash	\$ (7,807)	\$ (7,807)		
Net Unadjusted Audit Differences - This Year	(7,807)	(7,807)		
Financial Statement Caption Totals-Governmental activities	11,782,630	1,813,999	\$ 9,968,631	\$ 143,749
Net Audit Differences as % of F/S Captions	(0.07%)	(0.43%)	0.00%	0.00%

AUBURN AREA RECREATION AND PARK DISTRICT  
SUMMARY OF UNADJUSTED AUDIT DIFFERENCES - GENERAL FUND  
YEAR ENDED MARCH 31, 2020

Description	Financial Statements Effect - Amount of Overstatement (Understatement) of:			
	Total Assets	Total Liabilities	Total Fund Balance/Net Position	Total Change in Fund Balance/Net Position
Amount refunded for child care classes after March 31, 2020 recorded as decrease in cash	\$ (7,807)	\$ (7,807)		
Net Unadjusted Audit Differences - This Year	(7,807)	(7,807)		
Financial Statement Caption Totals-Governmental activities	3,684,610	270,076	\$ 3,414,534	\$ 85,386
Net Audit Differences as % of F/S Captions	(0.21%)	(2.89%)	0.00%	0.00%

## MANAGEMENT LETTER

Board of Directors  
Auburn Area Recreation and Park District  
Auburn, California

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the remaining fund information of the Auburn Area Recreation and Parks District (the District) for the year ended March 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The following matters have been included in this letter for your consideration:

### Financial Reporting and Accounting System

We noted the following areas where adjustments to the District's accounting records were made during the audit process that indicates areas where improvements can be made to the District's processes:

- The District has two Special Revenue Funds that provide funding to the General Fund for projects expended in the General Fund, as necessary. When funds are transferred from these special revenue funds into the General Fund, we recommend that interfund transfer accounts be utilized rather than recording the movements of cash between funds within the fund balance accounts.
- We noted several journal entries posted by staff that were posted in reverse. We recommend that all journal entries be reviewed by management prior to being entered into the system.
- Negative cash and investment balances should be eliminated through due to/from other funds after all other closing entries are posted. Negative cash of \$11,419 in the Atwood Fund was reclassified to reflect borrowings from the General Fund during the audit.

### Foundation Accounting

We determined during the audit that the Friends of the District Foundation meets the definition of a blended component unit of the District, as the Board is almost entirely composed of District Board Members and the sole purpose of the Foundation is to support the District. We recommend that the District set up a separate general ledger with a complete chart of accounts for the Foundation to facilitate incorporating the financial information into the District's audited financial statements.

### Capital Assets

We noted that the District removes depreciation expense in the year assets are disposed, resulting in the understatement of depreciation expense and overstatement of the gain/loss on sale. We recommend that the District not reduce depreciation expense when disposing of a capital asset.

We noted that the capital asset balances on the listing did not agree to the prior year balances, and that entries were required to adjust ending balances, agree capital asset additions to capital outlay expense, and to record depreciation expense. We recommend that the District prepare a roll-forward of capital asset activity prior to the start of the audit to ensure that all these account balances and journal entries have been recorded. The closing process should include reconciling the capital outlay expense account to additions on the capital asset list.

We noted that the detail capital asset listing does not contain a column showing the useful lives of assets and is just included in a formula to calculate the monthly depreciation. We recommend that the District modify its detail asset listing to include a separate column for the useful life of each asset for clarity.

The District's capitalization threshold of \$1,000 seems low given the size of the District. We recommend that the District increase the capitalization threshold to \$5,000 to reduce the amount of tracking needed for capital assets.

The District has not performed an inventory of capital assets for at least the past three years. We recommend that the District adopt a policy to perform an inventory of capital assets at least every other year.

### Reconciliations – Segregation of Duties

The Administrative Services Manager, who is a check signer, also has access to the accounts payable module. We recommend that to ensure the proper separation of duties, the Manager should not have access to the payables module to generate checks.

We noted that accounts payable checks are returned the employee who processes accounts payable after the accounts payable checks are reviewed and signed for mailing. To ensure proper segregation of duties, we recommend that payable checks be returned to an individual who does not have access to the payable system for mailing to vendors.

We noted no documentation of review of bank reconciliations. We recommend that the review of bank reconciliations be documented with an initial by the Administrative Services Manager.

To verify the accuracy of the pension contributions posted by CalPERS, we recommend that pension contributions recorded in the District's general ledger be reconciled to the CalPERS contribution schedules annually.

Recreation Accounting System

We noted the following areas for improvement to the District's controls over the recreation accounting system:

- We recommend that a reconciliation of the fees received in the RecTrac and Dayworks to the revenue recorded in the general ledger be performed at least annually. This reconciliation can be done on a spot-check basis for a selected number of events.
- While the District maintains receipt books at all locations, they are not consistently being used. We recommend that receipts be written for all funds received at both locations, and the receipt book should be compared to amounts deposited.
- Discrepancies noted by instructors between the roster provided to them and the actual attendees should be resolved by someone that does not take payments and post to the RecTrak system to ensure property segregation of duties.

Fraud Risk Assessment

We noted that the District does not have a formal risk assessment plan to identify those risks within the District that could result in fraud or material misstatement of the financial statements, and then to implement internal controls to mitigate those identified risks. We recommend the District develop a risk assessment plan to identify potential risk areas and then ensure controls or processes are in place to mitigate those risks. This risk assessment should be performed on a periodic basis and should include an annual discussion at a staff meeting regarding areas where there may be risks of fraud. In addition, the District's Finance Committee should be involved in this risk assessment process as well, by including an item on their agenda to discuss possible fraud risks.

Board Committed Fund Balance Reserves

We noted that the reserve policy adopted by the Board specifies amounts to be added to reserves and desired reserve balances, but these policy guidelines were not followed for the Unfunded CalPERS Reserve. We recommend that at least annually, at the beginning of the fiscal year, reserves recorded in the general ledger be compared to the criteria in the Financial Reserves Policy.

Appropriation Limits

All agencies receiving tax funding are required by State Law to prepare an Appropriation Limit calculation that is approved by the Board. The County prepares the calculation on behalf of the District, but the District's Board does not pass a resolution approving the calculated appropriation limit. We recommend that the Board pass a resolution adopting the appropriations limit when the annual budget is approved.

\* \* \* \* \*

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the audit. This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and does not affect our report dated July 16, 2020 on the financial statements of the District.

*Richardson & Company, LLP*

July 16, 2020

**AUBURN AREA RECREATION AND PARK DISTRICT**  
**SUMMARY OF AUDIT RESULTS**

July 23, 2020

Presentation by Richardson & Company, LLP of the Audited Financial Statements, including the following communications required by Generally Accepted Auditing Standards:

**Reports issued**

- Audited Financial Statements with auditors opinion
- Governance letter
- Management letter with recommendations
- Appropriations limit report

**Independent Auditor's Report (pages 1 and 2)**

- Unmodified (clean) opinion

**Highlights of financial statements**

- Management discussion & analysis (pages 3 to 9)
- Statement of Net Position (page 10)
  - Unrestricted net position of \$2.2 million
- Statement of Activities (page 11)
  - Revenue exceeded expenses by \$141,770, including depreciation, pension and OPEB accounting entries totaling \$641,000
- Fund Balance Sheets (page 12)
  - Fund balance of \$3.6 million
- Fund Revenue/Expense (pages 14)
  - General Fund expenses exceeded revenues by \$87,365
- Capital assets, Note D (page 25)—capital expenditures of \$1,154,000
- Fund balance, Note F (pages 26)—Components of funds balance
- Pension Plan, Note G (pages 26 to 30)
- OPEB Plan, Note H (pages 30 to 32)
- Restatement of fund balance, Note J (page 34)—corrections and reclassifications made

**Governance Letter**

- Audit adjustments – 27 audit adjustments identified
- Unadjusted difference – April program refunds deducted from cash in March
- No difficulties in performing the audit and no unusual accounting practices

**Management letter**

- No material weaknesses in internal controls
- Other areas where recommendations were identified
  - Improvements to processes
  - Foundation to be set up in accounting system to facilitate inclusion in District's financials
- Capital asset recommendations
- Reconciliation and segregation of duties recommendations
- Recreation accounting system recommendations
- Establish fraud risk assessment process
- Reserve changes to be consistent with policy
- Appropriation limit to be approved by Board resolution

**AUBURN AREA  
RECREATION AND PARK DISTRICT**

**Audited Financial Statements**

**March 31, 2020**



AUBURN AREA  
RECREATION AND PARK DISTRICT

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## INDEPENDENT AUDITOR'S REPORT

**Board of Directors**  
Auburn Area Recreation and Park District  
Auburn, California

We have audited the accompanying financial statements of the governmental activities of each major fund, and the aggregate remaining fund information of the Auburn Area Recreation and Park District as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Auburn Area Recreation and Park District as of March 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Change in Accounting Principle

As discussed in Note J to the financial statements, during the year ended March 31, 2020, the District adopted a new accounting standard, GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### Correction of Errors and Reclassifications

As discussed in Note J, correction of errors and reclassifications were made during the current year. Accordingly, adjustments have been made to Net Position and General Fund Balance as of April 1, 2019 to correct these errors.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the proportionate share of the net pension liability, schedule of contributions to the pension plan, and schedule of changes in the net OPEB liability and related ratios to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Richardson & Company, LLP*

July 16, 2020

**AUBURN AREA RECREATION AND PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

This section of the Auburn Area Recreation and Park District's annual financial report presents an analysis of the District's financial performance during the fiscal year ended March 31, 2020. This information is presented in conjunction with the audited basic financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2019-2020**

- The assets of the District exceeded liabilities at the close of the 2019-2020 fiscal year by \$9,966,652 (net position). Of this amount, \$7,466,979 is invested in capital assets, and \$250,724 is restricted for particular purposes.
- As of March 31, 2020, the District's governmental funds reported combined fund balances of \$3,606,557, of which \$1,446,657 is available to meet the District's current and future needs (unreserved general fund balance).
- At the end of the fiscal year, the unreserved fund balance for the general fund was \$1,446,657 or approximately 59% of total general fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also includes additional required supplementary information in addition to the basic financial statements.

**REQUIRED FINANCIAL STATEMENTS**

**Government-Wide Financial Statements** are designed to provide readers with a broad overview of District finances in a manner similar to a private-sector business.

*The Statement of Net Position* includes information on the District's assets and liabilities and provide information about the nature and amount of investments in resources (assets) and the obligations to District creditors (liabilities). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

*The Statements of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business type activities). The governmental activities of the District are recreational and park activities. There are no business type activities.

**AUBURN AREA RECREATION AND PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and to demonstrate finance-related legal compliance. All of the funds of the District can be combined into one category: governmental funds.

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the District's near-term requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities. Additional information is provided on separate schedules that reconcile the differences between the government-wide financial statements and the fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the District's budgetary comparative information for the general fund and major special revenue fund and the District's pension and post-employment benefit plans.

**AUBURN AREA RECREATION AND PARK DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table compares the Statement of Net Position/Fund Balance at March 31, 2020 and 2019:

**Condensed Statement of Net Position  
Fiscal Years  
Ended March 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 3,876,633	\$ 4,173,376
Capital assets – net	<u>7,466,979</u>	<u>6,783,601</u>
Total assets	<u>11,343,612</u>	<u>10,956,977</u>
 Deferred outflows	 <u>437,039</u>	 <u>390,633</u>
 Liabilities		
Current	389,632	335,456
Non-current	<u>1,325,193</u>	<u>934,476</u>
Total liabilities	<u>1,714,825</u>	<u>1,269,932</u>
 Deferred inflows	 <u>99,174</u>	 <u>62,379</u>
 Net Position:		
Net investment in capital assets	7,466,979	6,783,601
Restricted	250,724	
Unrestricted	<u>2,248,949</u>	<u>3,231,698</u>
Total Net Position	<u>\$ 9,966,652</u>	<u>\$ 10,015,299</u>

Total net position decreased from 2019 to 2020 by .5% or \$48,647. This decrease is due mostly to the implementation of GASB 75 whereby the full amount of the liability for post-employment benefits (OPEB) has been recorded and was offset by net income for the year. The OPEB liability lowered net position by \$247,764 from March 31, 2019 to March 31, 2020.

**AUBURN AREA RECREATION AND PARK DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2020**

A summary of the District's Statement of Activities, recapping the District's revenues earned during the fiscal year ended March 31, 2020 and 2019, and the expenses incurred is as follows:

**Condensed Statement of Activities  
Fiscal Years  
Ended March 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Program Revenue:</b>		
Charges for services	\$ 1,500,794	\$ 1,410,376
Operating grants and contributions	35,490	30,963
Capital grants and contributions	3,254	8,284
<b>General Revenue:</b>		
Property taxes and assessments	3,479,344	3,110,908
Mitigation fees	275,300	187,928
Interest earnings	76,185	82,069
Miscellaneous	43,534	247,009
<b>Total Revenue</b>	<u>5,413,901</u>	<u>5,077,537</u>
<b>Expenses:</b>		
Recreation and park activities	5,272,131	5,060,329
<b>Total Expense</b>	<u>5,272,131</u>	<u>5,060,329</u>
<b>Changes in Net Position</b>	<u>141,770</u>	<u>17,208</u>
<b>Beginning Net Position</b>	10,015,299	9,998,091
<b>Restatement</b>	<u>(190,417)</u>	
<b>Ending Net Position</b>	<u>\$ 9,966,652</u>	<u>\$ 10,015,299</u>

Following are explanations of significant variances from fiscal year 2019 to 2020.

- Revenues increased by \$336,364 between 2019 and 2020. This increase was due mostly to the increase in property taxes and assessments, offset by a reduction in impact fees collected. The increase in charges for services is due to an increase in the number of programs the District offered in the year and an overall increase in participation by the public.
- Expenses increased by \$211,802, mostly due to increased salary and benefit costs. Additionally, the increase in the programs and related program revenues contributed to an increase in total expenditures.
- The restatement of \$190,417 also reduced net position and was the result of implementation of GASB 75, and the recording of the Foundation activities previously not reflected in the District's financial statements.

**AUBURN AREA RECREATION AND PARK DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2020**

**Financial Analysis of the Governmental Funds**

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide financial statements. The governmental funds provide information on near-term inflows, outflows and balances of spending resources. Total governmental fund balance at March 31, 2020 was \$3,606,557 which is a decrease of \$211,160 in comparison with FY 2019.

The following table shows the fund balance by classifications for the last two years.

<u>Fund Balance</u>	<u>Year ended March 31,</u>	
	<u>2020</u>	<u>2019</u>
General Fund	\$ 3,412,555	\$ 3,323,966
Atwood Park Fund	(11,419)	1,097
City Mitigation Fund	<u>205,421</u>	<u>492,654</u>
Total fund balances	<u>\$ 3,606,557</u>	<u>\$ 3,817,717</u>

Significant changes in fund balances by classification consist of the following.

- General Fund: The fund balance increase by 3% or \$88,589 in FY 2020. The District's revenues were higher than fiscal year 2019 because of the increase in property tax revenue. Fund balance was also increased by \$175,954 to correct classification issues in the prior year and to record Foundation activities as discussed in Note J of the financial statements.
- City Mitigation Fund: Fund balance in the impact fees fund decreased by \$287,233 or 58% because of transfers made to the General Fund to cover park cameras, James Field construction and the Bike Park.

CAPITAL ASSETS

As of March 31, 2020, the District's investment in capital assets totaled \$7,466,979, net of accumulated depreciation, which increased by \$683,375 from 2019. The investment in capital assets includes land, site improvements, buildings and improvements and equipment. Increases during the year include costs of \$437,144 for the James Field renovation, \$351,665 for the Bike Park, \$136,424 for the pond filter project and \$86,290 for the purchase of a new Reelmaster riding lawn mower. These additions are offset by the recording of depreciation for \$486,708. The capital assets are presented in the government-wide statement of net position. Additional information on the District's capital assets can be found in Note D to the financial statements.

LONG-TERM DEBT

As of March 31, 2020, the District had no long-term debt. Note E discusses the District's long-term obligations, which consist of compensated absences, net pension liability and OPEB liability.



**AUBURN AREA RECREATION AND PARK DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2020**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's property tax receipts were \$122,081 more than budgeted for the fiscal year, and \$455,808 more than collected in the prior fiscal year which is primarily due to increasing property values.

The final budget approved by the Board of Directors on March 26, 2019 reflected a projected surplus of \$4,850, inclusive of a \$50,000 Board required contribution to the Equipment Reserve and a Board required contribution of \$5,000 to the ADA reserve and a Board required contribution of \$45,800 to the CalPERS unfunded Liability reserve as well as a proposed contributions to the Future Capital Construction Reserve Fund in the amount of \$50,000. In 2019/2020, the District's base property tax revenues increased by 5.5%. The Mid-Year Budget Revision reflected a \$10,856 forecasted surplus which included an increase of \$25,535 to the Equipment Reserves, and no other changes to the remaining reserves.

**The Year in Review**

Several accomplishments warrant mention for FY 19/20:

ARD completed a few projects associated with its Capital Improvement Program and Asset Replacement Plan. All projects and Assets purchased in fiscal year 2019/2020 were funded through Future Capital Construction Reserves, Equipment Replacement Reserves, ADA Reserves, City and County Mitigation funds and General Funds. Some of the notable projects and assets purchases included the following:

- The Canyon View Community Center's Phase One of the new Bike Park
- The Major Renovation of James Field at Recreation Park
- New Security Cameras installed at Recreation Park
- Landscaping Project for Railhead Park put on by the Rotary Clubs of Auburn
- A New Pond Filter Pump for Regional Park
- Playground Path of travel at Regional Park
- Electrical Improvements at Winchester Park's Ballfield
- A new Reelmaster Mower for Railhead Park
- 3 new HVAC units; one for Customer Service's computer room, one for the Recreation Department's Offices and one for the Christian Valley Community Center, leased by Tutor Totter Preschool.

**AUBURN AREA RECREATION AND PARK DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2020**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The District's overall property tax revenues declined substantially from fiscal year 07/08 through fiscal 2012/2013 and began to recover in FY 2013/2014. The following data illustrate the trends:

2007/2008:	\$2,711,000
2008/2009:	\$2,695,000
2009/2010:	\$2,628,000
2010/2011:	\$2,443,000
2011/2012:	\$2,354,000
2012/2013:	\$2,494,000
2013/2014:	\$2,466,000
2014/2015:	\$2,604,000
2015/2016:	\$2,824,980
2016/2017:	\$2,999,467
2017/2018:	\$3,117,857
2018/2019:	\$3,298,841
2019/2020:	\$3,479,345

The District has been able to balance its budgets each year through attrition, cost cutting, control of benefit expenses and shrewd purchasing of supplies and services. This past year has seen a continued modest increase in property tax revenues as well as increases in program revenues. While we are in the midst of a worldwide pandemic, we will continue to budget conservatively to maintain a strong balance sheet and to keep the parks in great condition.

Should any member of the public have questions regarding this report, District management may be contacted at the following address:

The audit for Fiscal 2019/2020 may also be viewed at the District's website, [www.auburnrec.com](http://www.auburnrec.com)

Auburn Area Recreation and Park District  
471 Maidu Drive  
Auburn, CA 95603  
(530) 537-2185

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## **BASIC FINANCIAL STATEMENTS**

AUBURN AREA RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION

March 31, 2020

<b>ASSETS</b>	
Cash and investments	\$ 3,770,035
Accounts receivable	16,046
Prepaid expenses	90,552
Capital assets:	
Nondepreciable	3,091,877
Depreciable, net	4,375,102
Total Capital Assets	<u>7,466,979</u>
<b>TOTAL ASSETS</b>	<u><b>11,343,612</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	<u>437,039</u>
	<u>437,039</u>
<b>LIABILITIES</b>	
Accounts payable	113,782
Accrued payroll	135,310
Unearned revenue	20,984
Compensated absences - current	119,556
Due in more than one year:	
Net pension liability	1,077,429
Other postemployment benefits (OPEB) liability	247,764
<b>TOTAL LIABILITIES</b>	<u><b>1,714,825</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	<u>99,174</u>
	<u>99,174</u>
<b>NET POSITION</b>	
Net investment in capital assets	7,466,979
Restricted for:	
City mitigation projects	205,421
Youth assistance	22,070
Arboretum grant projects	13,276
Foundation activities	9,957
Unrestricted	<u>2,248,949</u>
<b>NET POSITION</b>	<u><u><b>\$ 9,966,652</b></u></u>

The accompanying notes are an integral part of these financial statements.

AUBURN AREA RECREATION AND PARK DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
GOVERNMENTAL ACTIVITIES:					
Parks and recreation	\$ 5,272,131	\$ 1,500,794	\$ 35,490	\$ 3,254	\$ (3,732,593)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 5,272,131</b>	<b>\$ 1,500,794</b>	<b>\$ 35,490</b>	<b>\$ 3,254</b>	<b>(3,732,593)</b>
GENERAL REVENUES					
Property taxes					3,453,352
Special assessments					25,992
Mitigation fees					275,300
Interest earnings					76,185
Other revenues					43,534
<b>TOTAL GENERAL REVENUES</b>					<b>3,874,363</b>
Change in net position					141,770
Net position at beginning of year, as previously reported					10,015,299
Restatement of net position					(190,417)
Net position at beginning of year, as restated					<b>9,824,882</b>
<b>NET POSITION AT END OF FISCAL YEAR</b>					<b>\$ 9,966,652</b>

The accompanying notes are an integral part of these financial statements.

AUBURN AREA RECREATION AND PARK DISTRICT

BALANCE SHEETS - GOVERNMENTAL FUNDS

March 31, 2020

	Non-Major Funds			Total Governmental Funds
	General Fund	Atwood Park Fund	City Mitigation Fund	
<b>ASSETS</b>				
Cash and investments	\$ 3,564,614		\$ 205,421	\$ 3,770,035
Accounts receivable	16,046			16,046
Due from other funds	11,419			11,419
Prepaid costs	90,552			90,552
<b>TOTAL ASSETS</b>	<b>\$ 3,682,631</b>		<b>\$ 205,421</b>	<b>\$ 3,888,052</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 113,782			\$ 113,782
Accrued payroll	135,310			135,310
Unearned revenue	20,984			20,984
Due to other funds		\$ 11,419		11,419
<b>TOTAL LIABILITIES</b>	<b>270,076</b>	<b>11,419</b>		<b>281,495</b>
<b>FUND BALANCE</b>				
Nonspendable	90,552			90,552
Restricted	45,303		\$ 205,421	250,724
Committed	1,830,043			1,830,043
Unassigned	1,446,657	(11,419)		1,435,238
<b>TOTAL FUND BALANCE</b>	<b>3,412,555</b>	<b>(11,419)</b>	<b>205,421</b>	<b>3,606,557</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 3,682,631</b>	<b>\$ -</b>	<b>\$ 205,421</b>	<b>\$ 3,888,052</b>

The accompanying notes are an integral part of these financial statements.

AUBURN AREA RECREATION AND PARK DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEETS TO THE  
GOVERNMENT-WIDE STATEMENT OF NET POSITION

March 31, 2020

Fund Balances of Governmental Funds	\$ 3,606,557
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds.	7,466,979
Pension contributions subsequent to the valuation measurement date and other items will reduce the pension liability in the future and are reported as deferred outflows of resources on the statement of net position.	437,039
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(119,556)
Net pension obligation	(1,077,429)
OPEB liability	(247,764)
Employee pension differences to be recognized in the future as pension expense are reported as deferred inflows of resources on the statement of net position.	<u>(99,174)</u>
Net position of governmental activities	<u>\$ 9,966,652</u>

The accompanying notes are an integral part of these financial statements.



AUBURN AREA RECREATION AND PARK DISTRICT  
 STATEMENTS OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended March 31, 2020

	Non-Major Funds			Total Funds
	General Fund	Atwood Park Fund	City Mitigation Fund	
<b>REVENUES</b>				
Property taxes	\$ 3,453,352			\$ 3,453,352
Charges for current services	1,319,983			1,319,983
Special assessments		\$ 25,992		25,992
Use of money and property	180,811		\$ 8,998	189,809
Mitigation fees	275,300			275,300
Interest income	67,187			67,187
Grants and donations	38,744			38,744
Other revenues	43,534			43,534
Total revenues	<u>5,378,911</u>	<u>25,992</u>	<u>8,998</u>	<u>5,413,901</u>
<b>EXPENDITURES</b>				
Salaries and benefits	3,157,557	11,911		3,169,468
Services and supplies	1,448,278	29,044		1,477,322
Capital outlay	1,154,225			1,154,225
Total expenditures	<u>5,760,060</u>	<u>40,955</u>	<u>-</u>	<u>5,801,015</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	(381,149)	(14,963)	8,998	(387,114)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	293,784	2,447		296,231
Operating transfers out		-	(296,231)	(296,231)
Total other Financing Sources (Uses)	<u>293,784</u>	<u>2,447</u>	<u>(296,231)</u>	<u>-</u>
Change in fund balance	(87,365)	(12,516)	(287,233)	(387,114)
Fund Balances, April 1, 2019, as previously reported	3,323,966	1,097	492,654	3,817,717
Restatement of fund balance	175,954			175,954
Fund Balances, April 1, 2019, as restated	<u>3,499,920</u>	<u>1,097</u>	<u>492,654</u>	<u>3,993,671</u>
Fund Balances, March 31, 2020	<u>\$ 3,412,555</u>	<u>\$ (11,419)</u>	<u>\$ 205,421</u>	<u>\$ 3,606,557</u>

The accompanying notes are an integral part of these financial statements.

AUBURN AREA RECREATION AND PARK DISTRICT

RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ (387,114)
<p>Amounts reported for governmental activities in the Statement of Activities differ from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:</p>	
Cost of assets capitalized	1,154,225
Depreciation expense	(486,708)
<p>Governmental funds report proceeds from disposal of capital assets as revenues. However, in the government-wide statement of activities only the gain or (loss) on the sale of capital assets is reported. This is the difference between the gain or (loss) and proceeds.</p>	
	(4,053)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Change in compensated absences liability	19,914
Change in net pension obligation and deferred outflows/inflows of resources related to employee pensions	(133,342)
Change in OPEB liability and deferred outflows/inflows of resources related to OPEB	<u>(21,152)</u>
Change in net position of governmental activities	<u>\$ 141,770</u>

The accompanying notes are an integral part of these financial statements.

# AUBURN AREA RECREATION AND PARK DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity:** The District was organized in 1948 by a vote of the public and operates under the California Public Resources Code Section 5780. The District is operated under the direction of a five-member board duly elected and empowered by the electorate with sole authority over the District operations.

In addition to providing recreational programs and services to the community, the District maintains park sites serving residents of the Auburn area. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to local governments.

The District has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America, which provide guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the component unit has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

Based upon the aforementioned oversight criteria, the following are component units:

The Friends of the Auburn Area Recreation and Park, Inc. (the Foundation) was created as a non-profit entity under section 501(c)(3) to receive donations, obtain grants, and conduct fundraising events to generate revenues that will enhance the District's recreation programs. The Company is reported as a blended component unit of the District because the District's governing body is also the governing body of the Foundation. The Foundation's funds are reported as restricted assets on the District's financial statements as a component of the general fund as of the year ended December 31, 2019 since the Foundation has a different fiscal year end than the District.

**Basis of Presentation – Government-wide Financial Statements:** The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities presents direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net position is available, restricted resources are used only after the unrestricted resources are depleted.

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Financial Statements: The accounts of the District are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations.

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

In addition to the General Fund, the District also has special revenue funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes that are nonmajor funds:

Atwood Park Special Revenue Fund – to account for revenues and the associated expenditures of fees levied on property owners of the District that are specifically restricted for installation, maintenance and servicing of public facilities within Atwood Park.

City Mitigation Special Revenue Fund – to account for revenues and the associated expenditures of fees levied on property owners of the District that are specifically restricted for installation, maintenance and servicing of public facilities within the City of Auburn.

Measurement Focus and Basis of Accounting: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers revenues to be available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period, usually 60 days. Revenues that are accrued include property taxes, interest income, and charges for current services. Revenues that are not accrued include permits and fines, forfeitures, and penalties, if applicable. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital assets are reported as expenditures in governmental funds. Proceeds of general long-term and capital assets are reported as other financing sources. The District considers property taxes available if they are collected within sixty-days after year-end.

Budgetary Principles: As required by the laws of the State of California, the District prepares and legally adopts a final balanced operating budget on or before April 1 of each fiscal year. Public hearings are conducted on the proposed final budget to review all appropriations and the sources of financing.

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating budgets are adopted for the General Fund on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the object level which classifies expenditures by type of goods purchased and services obtained. The Statements of Revenues, Expenditures – Budget to Actual present revenues at the source level and expenditures at the function level. It is not feasible to compare budget to actual data at the object level in this report. Significant amendments and appropriation transfers from contingencies must be approved by the District’s Board of Directors. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the object level except for fixed assets, which are controlled at the sub-object level. Object levels of expenditures are as follows: salaries and benefits, services and supplies, other charges including debt service, capital outlay, contingencies, expenditure transfers, and other financing uses. Sub-object levels of expenditures for fixed assets are land, structures and improvements, and equipment.

Prepaid Expenses: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses/costs in both the government-wide and fund financial statements. Prepaid costs are reported in the fund financial statements as non-spendable fund balance to indicate they do not constitute resources available for appropriation.

Capital Assets: Capital assets, which include land, structures and improvements, machinery and equipment, and infrastructure assets, are reported in government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated acquisition value at the date of donation. Capital outlay is recorded as expenditures of the governmental funds and as assets in the government-wide financial statements to the extent the District’s capitalization threshold is met. Amortization of assets acquired by way of capital leases are included in depreciation and amortization. Structures, improvements, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Structures	20 years
Equipment	10 years
Computer Equipment	3 years
Vehicles	8 years
Furniture	10 years
Small Tools	5 years

Compensated Absences: The District personnel policy allows employees to accumulate earned but unused vacation. Unused accrued vacation time will be paid to employees upon separation from the District’s service, subject to a vesting policy. The cost of vacation is recorded in the period accrued.

Amounts that are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations or retirements that are currently payable are reported as expenditures and fund liabilities of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources represent a reconciling item between the fund and government-wide presentation. No expenditure is reported in a governmental fund financial statements for these amounts. Compensated absences are liquidated by the General Fund.

AUBURN AREA RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Deferred Outflows and Inflows of Resources:** In addition to liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the District's pension and OPEB plan as described in Notes G and H.

**Pensions:** For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other Postemployment Benefits (OPEB):** For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

**Property Taxes:** The County of Placer (the County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The valuation/lien date for all property taxes is January 1. Secured property tax is due in two instalments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent penalties after April 10. These taxes are secured by liens on the property being taxed. Unsecured taxes are due in one instalment on billing and are subject to late payment penalties if paid after August 31.

The term "unsecured" refers to taxes on personal property other than land and buildings. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end. The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the "Teeter Plan," as prescribed by Section 4717 of the California Revenue and Taxation code. Therefore, the District receives 100% of the secured property tax levies to which it is entitled, whether or not collected. Unsecured delinquent taxes are considered fully collectible.

**Unearned Revenue:** Unearned revenue represents fees received prior to March 31, 2020 for events that take place after March 31, 2020.

**Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

AUBURN AREA RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Interfund Transactions:** Operating transfers are transactions to allocate resources from one fund to another fund not contingent on the incurrence of specific expenditures in the receiving fund. Interfund transfers are generally recorded as operating transfers in and operating transfers out in the same accounting period.

Transactions between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Eliminations have not been made between or within the fund types.

**Fund Balance:** In the fund financial statements, governmental funds report non-spendable, restricted, committed, assigned and unassigned balances.

**Nonspendable Funds** – Fund balance should be reported as non-spendable when the amounts cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Non-spendable balances are not expected to be converted to cash within the next operating cycle, which comprise prepaid items.

**Restricted Funds** – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**Committed Funds** – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the District’s Board of Directors. These amounts cannot be used for any other purpose unless the District’s Board modifies, or removes the fund balance commitment.

**Assigned Funds** – Fund balance should be reported as assigned when the amounts are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.

**Unassigned Funds** – Unassigned fund balance is the residual classification of the District’s funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes.

**Net Position:** The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted and unrestricted.

**Net Investment in Capital Assets** – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

**Restricted Net Position** – This category represents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** – This category represents net position of the District not restricted for any project or other purpose.

AUBURN AREA RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District's Board establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, committed, assigned and unassigned resources as they are needed. The District's committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**New Pronouncements:** In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's), which is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The timing and pattern of recognition of the liability and corresponding deferred outflow of resources recorded is defined in this Statement. This Statement is effective for periods beginning after June 15, 2019.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying and disclosing fiduciary activities of state and local governments. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements of the government. Four fiduciary funds should be reported under this statement: Pension and other employee benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. This Statement is effective for periods beginning after December 15, 2019.

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the lease's guidance, unless specifically excluded in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement enhances disclosures about capital assets and the cost of borrowing for a reporting period and simplifies the accounting for interest cost incurred before the end of a construction period. Interest cost incurred before the end of a construction period will be recognized as an expense rather than being recorded as part of the cost of capital assets in a business-type activity or enterprise fund and interest cost incurred by a fund using the current financial resources measurement focus before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2020.

The District is currently analyzing the impact of the required implementation of these new statements.



AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE B – CASH AND INVESTMENTS

At March 31, 2020, the District's total cash and investments at fair value were as follows:

Cash:	
Imprest cash	\$ 580
Deposits in financial institutions	146,618
Total Cash	<u>147,198</u>
Investments	
County of Placer investment pool	3,622,837
Total Investments	<u>3,622,837</u>
Total Cash and Investments	<u>\$ 3,770,035</u>

**Investment Policy:** The County's Board of Supervisors approves an investment policy each year and provides oversight for all pooled investments in the County Treasury. California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The following table identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	30 years	No limit	No limit
U.S. Treasury Obligations	5 years	No limit	100%
U.S. Agency Securities	5 years	No limit	75%
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	40%	40%
Negotiable Certificates of Deposit	5 years	30%	30%
Repurchase Agreements	7 days	25%	20%
Reverse Repurchase Agreements	1 year	20%	May not be purchased
Mutual Funds	N/A	15%	May not be purchased
Money Market Mutual Funds	N/A	20%	10%
Mortgage Backed Securities	5 years	No limit	May not be purchased
County Pooled Investment Funds	N/A	No limit	No limit
Local Agency Investment Fund (LAIF)	365 days	40MM	40MM
Collateralized Obligation	5 years	No limit	May not be purchased
Asset Backed Securities	5 years	No limit	May not be purchased
Collateralized Certificates of Deposit	Not specified	No limit	20%
CDARS Certificates of Deposit	Not specified	30%	30%
Supranational - Washington dollar			
Denominated IDR, IFC or IAD	5 years	30%	30%
Corporate Notes	5 years	30%	30%

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE B – CASH AND INVESTMENTS (Continued)

The District complied with the provisions of the California Government Code pertaining to the types of investments held, the institutions in which deposits were made and the security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

Investment in the County of Placer Investment Pool: The District's cash is held in the County of Placer's cash and investment pool which is managed by the Placer County Treasurer. The District's cash balances invested in the Placer County Treasurer's cash and investment pool are stated at amortized cost, which approximates fair value. The amount invested by all public agencies in Placer County's cash and investment pool is \$1,412,784,394 at March 31, 2020. Placer County does not invest in any derivative financial products. The Placer County Treasury Investment Oversight Committee (Committee) has oversight responsibility for Sacramento County's cash and investment pool. The Committee consists of ten members as designated by State law. The value of pool shares in Placer County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool. Investments held in the County's investment pool are available on demand to the District and are stated at cost, which approximates fair value. The Treasurer may require 30 days written notice prior to any withdrawals. This investment is not subject to categorization under GASB No. 3.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment in the County pool has an average maturity of 382 days as of March 31, 2020.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's external investment pool is not rated.

Concentration of Credit Risk: The investment policy of the District limits the amount that can be invested in any one issuer to the California Government Code. There are no investments in any one issuer (other than external investment pools) that represent 5% or more of total District investments.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. Custodial credit risk does not apply to a local government's indirect deposits or investments in securities with governmental investment pools (such as the County of Sacramento investment pool). The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Custodial credit risk does not apply to a local government's indirect deposits or investments in securities through the use of government investment pools.

AUBURN AREA RECREATION AND PARK DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

**NOTE B – CASH AND INVESTMENTS (Continued)**

At March 31, 2020, the carrying amounts of the District’s deposits were \$146,618, and the balances in financial institutions were \$271,441. Of the balance in financial institutions, \$250,000, was covered by federal depository insurance and \$21,441 at March 31, 2020, was covered by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District.

**NOTE C – INTERFUND TRANSACTIONS**

Due to/from other funds: Amounts due to and from other funds are temporary loans to cover deficit cash and other shortfalls. Due to/from other funds consisted of the following at March 31, 2020:

Receivable Fund	Payable Fund	Amount
General Fund	Atwood Park Fund	\$ 11,419
		\$ 11,419

Transfer in/out: With Board approval, resources may be transferred from one District fund to another. Transfers between funds during the fiscal year ended March 31, 2020 were as follows:

Transfer In	Transfer Out	Amount
Atwood Park Fund	City Mitigation Fund	\$ 2,447 (a)
General Fund	City Mitigation Fund	293,784 (b)
		\$ 296,231

(a) - Transfer for park expenses

(b) - Transfer for capital expenditures for park cameras, bike park and James Field

AUBURN AREA RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE D – CAPITAL ASSETS

Capital assets activity for the year ended March 31, 2020, is as follows:

	Balance at March 31, 2019	Additions	Deletions	Transfers	Adjustments	Balance at March 31, 2020
<b>Governmental Activities</b>						
Capital assets, not being depreciated:						
Land	\$ 1,970,546					\$ 1,970,546
Construction in progress	391,942	\$ 1,011,747		\$ (282,358)		1,121,331
Total capital assets, not being depreciated	<u>2,362,488</u>	<u>1,011,747</u>		<u>(282,358)</u>		<u>3,091,877</u>
Capital assets, being depreciated:						
Buildings and improvements	12,850,618	12,801	\$ (15,920)	84,901	\$ 6,461	12,938,861
Equipment and furniture	1,264,041	129,677	(49,426)	197,457	13,453	1,555,202
Vehicles	265,281					265,281
Total capital assets, being depreciated	<u>14,379,940</u>	<u>142,478</u>	<u>(65,346)</u>	<u>282,358</u>	<u>19,914</u>	<u>14,759,344</u>
Less accumulate depreciation						
Buildings and improvements	(9,087,840)	(370,392)	15,920			(9,442,312)
Equipment and furniture	(685,647)	(102,388)	45,373			(742,662)
Vehicles	(185,340)	(13,928)				(199,268)
Total accumulated depreciation	<u>(9,958,827)</u>	<u>(486,708)</u>	<u>61,293</u>			<u>(10,384,242)</u>
Total capital assets being depreciated, net	<u>4,421,113</u>	<u>(344,230)</u>	<u>(4,053)</u>	<u>282,358</u>	<u>19,914</u>	<u>4,375,102</u>
<b>GOVERNMENTAL ACTIVITIES</b>						
CAPITAL ASSETS, NET	<u>\$ 6,783,601</u>	<u>\$ 667,517</u>	<u>\$ (4,053)</u>	<u>\$ -</u>	<u>\$ 19,914</u>	<u>\$ 7,466,979</u>

Depreciation expense for the year was \$486,708 and was all charged to the recreation function.

NOTE E – LONG-TERM OBLIGATIONS

The following is a summary of long-term liabilities for the year ended March 31, 2020:

	(Restated) Balance March 31, 2019	Additions	Deletions	Balance March 31, 2020	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 139,470		\$ (19,914)	\$ 119,556	\$ 119,556
Net pension liability	934,476	\$ 263,134	(120,181)	1,077,429	
OPEB liability	226,612	21,152		247,764	
Totals	<u>\$ 1,300,558</u>	<u>\$ 284,286</u>	<u>\$ (140,095)</u>	<u>\$ 1,444,749</u>	<u>\$ 119,556</u>

AUBURN AREA RECREATION AND PARK DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 March 31, 2020

NOTE F – FUND BALANCE

The following are the components of the Governmental Funds fund balances.

	General	Atwood Park Funds	City Mitigation Fund	Total Governmental Funds
<b>Fund balances:</b>				
<b>Nonspendable:</b>				
Prepaid expenses	\$ 90,552			\$ 90,552
<b>Total Nonspendable</b>	<b>90,552</b>			<b>90,552</b>
<b>Restricted for:</b>				
Foundation activities	9,957			9,957
Youth assistance	22,070			22,070
Arboretum grant projects	13,276			13,276
City mitigation projects			\$ 205,421	205,421
<b>Total Restricted</b>	<b>45,303</b>		<b>205,421</b>	<b>250,724</b>
<b>Committed:</b>				
Future capital construction	676,237			676,237
Annual equipment replacement	945,574			945,574
CalPERS unfunded liability	183,200			183,200
ADA reserve	25,032			25,032
<b>Total Committed</b>	<b>1,830,043</b>			<b>1,830,043</b>
<b>Unassigned:</b>				
Annual contingency	450,000			450,000
Unassigned	996,657	\$ (11,419)		985,238
<b>Total Unassigned</b>	<b>1,446,657</b>	<b>(11,419)</b>		<b>1,435,238</b>
<b>Total Fund Balances</b>	<b>\$ 3,412,555</b>	<b>\$ (11,419)</b>	<b>\$ 205,421</b>	<b>\$ 3,606,557</b>

NOTE G – DEFINED BENEFIT PENSION PLAN

**Plan Description:** All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). The District has the following cost-sharing rate plans:

- Miscellaneous Plan
- PEPRA Miscellaneous Plan

Benefit provisions under the Plan are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

AUBURN AREA RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

**Benefits Provided:** CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 55 (62 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at March 31, 2020, are summarized as follows:

Hire date	Miscellaneous Plan (Prior to January 1, 2013)	PEPRA Miscellaneous Plan (On or after January 1, 2013)
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates - 2019/20	7.000%	6.500%
Required employer contribution rates - April to June 2019	9.635%	7.266%
Required employer contribution rates - July 2019 to March 2020	10.327%	7.072%

In addition to the contribution rates above, the District was required to make a payment of \$58,236 toward its unfunded actuarial liability during the year ended March 31, 2020. The Miscellaneous Plan is closed to new members that are not already CalPERS eligible participants.

**Contributions:** Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of March 31 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended March 31, 2020, the employer contribution to the Plan (all rate plans combined) was \$228,456, including the contribution for the employers unfunded accrual liability.

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:** As of March 31, 2020, the District reported a net pension liability for its proportionate share of the net pension liability of \$1,077,429.

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

forward to June 30, 2019 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of March 31, 2020 and 2019 were as follows:

	<u>Miscellaneous Plan</u>
Proportion - June 30, 2019	0.02480%
Proportion - June 30, 2020	0.02691%
Change - Increase (Decrease)	0.00211%

For the year ended March 31, 2020, the District recognized pension expense of \$324,186. At March 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan combined from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 190,844	
Change in assumptions	51,377	\$ 18,213
Net differences between projected and actual earnings on plan investments		18,837
Difference between actual and allocated contributions		56,326
Difference between expected and actual experience	74,832	5,798
Adjustment due to differences in proportions	119,986	
Total	<u>\$ 437,039</u>	<u>\$ 99,174</u>

The \$190,844 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2020. Other amounts reported as net deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30</u>	
2020	\$ 122,882
2021	8,444
2022	11,888
2023	3,807
	<u>\$ 147,021</u>

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

**Actuarial Assumptions:** The total pension liabilities in the actuarial valuations for the Plan was determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	0.4% - 8.5% <sup>(1)</sup>
Mortality	Derived using CalPERS Membership Data for all Funds

<sup>(1)</sup> Depending on entry age and service

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

**Discount Rate:** The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15 percent investment return assumption used in this accounting valuation is gross of administrative expenses. Administrative expenses are assumed to be 15 basis points.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.



AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

The table below reflects the long-term expected real rate of return by asset class for the Plan. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%		-0.92%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$ 1,919,941
Current Discount Rate	7.15%
Net Pension Liability	\$ 1,077,429
1% Increase	8.15%
Net Pension Liability	\$ 381,994

Pension Plan Fiduciary Net Position: Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE H – OTHER POSTEMPLOYMENT BENEFIT PLANS

Plan Description: The District administers a single employer defined benefit healthcare plan (the Retiree Health Plan). The District currently provides retiree health benefits to eligible Non-bargaining employees. The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act (“PEMHCA”), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE H – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Non-represented employees are eligible for District-paid retiree medical benefits upon attainment of age 50 and 5 years of service. The District contributes the PEMHCA minimum under the unequal method (5% times number of years the District has been in PEMHCA). The District's non-represented group joined PEMHCA in 2015. Employees must work more than 30 hours a week to be eligible for benefits. The statutory minimum was \$136.00 per month for 2019 that the District designates for PEMHCA. The \$136.00 per month increased to \$139.00 per month in 2020, which is scheduled by law to be indexed with medical inflation (CPI) for years 2021 and thereafter. In addition to the PEMHCA minimum, the District pays all administrative fees.

The Plan does not issue separate financial statements. No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits.

Effective August 1, 2020, the District is amending its plan to include represented employees, both active and retired, which would result in an increase in the OPEB liability by as much as \$635,000.

Employees Covered by Benefit Terms: As of the March 31, 2020 valuation, the following employees were covered by the Plan's benefit terms:

Active employees	14
Inactive employees or beneficiaries currently receiving benefit payments	7
	<u>21</u>

Contributions: The contribution requirements of Plan members and the District are established and may be amended by the District's Board of Directors subject to the District's Memorandums of Understanding with bargaining units. The required contribution is based on actual retiree health insurance premium payments required under the Plan. For the year ended March 31, 2020, the District contributed \$462 to the Plan through pay-as-you-go health insurance benefit payments on behalf of Plan members. Plan members did not make any contributions to the Plan. The District does not contribute to a trust fund on behalf of employees.

OPEB Liability: The District's OPEB liability of \$247,764 was measured as of March 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of March 31, 2020.

Actuarial Assumptions: The net OPEB liability in the March 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.48%
Salary increases	2.75%
Inflation	2.75%
Healthcare cost trend rates	6.00% for 2020; 5.90% for 2021; 5.80% for 2022; and decreasing 0.10% per year to an ultimate rate of 5.00% for 2029 and later years
Mortality rates	Derived using CalPERS membership data
Pre-Retirement	Derived using CalPERS membership data

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE H – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

**Discount Rate:** The discount rate used to measure the total OPEB liability was 2.48%. The discount rate is based on the Fidelity GO AA 20 Years Municipal Index.

**Changes in the Total OPEB Liability:** The change in the total OPEB liability for the plan is as follows:

	<u>Total OPEB Liability</u>
Balance at March 31, 2019	\$ 226,612
Changes for the year:	
Service cost	16,000
Interest on the total OPEB liability	5,614
Benefit payments	(462)
Net changes	<u>21,152</u>
Balance at March 31, 2020	<u>\$ 247,764</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:** The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease 1.48%</u>	<u>Discount Rate 2.48%</u>	<u>1% Increase 3.48%</u>
Total OPEB liability	\$ 288,391	\$ 247,764	\$ 214,355

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:** The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease (5.00% decreasing to 4.00%)</u>	<u>Current Healthcare Cost Trend Rates (6.00% decreasing to 5.00%)</u>	<u>1% Increase (4.00% decreasing to 6.00%)</u>
Total OPEB liability	\$ 207,550	\$ 247,764	\$ 298,854

**OPEB Plan Fiduciary Net Position:** The Plan does not have fiduciary net position as the District does not contribute to a qualified trust fund on behalf of the participants.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:** For the year ended March 31, 2020, the District recognized OPEB expense of \$21,152. At March 31, 2020, the District reported no deferred outflows or inflows.

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE I – RISK MANAGEMENT

The District is self-insured for comprehensive liability coverage as a member of the California Association for Park and Recreation Insurance (CAPRI). CAPRI is a public agency risk pool created pursuant to a joint powers agreement between the numerous member Districts. CAPRI manages one pool for all member agencies. Each member pays an annual premium to the system based on numerous factors including the number of personnel, types and values of assets held, and an experience factor. CAPRI reinsures through a commercial carrier for claims in excess of \$750,000 for each insured event. The District also participates in the Special District Risk Management Authority (SDRMA) Workers' Compensation and Employers' Liability Coverage Agreement.

Coverage provided under CAPRI and SDRMA are as follows:

Workers' compensation coverage of \$5,000,000 under (SDRMA) with zero member deductible.

Comprehensive general liability coverage with a \$25,000,000, including \$750,000 (CAPRI) self-insured limit per occurrence for personal injury and property damage to which the coverage applies. There is no deductible to the District.

Public officials and employee liability coverage with a \$1,000,000 annual aggregate limit per member district because of a wrongful act which occurs during the coverage period for which the coverage applies. There is a \$25,000 deductible for any covered claim for wrongful termination payable by the District.

Flood and earthquake coverage with an annual aggregate limit of \$5,000,000 for all the member districts. The deductible for all loss or damage arising from the risks of flood and/or earthquake is \$50,000 per occurrence, or 5% for earthquake and \$20,000 for flood, of the value of the building, contents, and/or structure damaged, whichever is greater.

Theft and employee dishonesty coverage with a limit of \$1,000,000 and a deductible of up to \$25,000 per occurrence.

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2020

NOTE J – RESTATEMENT OF NET POSITION AND FUND BALANCE

During the year ended March 31, 2020 the District discovered certain errors and reclassifications to the March 31, 2019 financial statements. In addition, during the year ended March 31, 2020, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement required the District to recognize in its financial statements the net OPEB liability, deferred outflows of resources and deferred inflows of resources for the District’s OPEB plan. Due to implementation of this Statement, an OPEB liability was added of \$226,612, which decreased net position by \$226,612 as of April 1, 2019. As a result of the prior period adjustments, the net position and fund balance reported on the statement of activities and the statement of revenues and expenditures as of April 1, 2019 have been restated as follows:

	<u>Governmental Activities</u>	<u>General Fund</u>	<u>Non-Major Funds</u>
Net position and fund balance as of March 31, 2019, as previously reported	\$ 10,015,299	\$ 3,323,966	\$ 513,954
Change in accounting principal adoption of GASB Statement No. 75	(226,612)		
Remove compensated absences from the General Fund not currently payable		119,556	
Report Youth Services within the General Fund instead of a separate Special Revenue fund		20,203	(20,203)
Report Foundation activities, considered to be a component unit of the District	36,195	36,195	
Total Restatements	<u>(190,417)</u>	<u>175,954</u>	<u>(20,203)</u>
Net position and fund balance as of April 1, 2019 as restated	<u>\$ 9,824,882</u>	<u>\$ 3,499,920</u>	<u>\$ 493,751</u>

NOTE K – SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the District’s operation and financial performance depends on certain developments, including the duration and spread of the outbreak, and the impact on the public, taxpayers, employees and vendors, all of which are uncertain and not determinable. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain.

**REQUIRED SUPPLEMENTARY INFORMATION**

AUBURN AREA RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended March 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 3,331,271	\$ 3,331,271	\$ 3,453,352	\$ 122,081
Charges for current services	1,325,160	1,325,160	1,319,983	(5,177)
Use of money and property	177,577	177,577	180,811	3,234
Mitigation fees	275,300	275,300	275,300	-
Interest income	68,410	68,410	67,187	(1,223)
Grants and donations	57,840	57,840	38,744	(19,096)
Other revenues	43,460	43,460	43,534	74
Total revenues	<u>5,279,018</u>	<u>5,279,018</u>	<u>5,378,911</u>	<u>99,893</u>
<b>EXPENDITURES</b>				
Salaries and benefits	3,267,478	3,267,478	3,157,557	109,921
Services and supplies	1,589,464	1,589,464	1,448,278	141,186
Capital outlay	1,459,555	1,459,555	1,154,225	305,330
Total expenditures	<u>6,316,497</u>	<u>6,316,497</u>	<u>5,760,060</u>	<u>556,437</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	(1,037,479)	(1,037,479)	(381,149)	656,330
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	-	-	293,784	293,784
Total other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>293,784</u>	<u>293,784</u>
Change in fund balance	(1,037,479)	(1,037,479)	(87,365)	950,114
Fund Balances, April 1, 2019, as previously reported	3,323,966	3,323,966	3,323,966	
Restatement of fund balance	175,954	175,954	175,954	
Fund Balances, April 1, 2019, as restated	<u>3,499,920</u>	<u>3,499,920</u>	<u>3,499,920</u>	
Fund Balances, March 31, 2020	<u>\$ 2,462,441</u>	<u>\$ 2,462,441</u>	<u>\$ 3,412,555</u>	<u>\$ 950,114</u>

AUBURN AREA RECREATION AND PARK DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended March 31, 2020

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)  
Last 10 Years**

	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Proportion of the Net Pension Liability	0.02691%	0.02480%	0.02452%	2.24600%	0.02011%	Varies by plan
Proportionate Share of the Net Pension Liability	\$ 1,077,429	\$ 934,476	\$ 966,748	\$ 780,085	\$ 458,264	\$ 458,264
Covered Payroll - Plan Measurement Period	\$ 1,807,953	\$ 2,059,494	\$ 1,874,726	\$ 1,719,670	\$ 1,333,961	\$ 1,333,961
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	59.59%	45.37%	51.57%	45.36%	34.35%	34.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.80%	83.05%	80.31%	80.64%	84.02%	86.17%

Notes to Schedule:

Change in Benefit Terms: None.

Changes in Assumptions: The demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

Omitted Years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)  
Last 10 Years**

	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 164,229	\$ 156,700	\$ 146,616	\$ 128,997	\$ 121,477	\$ 150,179
Contributions in Relation to the Actuarially Determined Contributions	(164,229)	(156,700)	(146,616)	(128,997)	(121,477)	(150,179)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll - Employer Fiscal Year	\$ 1,961,011	\$ 2,244,919	\$ 2,059,494	\$ 1,874,726	\$ 1,719,670	\$ 1,333,961
Contributions as a Percentage of Covered Payroll	8.37%	6.98%	7.12%	6.88%	7.06%	11.26%

Notes to Schedule:

Valuation date: June 30, 2017 June 30, 2016 June 30, 2015 June 30, 2014 June 30, 2013 June 30, 2012

Methods and Assumptions Used to Determine Contribution Rates:

Amortization Method	Entry age normal					
Remaining Amortization Period	Level percentage of payroll, closed					
Asset Valuation Method	Varies, not more than 30 years					
	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Inflation	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(3)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.25% (1)	7.375% (1)	7.50% (1)	7.50% (1)	7.50% (1)	7.50% (1)
Payroll growth	2.75%	3.00%	3.00%	3.00%	3.00%	3.00%

Notes to Schedule:

(1) Net of administrative expenses, includes inflation.

(2) 0.40% to 8.50% depending on entry age and service.

(3) 3.20% to 12.20% depending on entry age and service.

Omitted Years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Future years will be reported prospectively as they become available.



AUBURN AREA RECREATION AND PARK DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended March 31, 2020

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)**

	<u>2020</u>
Total OPEB liability:	
Service cost	\$ 16,000
Interest	5,614
Benefit payments	(462)
Net change in total OPEB liability	<u>21,152</u>
Total OPEB liability - beginning	<u>226,612</u>
 Total OPEB liability - ending	 <u>\$ 247,764</u>
 Covered-employee payroll - measurement period	 <u>\$ 719,947</u>
 Total OPEB liability as percentage of covered-employee payroll	 <u>34.41%</u>

Notes to schedule:

Valuation date

March 31, 2020

Measurement period - fiscal year ended

March 31, 2020

Note: No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits.

Benefit changes. None.

Changes in assumptions. None.

Omitted years: GASB Statement No. 75 was implemented during the year ended March 31, 2020. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

## **Item 7.2 Cover sheet – Approval of Agreement with Local 39 Operating Engineers**

**Auburn Area Recreation and Park District (ARD) Board of Directors meeting July 30, 2020**

### **The Issue**

Shall the Auburn Area Recreation and Park District (ARD) approve the agreement between ARD and the Local 39 Operating Engineers? The term of this agreement is from April 1, 2020 – March 31, 2021

### **Background**

District staff has been negotiating a new contract with Local 39 since January of 2020. After several meetings with the union representative and the negotiating committee (made up of three represented staff members), and delays associated with the COVID-19 pandemic, a tentative agreement has been struck. The complete details of the negotiated items are in the attached document. The main points on the agreement are as follows:

#### **Contract Term**

April 1, 2020 through March 31, 2021

#### **Health Benefits**

The parties have tentatively agreed to a new Health Plan through CalPERS to eliminate the tiered health benefits effective July 1, 2020.

**PERS SELECT (Anthem Blue Cross), \$1,000 Deductible for employee or \$2,000 for family.**

ARD will pay up to:

Employee Only:	530.00
Employee + 1:	1,000.00
Employee + Fam:	1,300.00

#### **No Cost of Living**

Due to the Pandemic the parties agree to no cost of living adjustment (COLA) for the 2020-21 fiscal year. There will be no restrictions on merit increases for those that have not capped out.

#### **Equity Adjustments**

The scales determined to be underpaid will receive equity adjustments as follows:

Park Workers Part Time	Increase scale by 7%
Park Workers Full Time	Increase scale by 3%
Custodian Full Time	Increase scale by 6%
Facility Attendant P/T	Increase scale by 7%
Customer Serv Rep F/T	Increase scale by .3% (to align with Park Wkr P/T)

Other changes to the previous contract are highlighted in the attached document.

**Recommendation for the Board of Directors**

Review and approve the Agreement between the Auburn Area Recreation and Park District and the Local 39 Operating Engineers. This approval would also authorize the ARD Chairman and ARD District Administrator to sign the agreement.

**Fiscal Impact**

The changes to the Health Benefit Plan will save ARD approximately \$6,000/year.

The equity adjustments (increases in pay) will have an impact of approximately \$17,667 for FY 20/21. This increase is included in the FY 20/21 budget.

**Attachments**

Agreement between the Auburn Area Recreation and Park District and the Local 39 Operating Engineers (highlighted to show changes from the existing agreement)

**2020-2021**  
**AGREEMENT BETWEEN AUBURN RECREATION DISTRICT**  
**AND LOCAL 39 OPERATING ENGINEERS**

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## ARTICLE 1

### PREAMBLE

The articles and provisions contained herein constitute a bilateral and binding agreement by and between the Auburn Area Park and Recreation District ("ARD") and the IUOE, Stationary Engineers Local 39 ("Union"), an employee organization, and becomes effective on April 1, 2020 and ending on March 31, 2021. This agreement supersedes and replaces any and all agreements and memorandums of understandings preceding the date of this agreement. The parties agree to abide by the Personnel policies of the District unless otherwise modified herein.

## ARTICLE 2

### RECOGNITION

- A. ARD recognizes the Union as the exclusive representative for those employees employed in the following classifications:
1. F&G grounds supervisor (F/T).
  2. F&G park worker (F/T).
  3. F&G park worker (P/T).
  4. F&G senior park worker/pool operator (F/T)
  5. F&G senior park worker (P/T)
  6. F&G facilities coordinator (F/T)
  7. F&G Custodian (F/T, P/T).
  8. F&G Facility Attendant/Custodian (P/T)
  9. Sports coordinator.
  10. Customer service rep (F/T,P/T).
  11. Youth services program coordinator (F/T).
  12. Youth services program site director (F/T).
- B. In the event any new positions are created in ARD other than those fitting into the employee's organization, written notification shall be given to the Union in a timely manner. The Union will have seven (7) working days to respond with their concerns over the creation of any non-union positions. Further, a meeting may be called to see if ARD and the Union can mutually agree on the status of the newly created positions. However, ARD has the right to create positions not within the employees' organization over the objections of the Union.

### **ARTICLE 3**

#### **TERM OF THE AGREEMENT**

The term of this Agreement is from April 1, 2020 to March 31, 2021

### **ARTICLE 4**

#### **EMPLOYEE RIGHTS**

ARD and the Union recognize the right of employees to form, join, and participate in lawful activities of employee organizations and the equal alternative right of employees to refuse to form, join and participate in employee organizations

**1. Payroll Deductions:**

In addition to continuing existing payroll deductions for group insurance plans to which the District is or shall hereafter be a contracting party, the District agrees to establish payroll deductions for the normal and regular monthly Union membership dues, initiation fees, fair share fees and assessments, and for the IUOE Federal Political Action Committee in manner defined in section 2 of this Article.

2. On the basis of individually signed, voluntary authorized deduction forms, the District will deduct dues of (\$.05) for each hour that the employee receives wages under the terms of the Agreement, to go towards the Local 39 Federal Political Action Committee. It is agreed that these authorized deductions for the Local 39 Federal Political Action Committee (PAC) are not conditions of membership in the Stationary Engineers, Local 39 or of employment with the District and that the Local 39 Federal PAC will use such monies in making political contributions in connection with Federal, State, and local elections. Payments shall be made on a separate check to Local 39 Federal PAC, accompanied by monthly reports reflecting employee hours worked on forms provided by the Local 39 Federal PAC, shall be remitted to 1620 North Market Blvd. Sacramento, CA 95834.

The costs of administering this payroll deduction for Local 39 Federal PAC are incorporated into the economic package provided under the terms of this Agreement so that the Local 39 Federal PAC has, through its negotiation and its execution of this Agreement, reimbursed the District for the costs of such administration.

## ARTICLE 5

### EMPLOYMENT POLICIES AND PRACTICES

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#### **5.1 New Hires, Employees Subject to Probationary Period**

The first twelve months of continuous employment at the District is considered a probationary period. All employees shall serve a probationary period of twelve (12) months, commencing with their first day of employment. During this time the employee is expected to learn job responsibilities, get acquainted with fellow employees; determine whether or not he/she is happy with the job and whether further employment with the District is appropriate. The employee's supervisor will closely monitor his/her performance.

All employees may be evaluated in writing at any time during their probationary period and a mandatory evaluation will be completed after twelve months of employment, the standard probationary period. The Department Manager shall recommend either for or against retention of the employee prior to the expiration of the probationary period.

At any time during the probationary period an employee may be immediately released from employment by the District Administrator. The employee shall not be entitled to a hearing or an appeal of any kind. Recommendation of release from employment shall be made in writing by the Department Manager to the District Administrator. District Administrator may give such employee, at any time up to and including the last day of the probationary period, written notice of his/her immediate release from employment. Though an employee successfully completes his or her probationary period, they may still be subject to layoff or terminated for cause in accordance with this MOU.

The District Administrator may extend the duration of the probationary period one or more times, if, in his or her sole and absolute discretions, it is determined that such an extension is appropriate. Upon completion of the probationary period, a performance evaluation will be conducted to ascertain the advisability of continued employment on a regular basis.

#### **5.2 Regular Employees**

Regular employees are those employees who are hired to work on a regular schedule. Regular employees may be classified as full-time or part-time. A "Regular" employee may be separated from their position through layoff or termination for cause in accordance with this MOU.



### **5.3 Full-time Employees**

Full-time employees are those who are regularly scheduled to work forty (40) hours per workweek. Absences due to non-protected time off could have an effect on your Full Time Benefits. Employees falling below the 40 hour threshold may have their attendance reviewed and be subjected to an appropriate part time benefit formula listed in Article 7 Paragraphs (B), (C), and (D) of this MOU.

### **5.4 Part-time Employees**

Part-time employees are those who are regularly scheduled to work fewer than forty (40) hours per workweek.

Benefit eligibility will be determined by the actual number of hours worked.

Part-time employees who work an average of less than twenty (20) hours per workweek are not eligible for District benefits except as mandated by State or federal law.

Part-time employees who work an average of thirty (30) hours per workweek are entitled to some medical benefits except as mandated by State or federal law.

Any increase in part time employee's scheduled hours will be based upon the District's needs, with seniority within the classification being one of the factors in such determination.

### **5.5 Temporary Employees**

Temporary employees have no regular job status and are employed for short-term assignments. Short-term assignments generally are for periods of three months or fewer; however, such assignments may be extended by the Department Head with approval of the District Administrator. Temporary employees are not eligible for employee benefits except as mandated by applicable State or Federal law. Temporary employees are eligible for CalPERS benefits if they work full-time for six continuous months or for more than 1,000 hours in a calendar year or are current members of CalPERS.

### **5.6 Seasonal Employees**

Seasonal employees are employees without regular job status, who are hired for a period of up to six months. The hours worked by such employees may vary. Seasonal employees are not eligible for employee benefits except as mandated by applicable law. Seasonal employees are eligible for CalPERS retirement benefits if they work full-time for six continuous months or for more than 1,000 hours in a calendar year or are current members of CalPERS.

### **5.7 On-Call Employees**

On-call employees are employees who work on an on-call or as-needed basis. On-call employees have no regular job status. On-call employees are not eligible for employee benefits except as mandated by applicable law.

### **5.8 Work Schedules**

The District's normal business hours are between 6:00 a.m. and 11:00 p.m., Sunday through Saturday. Supervisors are responsible for assigning individual employee work schedules. Work hours will vary among departments and shifts due to various District needs. All employees are expected to be at their desks or workstations ready to work at the start of their scheduled shifts.

Exchanging work schedules with other employees is discouraged. However, supervisors may authorize such an exchange. Work schedule exchanges will not be approved for the mere convenience of an employee or if the exchange interferes with normal operations or results in overtime.

The workweek begins at 12:01 a.m. Wednesday and ends at midnight on Tuesday.

When an employee is unable to report to work at the assigned time, the employee must report the reason by telephone to their immediate supervisor as soon as possible. Unauthorized absences that interfere with the orderly operation of District business may be cause for personnel action.

### **5.9 Rest Periods**

Employees are allowed a paid fifteen-minute rest period (break) for every four hours (or major portion thereof) of work. A rest period shall be scheduled, with the Supervisor's approval, in accordance with the requirements of the nature of the work assignment and to assure that all activities conducted by the District are adequately staffed at all times. Rest periods may neither be combined with meal breaks nor used to allow an employee to come in fifteen minutes late or leave fifteen minutes early. During a paid rest period, the employee must not leave the premises.

### **5.10 Meal Periods (Breaks)**

As required by the Fair Labor Standards Act, unpaid meal breaks shall be scheduled in the middle of the employee's work shift, no more than five (5) hours after the beginning of the workday. Unpaid meal breaks shall be a minimum of thirty minutes long but shall not exceed one hour. During an unpaid meal break an employee must be relieved of all duties and be free to leave the premises. The District will provide a break room with limited kitchen facilities at the Recreation Park main building location.

A half-hour meal break shall be taken for every work period of more than five (5) hours. For all workdays on which an employee works more than ten hours, a second unpaid meal break shall be taken. The second meal break may be waived only if:

- The total hours worked on that workday does not exceed twelve;
- There is mutual consent of the employee and department manager; and
- The first meal period of the workday was taken.

If an employee works no more than six hours in a given day the meal break may be waived by mutual consent of the employee and the employer.

Rest periods may not be combined with meal breaks or used to allow an employee to come in fifteen minutes late or leave fifteen minutes early. Meal breaks may not be used to allow an employee to come in later or leave early. Employees are expected to observe their assigned working hours and the time required for meal and rest periods.

The District will require that union employees lunch periods will begin and end at the specific site they are working in. Lunch breaks are thirty (30) minutes including travel time. However, an employee may use a District vehicle to travel to purchase a meal when on assignment away from home base, but such travel shall be included in the lunch period time.

### **Timekeeping Requirements**

The District utilizes a computer driven software package called TimeClock© to record all timekeeping. All employees are required to use TimeClock© to record their time worked for payroll purposes. Employees must record their own time at the start and at the end of each work period, including at the start and end of each lunch break. Employees must also record their time whenever they leave the premises for any reason other than District business. Recording time in on another employee's TimeClock©, allowing another employee to log time on a TimeClock© that is not their own, or altering TimeClock© is not permissible and is subject to disciplinary action, with the exception of changes and corrections made by management and/or the payroll department.

All TimeClock© entries must be turned in to the department manager no later than 5:00 pm on Tuesday of payroll week. All TimeClock© entries must be approved by the employee's Department Manager.

Any TimeClock© error should be reported immediately to the department manager or the payroll department.

### **5.11 Salary Schedule**

The salary schedules and hourly wage schedules for District employees represented by Local 39, are developed through negotiation between the union and the District, and are ratified by the members and the Board of Directors. There is no cost of living increase for the term of this

**agreement.** The salary ranges for each classification are located in appendix “A” and updated as general wages increases occur.

### **5.12 Payment of Wages**

Except as otherwise indicated, the compensation provided shall be deemed to mean the compensation per hour. The wages of all employees shall be paid every two (2) weeks, based on a schedule of twenty-six (26) pay periods per year, normally every other Friday. Non-exempt employees shall be paid at their assigned hourly rate.

### **5.13 Automatic Deposit**

**The District offers automatic payroll deposits.** Initially upon hiring and thereafter if the employee changes banks, each employee must complete a form available from the payroll department and return it to that office at least 17 days before the pay period for which the change is effective. Employees should carefully monitor their payroll deposit statements for the first two pay periods after the service begins.

### **5.14 Call-in Pay**

The District will pay a minimum of two hours of pay to employees who are required to report to work on a day other than their normally scheduled workday.

### **5.15 Stand-by Pay**

Any District employee who is required to be on “stand-by mode” on a day other than his or her normally scheduled work day or work hours, will be entitled to a minimum payment of \$21.00 per weekday and \$24.00 per weekend day for each eight (8) hour period that the employee is required to be on stand-by. Stand-by pay will not be paid at an overtime rate.

### **5.16 Working Out of Class**

On occasion, due to operational necessity an employee may be required to perform a majority of essential duties of another classification with a higher salary range. In such cases, payment for out of class work shall be a minimum of 5% above the regular base pay of the employee for all hours worked in the higher classification. Employees whose job description does not include work classification that requires licensing or certifications, but who work in such a capacity will be paid a 5% pay differential.

### **5.17 Pay for Mandatory Meetings/Trainings**

The District will pay non-exempt employees for their attendance at meetings, lectures, and training programs under the following conditions:

- Attendance is mandatory; or
- The meeting, course, or lecture is directly related to the employee's job and the employee has been notified of the necessity for such attendance by his or her supervisor.

Compensation will be at the employee's regular rate of pay for time spent at meetings, lectures, and training programs. Any hours in excess of eight hours in a day or 40 hours in a workweek will be paid at the employee's appropriate overtime rate. Appropriate Lunch breaks must be taken during meetings and trainings.

### 5.18 Overtime

Employees may be required to work overtime as necessary. Overtime work requires prior authorization by the District Administrator or his/her designee. All overtime shall be recorded by the employee on his/her normal **electronic timecard**.

The District will attempt to distribute overtime evenly and to accommodate individual schedules. Overtime for any one employee shall not exceed eight (8) hours in any one pay period unless otherwise authorized by the District Administrator.

### 5.19 Payment for Overtime

The District provides compensation for all overtime hours worked by non-exempt employees in accordance with State and Federal law as follows:

- Any hours worked in excess of eight hours in one workday or 40 hours in one workweek will be treated as overtime. A workday begins at 12:01 a.m. and ends at midnight 24 hours later. Workweeks begin each Wednesday at 12:01 a.m. and end each Tuesday at 12:00 a.m.;
- Employees shall be paid at a rate of one and one-half times the employee's regular rate of pay for hours worked:
- In excess of 40 hours for the workweek;
- In excess of eight, but not more than 12, hours for the workday; and
- For the first eight hours worked on the seventh consecutive day of work. However, if a non-exempt employee works less than six hours a day, and less than 30 hours in a week, the employee will not receive overtime for the seventh consecutive day.
- Compensation for hours in excess of 12 in one workday and in excess of eight on the seventh consecutive workday in a workweek shall be paid at double the regular rate of pay;

Sick time, **PTO**, holiday, and vacation hours paid, but not worked, are not included in calculating overtime. Only actual hours worked in a given workday or workweek, and not hours scheduled, will apply in calculating overtime.

Employees who are excluded from District Benefits are eligible for overtime pay calculated at the rate of one and one-half times the employee's regular rate of pay for hours worked on a District-observed holiday. When a holiday falls on a Saturday or Sunday, the employee shall be eligible for overtime pay for hours worked on the actual holiday, not the District-observed holiday.

### 5.21 Salary Ranges and Merit Increases/Performance Reviews

Persons entering the employ of the District shall be paid at the minimum starting wage of the salary schedule established for the classification in which they are hired, unless otherwise approved by the District Administrator.

Merit increases may range from 0% to 5% and shall be determined on the employee's anniversary date, shall not be automatic, but shall be based on performance reports, length of service and budgetary constraints based on the criteria outlined below:

Employees may qualify for a merit increase in the following manner:

A Performance Evaluation Form shall be prepared by the employee's supervisor not more than thirty (30) days prior to the employee's anniversary date and shall be interactively reviewed by the employee and his or her supervisor. The Performance Evaluation Form shall list several performance criteria and each of the criteria shall have a numerical point value as follows:

Outstanding:	5
Exceeds Performance Standards:	4
Satisfactory:	3
Needs Improvement:	1
Unsatisfactory:	0

There are 11 criteria (20 criteria for Supervisors) on the current Performance Evaluation Form. The District, at its discretion, may add, delete, amend, or modify the content and/or the criteria on the Performance Evaluation Form. Changes in the rating or scoring system and how it affects any merit increase of employees shall be on a "meet and confer" basis with the union. Evaluation scores and corresponding merit increase percentages are as follows:

Regular Employees	Supervisors
40-55 = 5%	54-75 = 5%
36-39 = 4%	49-53 = 4%
33-35 = 3%	45-48 = 3%
Below 33 = 0%	Below 45 = 0



An employee who scores below 33 on a performance review shall be counseled immediately and given a Performance Improvement Plan as to how his or her performance must improve. Such performance shall be reviewed again 90 days after the initial performance review. If the employee's performance improves to a Satisfactory level (33 or higher), that employee will be eligible for the corresponding merit increase (non-retroactive). If there is no improvement, the employee may be subject to disciplinary action, up to and including termination.

All job descriptions shall have a minimum starting wage and a maximum attainable wage. Each employee will have a performance review on either their anniversary date or their promotion date (if applicable), and shall be eligible for a merit increase corresponding to the evaluation criteria and score outlined above. Generally, all full-time and regular part-time employees shall serve at least one year at each wage and have a performance evaluation rating of 33 or better to qualify for advancement to the next wage. Performance Evaluation Forms shall be reviewed by the District Administrator prior to the review of an employee, and shall be approved by, and advancement shall be at, the discretion of the District Administrator.

The District will provide an appropriate venue to assure that privacy and confidentiality are maintained for performance evaluations.

The employee will be asked to sign the Performance Evaluation Form simply to acknowledge that it has been presented and discussed between the employee and the supervisor and that the employee is aware of its contents. If the employee refuses to sign the performance evaluation, the supervisor will note the refusal on the original evaluation in the employee's signature block and have the refusal witnessed and initialed by another manager or supervisor. The employee has the right to respond in writing to the evaluation and have the response included in his/her personnel file within 30 days of having received the evaluation.

## **5.22 Makeup Time**

The District allows the use of makeup time when non-exempt employees need time off to tend to personal obligations. Makeup time worked will not be paid at an overtime rate.

Employees may take time off and then make up the time later in the same work week, or may work extra hours earlier in the work week to make up for time that will be taken off later in the work week.

Makeup time requests must be pre-approved by the employee's supervisor and approved as such on TimeClock©. Requests will be considered based on the legitimate business needs of the District at the time the request is submitted. A separate request is required each time the employee requests makeup time.

If an employee requests time off that is to be made up later in the week, the employee must submit the request at least 24 hours in advance of the desired time off. If the employee requests to make up time prior to taking time off, the employee must submit the request at least 24 hours before working the makeup time. Makeup time requests must be approved in TimeClock© before the employee takes the requested time off or works the makeup time, whichever is first.

All makeup time must be worked in the same work week as the time taken off. Employees may not work more than 11 hours in a day or 40 hours in a workweek as a result of making up time that was or would be lost due to personal obligations.

If an employee takes time off and is unable to work the scheduled makeup time for any reason, the hours missed will normally be paid by PTO. However, your supervisor may arrange with you another day to make up the time if possible, based on scheduling needs. If an employee works makeup time in advance of time they plan to take off, the employee must take that time off, even if the employee no longer requires that time off.

An employee's use of makeup time is completely voluntary. The District does not encourage, discourage, or solicit the use of makeup time.

### **5.23 Personnel Records**

Employees have a right to inspect certain documents in their personnel file, as provided by law, in the presence of a District representative at a mutually convenient time. If requested, a copy of an employee's personnel file will be provided to them within thirty (30) days at the cost of copying the files. Employees may add comments to any disputed item in the file.

The District will restrict disclosure of personnel files to authorized individuals within the District. Any request for information contained in personnel files must be directed to the Personnel Manager. Only the District Administrator or Payroll Department is authorized to release information about current or former employees. Disclosure of personnel information to outside sources will be limited. However, the District will cooperate with requests from authorized law enforcement or local, State, or Federal agencies conducting official investigations and as otherwise legally required. Under the California Public Records Act, personnel files are private, but the District can be mandated to release information including, but not limited to, names of employees and salary information.

### **5.24 Names and Addresses**

The District is required by law to maintain employees' names and current addresses. Employees are responsible for notifying the District in the event of a name or address change.

### **5.25 Reduction in Force**

Due to lack of work or lack of funds the District may need to restructure or reduce its workforce. If restructuring operations or reducing the number of employees becomes necessary, the District will attempt to provide advance notice, if possible, to help prepare affected individuals. If possible, employees subject to layoff will be informed of the nature of the layoff and the foreseeable duration of the layoff, whether short-term or indefinite.

In determining which employees will be subject to layoff, the District will take into account, among other things, requirements for continued operation of District functions, the skill,



productivity, ability, and past performance of those involved, as well as seniority in current position.

The District Administrator shall prepare and submit a layoff list to the Board of Directors. Each employee subject to layoff shall be given written notice of layoff. This notice shall state the effective date and reason for such layoff.

The District recognizes its obligation to meet and confer with the Union over the decision to layoff and the impacts of any proposed layoff.

## 5.26 Voluntary Termination

Voluntary termination results when an employee voluntarily resigns his or her employment, or fails to report to work for three consecutively scheduled workdays without notice to, or approval by, his or her supervisor. All District-owned property, including vehicles, keys, uniforms, identification badges, and credit cards, must be returned immediately upon termination of employment.

## 5.27 Internal Transfers

The District will post vacancies that are open for promotional opportunities and lateral transfers, allowing for interviews of those employees that wish to apply, to the extent that those applying for such transfer or promotional opportunity are qualified for such position(s).

# ARTICLE 6

## DRUGS AND ALCOHOL POLICY

### 6.1 Drug and Alcohol Abuse

The District is concerned about the use of alcohol, illegal drugs, or controlled substances as they affect the workplace. Use of these substances, whether on or off the job, can detract from an employee's work performance, efficiency, safety, and health, and therefore seriously impair the employee's value to the District. In addition, the use or possession of these substances on the job constitute a potential danger to the welfare and safety of other employees and expose the District to the risks of property loss or damage, or injury to other persons. Inappropriate use of prescription drugs and/or over-the-counter drugs may do the same.

The following rules and standards of conduct apply to all employees either on District property or during the workday (including meals and rest periods). Behavior that violates District policy includes:

1. Possession or use of an illegal or controlled substance, or being under the influence of an illegal or controlled substance while on the job;
2. Driving a District vehicle while under the influence of alcohol or an illegal or controlled substance;

3. Distribution, sale, or purchase of an illegal or controlled substance while on duty or in the workplace.
4. Reporting to work under the influence of alcohol, illegal drugs or any other controlled substance.
5. Use of alcohol, illegal drugs or any other controlled substance while on duty or in the workplace.
6. Misuse of prescription drugs or over the counter drugs while on duty or in the workplace.

Violation of these rules and standards of conduct will not be tolerated. The District also may bring the matter to the attention of appropriate law enforcement authorities.

In order to enforce this policy, the District reserves the right to conduct searches of any and all the District property, including desks and lockers, and to implement other measures necessary to detect and deter abuse of this policy. No employee should assume that any area on District property is private. The District reserves the right to enter and search any desk or locker in the workplace.

An employee's conviction on a charge of illegal sale or possession of any controlled substance while off District property will not be tolerated because such conduct, even though off duty, reflects adversely on the District. In addition, the District must keep people who sell or possess controlled substances off the District's premises in order to keep the controlled substances themselves off the premises.

Any employee who is using prescription or over-the-counter drugs that may impair the employee's ability to safely perform the job, or affect the safety or well being of others, must notify a supervisor of such use immediately before starting or resuming work.

The District will encourage, and reasonably accommodate, employees with alcohol or drug dependencies to seek treatment and/or rehabilitation. Employees desiring such assistance should request a treatment or rehabilitation leave. The District is not obligated, however, to continue to employ any person whose performance of essential job duties is impaired because of drug or alcohol use, nor is the District obligated to re-employ any person who has participated in treatment and/or rehabilitation if that person's job performance remains impaired as a result of dependency. Additionally, employees who are given the opportunity to seek treatment and/or rehabilitation, but fail to successfully overcome their dependency will not automatically be given a second opportunity to seek treatment and/or rehabilitation. This policy on treatment and rehabilitation is not intended to affect the District's treatment of employees who violate the regulations described previously. Rather, rehabilitation is an option for an employee who acknowledges a chemical dependency and voluntarily seeks treatment to end that dependency.

All District employees are subject to drug and alcohol testing under Federal and State guidelines allowing for "reasonable suspicion testing" as follows:

Reasonable suspicion testing is authorized when management believes an employee is using illegal drugs or alcohol. It is appropriate to request a reasonable suspicion drug and alcohol test when any of the following conditions exist:

1. Direct observation of drug use and/or the physical symptoms of being under the influence of drugs or alcohol.
2. A pattern of abnormal conduct or erratic behavior.
3. Arrest or conviction for a drug related offense; or the identification of an employee as the focus of a criminal investigation into illegal drug possession, use or trafficking.
4. Information that is either provided by reliable and credible sources or independently corroborated.
5. Newly discovered evidence that the employee has tampered with a previous drug test.

## ARTICLE 7

### EMPLOYEE BENEFITS

#### 7.1 Introduction

An employee holding a full-time or regular part-time position will be entitled to District benefits according to the following employment classification:

- A. Full-time employees who are regularly scheduled for 40 hours per week and maintain 40 paid hours per week:

Benefits begin on the first of the month following the first thirty days of regular employment. To maintain eligibility for benefits, paid hours must average a trailing twelve (12) month basis, unless unpaid absences are due to approved FMLA leave or a preapproved leave of absence. Employees falling below the 40 hour threshold will be reviewed and may be subjected to the part time benefit formulas list in paragraphs (B), (C), and (D) of this article.

- B. Regular part-time employees who work an average of 30-39 hours per week;

Benefits begin on the first of the month following the first thirty days of regular employment. Such part-time employee must maintain a minimum of 30 hours per week of work. To maintain eligibility for benefits, hours worked will be monitored on a trailing twelve (12) month basis and will be calculated every quarter. The trailing 12 month period will begin on the first day of the pay period following the "hours worked" eligibility requirements for that level of benefits.

- C. Regular part-time employees who work an average of 20-29 hours per week

Benefits begin on the first of the month following the first thirty days of regular employment. Such part-time employee must maintain a minimum of 20 hours per week of work. To maintain eligibility for benefits, hours worked will be monitored on a trailing twelve (12) month basis and will be calculated every quarter. The trailing 12 month period will begin on the first day of the pay period following the “hours worked” eligibility requirements for that level of benefits.

**D. Part-time employees who work an average of less than 20 hours per week:**

Part-time employees in this category and temporary, seasonal, on-call, volunteers, and Independent Contractors only qualify for participation in the retirement program as required by CalPERS. These employees do not qualify for any other benefits.

**7.2 Rules for Part-time Employees: Hours Worked, Eligibility and Review Periods for Paid Time-Off Benefits.**

**1. Definition of Hours Worked**

Whenever “hours worked” is mentioned in the District Benefits section, it refers to actual hours an employee works, and includes the number of hours the employee was paid, including holidays, personal time leave off, and credit allowed for unpaid holidays.

If the part-time employee did not meet the required level of hours to reach a benefit level during the first month of employment, he or she will be re-examined at the end of each subsequent month using the most recent trailing twelve months’ data. Upon reaching the threshold for average hours, the part-time employee will then qualify for the appropriate benefit coverage.

**2. Increased Qualification**

An employee who initially meets the 20-29 average hours worked per week level of benefits, may at a later date qualify for the 30-39 average hours worked per week level of benefits. After initial qualification, the employee will be monitored on a monthly basis to verify whether he or she meets the required level of hours to reach the 30-39 average hours worked per week level of benefits. If so, the increased level will begin.

**3. Maintaining Benefits**

Once an employee meets the required **number** of working hours to become eligible for a specific level of benefits, he or she will be monitored on a trailing 12-month basis to verify that he or she still meets the “hours worked” criteria for that level of benefits. The

trailing 12-month period will begin on the first day of the pay period following the “hours worked” eligibility requirement for that level of benefits.

#### 4. Reinstatement of Benefits

If an employee fails to meet the minimum **number** of hours required to maintain a level of benefits at the quarterly review date, the employee will thereafter be monitored on a monthly basis to determine if he or she qualifies for reinstatement of benefits. (The criteria used to determine the level of reinstated benefits is the same as for qualification of benefits above.)

Benefits such as Holiday Pay and Personal Time Leave will be reinstated beginning the first day of the pay period following the re-qualification date.

### 7.3 Leaves – General – See also District Personnel Policy Manual

#### 7.3.1 Eligibility for Leave

All full-time and regular part-time employees who work at least an average of 20 hours per week are entitled to leaves. For part-time employees of 20 or more hours, the amount of leave shall be proportional to the number of hours they work is to full-time.

#### 7.3.2 Personal Time Leave (PTO)

Personal Time Leave is leave which may be used for either illness or vacation. For a full-time employee it shall be calculated as follows:

- a. 0-90 days of employment: No PTO or Sick Leave Pay may be taken
- b. 91 days – 6 months of employment: No planned vacations using PTO may be taken. Sick Leave or PTO may be used for sick pay.
- c. Date of Hire to end of Second (2<sup>nd</sup>) year: .0635 / hr or 132 hours/year, with a cap of 452 hours.
- d. Beginning of third (3<sup>rd</sup>) year to end of fifth (5<sup>th</sup>) year: .0846 / hr or 176 hours/year, with a cap of 496 hours
- e. Beginning of sixth (6<sup>th</sup>) year to end of tenth (10<sup>th</sup>) year: .1038 / hr or 216 hours/year, with a cap of 536 hours
- f. Beginning of eleventh (11<sup>th</sup>) year and forward: .1231 / hr. or 256 hours/year, with a cap of 576 hours.

g. Beginning of the Sixteenth (16<sup>th</sup>) year and forward: .1423 / hr. or (296) hours/year with (cap of 616 hours)

**Employees hired after July 1, 2014: PTO**

a. 0-90 days of employment: No PTO or Sick Leave Pay may be taken

b. 91 days – 6 months of employment: No planned vacations using PTO may be taken. Sick Leave or PTO may be used for sick pay.

c. Date of Hire to end of Second (2<sup>nd</sup>) year: .04763 /hr or 99 hours/year, with a cap of 339 hours.

d. Beginning of third (3<sup>rd</sup>) year to end of fifth (5<sup>th</sup>) year: .0635 /hr or 132 hours/year, with a cap of 372 hours.

e. Beginning of sixth (6<sup>th</sup>) year to end of tenth (10<sup>th</sup>) year: .0779 /hr or 162 hours/year, with a cap of 402 hours.

f. Beginning of eleventh (11<sup>th</sup>) year and forward: .09233 /hr or 192 hours/year, with a cap of 432 hours.

g. Beginning of the Sixteenth (16<sup>th</sup>) year and forward: .1067 / hr or (222) hours/year with a cap of 462 hours.

Personal Time Leave accrual is capped. When an employee accrues Personal Time Leave in excess of 320 hours (240 hours if hired after March 31, 2014) beyond the number of hours which that employee can earn during one year, the employee shall cease accruing Personal Time Leave until he or she has used sufficient time to reduce it to the cap. For example, if a 7<sup>th</sup> year employee ends the year with 536 hours (402 hours if hired after March 31, 2014), he/she will not accrue any additional Personal Time Leave until he/she has used some hours. If during the first month the employee uses 80 hours, he/she shall then begin accruing hours until he/she is once again at 536 (402 hours if hired after March 31, 2014) hours. The District does not grant retroactive compensation for any period of time during which employee was unable to accrue Personal Time Leave because his or her Personal Time Leave had reached capacity. Accrual depends upon employment status and years of active service. Active service commences with an employee's first day of work and continues thereafter unless broken by an absence without pay, a leave of absence, or termination of employment. Part-time employees accrue Personal Time Leave on a pro rata basis. Employees on unpaid leave and seasonal or temporary employees do not accrue Personal Time Leave. An employee may not use paid time off before its accrual.

Personal Time Off Buy-Out:

The District will allow employees to buy out PTO time on the following conditions:

1. Employee may only buy PTO time down to 80 hours
2. Employees will be allowed to buy down PTO twice per year, June 1st and December 1<sup>st</sup> of each year.
3. The buy down rate will be one day of PTO time for each day bought out.  
PTO time may only be bought out in 8 hour increments

Upon leaving employment with the District, Personal Time Leave will be paid out based on the amount accrued as of the date of termination of employment. It shall be paid at the employee's then-current hourly rate.

Personal Time Leave may be taken any time after six months of employment, whenever work schedules permit. An employee wishing to use Personal Time Leave must request such time at least two (2) weeks in advance from his or her department manager. All Personal Time Leave must be approved by the department manager and/or the District Administrator. Due to the seasonal operational requirements of the District, Personal Time Leave may not be used by more than one departmental employee at a time unless approved by the department manager and the District Administrator. Unless agreed and voted upon by a department, the following will apply: when two or more employees on the same shift request the same personal leave time and approval cannot be given to all employees requesting it, employees shall be granted their preferred Personal Time Leave on a first-come, first serve basis. In order to give all employees the opportunity to take Personal Time Leave in preferred seasons, seniority "bumping" is allowed one time per year, per employee. The District Administrator or designee shall make final determinations and must approve employee Personal Time Leave schedules in advance.

Personal Time Leave used as sick time is subject to the following rules:

1. The District, through the District Administrator, reserves the right to require medical evidence of illness and/or medical certification of fitness for duty to return to work whenever an employee misses work due to an illness, injury or disability. The District may withhold Personal Time Leave if it suspects that Personal Time Leave has been misused.
2. Personal Time Leave used for illness, injury, or disability that results in an absence of more than three (3) consecutive days may require that the employee bring a doctor's note to excuse such absence as well as release the employee for full duty.
3. The District will not tolerate abuse or misuse of the Personal Time Leave privilege.

### **7.3.3 Workers' Compensation Leave**

Available leaves, including Personal Time Leave, may be used to coordinate with workers' compensation benefits. Workers' compensation leave runs concurrently with the maximum 12 weeks of Family/Medical Leave.

### **7.3.4 Bereavement Leave**



Bereavement absences with pay in the event of the death of an employee's immediate family member shall be limited to not more than three (3) days during each twelve (12) - month period. The employee's immediate family is defined to include spouse, domestic partner, child, domestic partner's child, brother, sister, parents or spouse's parents. Bereavement leave will not be charged to an employee's Personal Time Leave. An employee requiring more than three (3) days of bereavement leave may use Personal Time Leave for the excess time.

### **7.3.5 Personal Days**

Upon successful completion of the probationary period, full-time employees receive one (1) personal day to be used on the date of their choice. One personal day is earned each year.

Personal Days may not be accrued. Use of the Personal Day must be scheduled with their Supervisor at least one (1) week in advance.

### **7.3.6 Unpaid Leaves of Absence**

The District may grant leaves of absence to employees in certain circumstances. A request or an unpaid Leave of Absence should be made in writing as far in advance as possible. During such a leave, employees should keep in touch with their supervisor or the personnel manager, and give prompt notice of any change in their anticipated return date. If the leave expires and the employee fails to return to work without contacting his/her supervisor or the department manager, the District will assume that the employee has abandoned his/her job. Under most circumstances, upon return from a leave of absence, the employee will resume all aspects of his/her employment status that existed prior to the start of the leave.

During an unpaid Leave of Absence, the District will not continue to pay premiums for health, life or dental insurance coverage, except where required by law. However, employees may self-pay premiums under the provisions of COBRA. The Administrative Services Manager can provide additional information.

### **7.3.7 Family/Medical Leave**

Any leave which qualifies under the Federal Family and Medical Leave Act or the State of California Family Rights Acts will be counted as family/medical leave and charged to the employee's entitlement to 12 workweeks of family/medical leave in a 12-month period. Benefits shall be continued during the Family/Medical Leave and salary will be paid for such time as the employee takes concurrent Personal Leave. If Personal Time Leave is available, it must be used concurrently with Family/Medical Leave.

### **7.3.8 Leaves - General**

Any employee taking personal, medical (including FMLA, CFLA, pregnancy) family, or leave of absence will use all Personal Time Leave concurrently with the leave.

### **7.3.9 Personal Leave of Absence**



A personal leave of absence without pay may be granted at the discretion of the District Administrator. Requests for personal leave should be limited to unusual circumstances requiring an absence of longer than two weeks. Approved personal absences of shorter duration are not normally treated as leaves, but rather as excused absences without pay. This leave can be a combination of Personal Time Leave and/or leave without pay.

A leave of absence may be taken in one or more periods and may not exceed a total of twelve (12) weeks during a twelve (12) month period beginning with the date of the commencement of the leave. Twelve weeks is defined as sixty (60) workdays.

#### **7.3.10 Concurrent Personal and Family/Medical Leave**

Any leave taken under this provision that qualifies as leave under the state and/or federal Family and Medical Leave Acts will be counted as family/medical leave and charged to the employee's entitlement of 12 workweeks of family/medical leave in a 12-month period.

#### **7.3.11 Jury Duty and Witness Leave**

The District encourages employees to serve on jury duty when called. Non-exempt employees who have completed their probationary periods will receive full pay while serving up to 20 days of jury duty. Employees should notify their supervisor of the need for time off for jury duty as soon as a notice or summons from the court is received. The employee may be requested to provide written verification from the court clerk of performance of jury service. If on any day work time remains after any day of jury selection or jury duty, the employee will be expected to return to work for the remainder of his/her work schedule.

##### Fees Paid by the Court

Employees may retain any mileage allowance paid by the court for jury services. Other fees for jury services shall be endorsed over to the District.

#### **7.3.12 Military Leave**

Military leave shall be provided in accordance with the law. Employees who wish to serve in the military and take military leave should contact the Administrative Services Manager for information about their rights before and after such leave. Employees are entitled to reinstatement upon completion of military service, provided the employee's return or apply for reinstatement within the time allowed by law.

#### **7.3.13 Time Off for Voting**

If an employee does not have sufficient time outside of working hours to vote in an official state-sanctioned election, the employee may take off enough working time to vote. Such time off shall be taken at the beginning or the end of the regular working shift, whichever allows for more free time, and the time taken off shall be combined with the voting time available outside of working hours to a maximum of two hours combined. Under these circumstances, an employee will be

allowed a maximum of two hours of time off during an election day without loss of pay. When possible, an employee requesting time off to vote shall give his or her supervisor at least two days notice.

### **7.3.14 Volunteer Firefighters and Peace Officers**

No employee shall be disciplined for taking time off to perform emergency duty as a volunteer firefighter, peace officer, or emergency rescue personnel. Employees are also eligible for unpaid leave for required training. If an employee is an official volunteer firefighter, the employee should alert his/her supervisor that the employee may have to take time off for emergency duty. If possible, when taking time off for emergency duty, the employee should alert his/her supervisor before doing so.

### **7.3.15 Benefits During Unpaid Leave of Absence**

An employee on an unpaid leave of absence does not accrue Personal Time Leave benefits. The period that an employee is on unpaid leave of absence is not considered time worked for purposes of determining eligibility for or the amount of any benefit provided by the District, unless required by law or policy. When an employee returns from an unpaid leave of absence, the eligibility and accrual dates for all benefits for which the employee is eligible will be adjusted to reflect the period of such leave. If a paid holiday falls during the period an employee is on an unpaid leave of absence, the employee will not be eligible for holiday pay.

### **7.3.16 Transfer of Leave Credits**

Upon request of an employee and upon approval of the District Administrator, or designee, Personal Time Leave credits can be transferred from one or more employees to another employee when the receiving employee faces financial hardship due to injury or the prolonged illness of the employee, employee's child, step-child, adopted child, parent, spouse, domestic partner who has been defined and certified with the Secretary of State's office in accordance with the Family Code Section 297, spouse's or domestic partner's parent, brother, sister, or other person residing in the immediate household.

The following regulations apply to transfer of leave credit:

- a. The receiving employee must have exhausted all leave credits.
- b. The donations must be a minimum of ½ day (four hours) and will be credited as Personal Time Leave.
- c. Transfer of credits may be across departmental lines.
- d. A maximum of 75% of accrued Personal Time Leave time may be donated.

- e. All donations of Personal Time Leave shall be anonymous.

#### **7.4 Holidays**

1. All full-time employees of the District shall be entitled to the following twelve holidays per year with pay:

- New Year's Day
- Martin Luther King's Birthday
- President's Day
- Memorial Day
- Fourth of July (observed)
- Labor Day
- Columbus Day
- Veteran's Day
- Thanksgiving Day
- Friday after Thanksgiving
- Christmas Eve
- Christmas Day

When a holiday falls on a Sunday, the District will observe the holiday on Monday. When the holiday falls on a Saturday, the District shall observe the holiday on Friday.

An employee is only eligible for Holiday Pay if he or she is available for work on his or her scheduled workdays immediately preceding and following the holiday, i.e., not on Personal Time Leave or leave of absence for any reason. The District Administrator may use discretion when enforcing this policy.

Full-time employees who are scheduled to work on District holidays will receive eight (8) hours of holiday pay, plus straight time at the regular pay rate for the number of hours worked on the holiday. For example, if eight (8) hours were worked on the holiday, the employee would receive eight (8) hours of holiday pay, plus eight (8) hours of regular pay.

The Supervisor and the employee may agree to substitute one (1) alternate day off during the same pay period in lieu of the holiday. Time worked on the holiday would be paid at straight time. For example, if eight (8) hours were worked on the holiday and substituted for an alternate eight-hour day, the net effect would be eight (8) hours paid time and eight (8) hours off.

2. For each holiday listed above, Regular Part-time Employees who meet and maintain the 20-29 or 30-39 average hours worked per week requirement receive holiday pay for the average daily hours worked. The average daily hours worked is calculated by using the number of hours the employee worked during the most recent two pay periods, based upon a five-day workweek. (i.e., Total hours worked divided by twenty days equals average daily hours). A maximum of

eight hours per holiday may be earned. This becomes effective after the employee successfully completes the probationary period and meets the minimum hours worked per week requirement.

## **7.5 Benefits**

### **7.5.1 Insurance Benefits**

Each employee should consult the applicable Insurance Provider information packet for more detailed information concerning eligibility, co-payments, other charges, and benefits. Employees are required to meet all co-payment requirements and regulations of the Insurance Provider.

### **7.5.2 Medical Health Insurance Benefits**

Medical insurance benefits become effective on the first day of the month following the first full month of continuous service. Coverage is available for full-time employees and their dependents and for regular part-time employees who work an average of 30 hours per week and their dependents. Part-time employees who average less than 30 hours per week, seasonal employees, temporary employees, on-call employees, volunteers and independent contractors are ineligible for medical benefits.

The District contribution is made in accordance with the allowable rate as allocated by current union agreements and policies adopted by the Board of Directors.

#### **1. Open Enrollment**

An employee may change providers or coverage once a year during the Mid-Sept through Mid-October open enrollment period. Employees experiencing a change in family status may change benefits to reflect this change at any time during the year.

#### **2. Eligibility Requirement**

A part-time employee must average a minimum of 30 actual hours worked per week for a minimum of 30 days of continuous employment in order to be eligible for any medical insurance benefits.

If the employee did not meet the required level of hours to become eligible for medical insurance benefits during the first thirty days of employment, he or she would be monitored each following month to verify if he or she then qualified.

#### **3. Review Periods**

Once an employee meets the required number of weekly working hours to become eligible for medical insurance benefits, he or she will be monitored on a monthly basis to verify that he or

she still meets the eligibility requirement. If the employee fails to meet the eligibility requirement at the monthly monitoring date, the employee will be allowed to maintain medical insurance coverage by paying the full cost of premiums in accordance with COBRA provisions.

It is the responsibility of the employee to monitor the hours worked.

4. Re-instatement of Benefits

If an employee failed to meet eligibility requirements to maintain medical insurance benefits at the monthly review date, the employee will thereafter be monitored on a monthly basis to verify if he or she then qualifies for a reinstatement of benefits.

Medical insurance benefits will be reinstated beginning the first day of the month following the re-qualification date, if the re-qualification date is within 6 months from the date of loss of benefits. If the re-qualification date is more than 6 months from the date of loss of benefits, the employee will be subject to a waiting period determined by the insurance provider.

Health and Welfare Benefits Detail

CalPERS Medical plan available to Union-represented employees

As per CalPERS policy, employees have a choice of multiple medical providers.

The Administrative Services Manager has detailed information regarding each of these plans, including sub classifications that some of these plans offer.

For Union-represented employees, the District shall contribute the following maximum premium amounts toward any plan chosen by an employee:

\$530 for a single employee

\$1000 for an employee and dependent

\$1300 for a family plan

1. Open Enrollment

An employee may change providers or coverage once a year during the Mid-September through Mid-October open enrollment period. Employees experiencing a change in family status may change benefits to reflect this change at any time during the year.

## **ELIGIBLE PART TIME EMPLOYEES (30-39 HOURS)**

Eligible part-time employees working 30 – 39 hours per week will be able to obtain medical coverage. The District will contribute \$397.50 (75% of \$530) towards their plan of choice through CalPERS. Coverage is for employee only and no dental or life insurance is provided.

- a. For purposes of calculating insurance coverage of part time employee's if the employee is on Disability, Workers Compensation, or medical Leave for at least one (1) week, that period of time away from the District for medical reasons will not be used in averaging hours during a twelve (12) month period.
- b. Part time employees who average less than 30 hours per week, seasonal employees, temporary employees, on call employees, volunteers and independent contractors are ineligible for medical benefits.

### **7.5.3 Dental Insurance Benefits**

The District offers group dental insurance coverage for full-time employees. Part-time employees, seasonal employees, temporary employees, on-call employees, volunteers and independent contractors are ineligible for dental benefits.

Dental insurance benefits become effective on the first day of the month following one full month of continuous service. The District will contribute to dental insurance benefits premiums for full-time employees in accordance with the allowable rate as allocated by current union agreements and policies adopted by the Board of Directors. A full-time employee may elect optional coverage for dependents.

### **7.5.4 Life Insurance Benefits**

The District will provide a \$50,000 limited Life Insurance Policy for all full-time employees. Part-time, seasonal employees, temporary employees, on-call employees, volunteers and independent contractors are not eligible for life insurance benefits.

### **7.5.5 COBRA Continuation of Benefits**

Information will be provided to all employees enrolled in the medical and dental insurance programs upon loss of eligibility for benefits, concerning options for extending insurance coverage for a limited period of time in accordance with both federal and state law. Under COBRA, the employee is responsible for payment of the cost of all premiums. The District has the right to charge employees a two percent (2%) fee for administrative costs.

### **7.5.6 Non –Work Related Activities and Programs**

The District or its insurer are not liable for payment of workers' compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not part of the employee's work-related duties.

### **7.5.7 Retirement Benefits**

Social Security is an important part of every employee's retirement benefit. The District pays a matching contribution to each employee's Social Security taxes.

The District also participates in the California Public Employee Retirement System (CalPERS) 2% at 55 retirement plan. According to guidelines established by CalPERS, all eligible employees must participate in this program. Contributions to CalPERS will be made by the District and by the employee in accordance to the guidelines established in the contracts and resolutions between the District and CalPERS, and in accordance with current union agreements and policies adopted by the Board of Directors.

In 2013, the State of California passed a law mandating that all new government employees share 50% of CalPERS retirement premiums.

Refer to the CalPERS literature for a complete description of eligibility and services. You may obtain this information from the Administrative Services Manager.

The District also provides a Section 457 deferred compensation plan and/or a 457 Roth plan for eligible employees. The District will match up to \$250 total per fiscal year for full time employees towards the 457 deferred compensation plan and/or the 457 Roth plan. Part time employees will be eligible for 75% of the matching funds, or \$187.50 total per fiscal year. This matching benefit will be reviewed annually and will only be available if the Board of Directors determines it is reasonable within the District's budgetary restrictions. . For information regarding eligibility, contributions and benefits contact the Administrative Services Manager. All eligible participants will receive a summary document.

### **7.5.8 Disability Insurance**

Each employee contributes to the State of California to provide disability insurance mandated by the California Unemployment Insurance Code. Contributions are made through a payroll deduction. Disability insurance is payable when an employee cannot work because of illness or injury not caused by employment at the District or when the employee is entitled to temporary workers' compensation at a rate less than the daily disability benefit amount. Specific rules and regulations governing disability are available from the State of California Employment Development Department.

The District will withhold employee contributions for Paid Family Leave in accordance with the law.

#### **7.5.10 Employee Discounts**

The following employee program discounts are available:

- a. **Facilities:** Full-time employees shall receive a 25% discount on rentals at the C level rate. Part-time employees shall receive a 15% discount on rentals at the C level rate.
- b. **Classes:** Full-time employees and their dependents must pay 50% or the instructor's portion of classes, whichever is more, on a space available status only. In classes where enrollment is limited, the employee must pay the regular fee in order to reserve a space, or wait until the first day of the class and pay the reduced fee, if space is still available.
- c. **Classes:** Part-time and seasonal employees and their dependents must pay 75% (25% discount) or the instructor's portion of classes, whichever is more, on a space available status only. In classes where enrollment is limited, the employee must pay the regular fee in order to reserve a space, or wait until the first day of the class and pay the reduced fee, if space is still available.
- d. **Other programs:** Full-time or regularly scheduled part-time employees who wish to enroll their children in day camp or discovery club will be allowed to enroll at a 50% discount. (Seasonal and temporary employees are excluded from this discount.) All registration fees, enrichment activity costs within the program and extra fees for minimum days are at full price.
- e. **Recreational Swim:** All employees and their families will be entitled to "free" admission to the Marsha Skinner Memorial/Sierra and Placer Hills Pools. A list of eligible staff and family members will be maintained at each pool. Employees and their families who do not submit a list of names will be responsible for paying the daily entry fee to the pool
- f. There will be no Out of District charges for all employees who reside outside of the District.

#### **7.5.11 External Employee Education**

Some employees may need to attend training programs, seminars, conferences, lectures, meetings, classes, courses or other outside activities for the benefit of the District or the individual employees if the training directly relates to the employees' job responsibilities. Attendance at such activities, whether mandated by the District or requested by the individual employee, requires written approval of the District Administrator. An employee wishing to attend any of the activities listed above must submit a written request detailing all relevant



information, including date, hours, location, cost, expenses, and the nature, purpose, and justification for attendance.

For attendance at events required or authorized by the District, customary and reasonable expenses will be reimbursed upon submission of proper receipts and advanced approval of the District Administrator. Acceptable (reimbursable) expenses generally include registration fees, materials, meals, transportation, and parking.

Time spent in attendance at authorized outside activities will be considered hours worked for non-exempt employees and will be compensated in accordance with normal payroll practices.

Neither reimbursement nor credit for time in attendance shall be provided for an employee's voluntary attendance, outside of normal working hours, at formal or informal educational sessions, even if such sessions may lead to improved job performance. While the District generally encourages all employees to improve their knowledge, job skills, and qualifications, such activities do not qualify for reimbursement or compensation under this policy unless prior written approval is obtained.

#### **7.5.12 Promoting Healthy Bodies**

The District's mission is to promote activities that enrich the lives of our citizens and employees. As such, the District encourages all employees to join a health club/gym that offers those types of activities that promote cardiac health, weight loss, weight maintenance, aerobics, etc. The District will contribute 50% of membership dues (up to a maximum of \$25.00 per month, or \$300 per year) for "employee only" memberships at a licensed, full service health club. Employees must pay for their membership in full and present a receipt to the accounting department for reimbursement. This benefit is available to all employees who work a minimum of 20 hours per week.

#### **7.5.13 Hepatitis Vaccinations**

The District will pay for the series of three Hepatitis vaccinations for all employees who have the potential to be exposed to the disease. It is understood that such vaccinations are on a purely voluntary basis and that the District does not require any employee to participate in the procedure.

#### **7.5.14 Boot Reimbursement and Uniform Allowance**

The District provides an annual boot and uniform allowance of \$500 or \$250 per employee to the following classifications:

Facilities and Grounds supervisor,  
Facilities and Grounds park worker  
Facilities and Grounds Senior Park Worker/pool operator  
Facilities and Grounds worker, custodian  
Facilities Attendant coordinator

Beginning July 1 of each year the District, at its own cost, will annually provide five (5) T-shirts and one CarHart type work jacket (every other year; **only for employees that work a majority of their time outdoors**) with ARD logo and staff identification to each covered employee in the classifications referenced. Female District employees will be provided women's t-shirts and will purchase their own approved women's pants using the uniform allowance described above.

Each covered employee in the referenced classifications will purchase the following:

1. An approved\* pair of work boots
2. Approved work pants
3. Any other approved workwear such as gloves, hats, socks etc or any other apparel worn exclusively while working in ARD facilities and parks.
4. Rain Gear shall be included in the allowance
5. For employees primarily working inside buildings, the uniform allowance shall be \$250. For those employees assigned to inside and outside work, but work outside more than 50% of their scheduled hours, the allowance shall be \$500, with identical conditions as noted above.
6. Jackets are supplied every other year to:

**Facilities and Grounds Supervisor**  
**Facilities and Grounds Park Worker**  
**Facilities and Grounds Senior Park Worker/pool operator**  
**Facilities and Grounds worker, custodian**  
**Facilities Attendant Coordinator**

The uniform allowance, inclusive of the T-shirts and jackets, is considered taxable income to the employee by the IRS. As such, the District will "gross up" affected employee's income on the value of the T-shirts and jackets to make it tax neutral. The \$500 (or \$250) uniform allowance is taxable income to each affected employee.

All employees covered under the uniform allowance shall wear ARD logo apparel at all times while on duty.

For new employees, the uniform allowance shall be provided after the first **60** calendar days of employment.

\*approved boots must be of high quality and waterproof.

## ARTICLE 8

### DISCIPLINARY ACTION

- A. Any employee may be subjected to personnel action.
1. As used here-in, "personnel action" may include, but is not limited to, dismissal or other disciplinary action, such as reduction of pay, suspension from duties, demotion, or disciplinary probation.
  2. Rules outlining acceptable conduct of employees are necessary for the orderly operation of any business or organization and for the benefit and protection of the rights and safety of all employees. Examples of impermissible conduct that may lead to disciplinary action are identified below to promote an understanding of what is considered to be unacceptable conduct and to encourage consistent action by ARD in the event of a violation. However, it is impossible to provide an exhaustive list of all types of conduct that may result in disciplinary action. The following list will, therefore, contain only some examples of conduct that may lead to disciplinary action, including possible termination.
- B. Examples of Grounds for personnel Action, but not limited to:
- Fraud in securing job position
  - Incompetency
  - Inefficiency
  - Inexcusable neglect of duty
  - Insubordination
  - Dishonesty
  - Being under the influence of alcohol or drugs while on duty
  - Absence from the workplace without notification and approved leave
  - Conviction of a felony or conviction of a misdemeanor, which is of such nature as to affect the employee's ability to perform the duties and responsibilities of their position. A plea of guilty or a conviction following a plea of no contest is deemed to be a conviction within the meaning of this section.
  - Discourteous treatment of the public or other employees

Improper political activity as governed by the Federal Hatch Act and the California Government Code

Willful disobedience

Any failure of good behavior, either during or outside of duty hours which is of such nature that it causes discredit to the District

Physical or mental disability which prevents the employee from performing essential job functions of their duties and responsibilities as determined by competent medical authority

Failure to possess or keep in effect any license or certificate required in the job description of the position.

C. Any employee violating the District's personnel policies and / or the rules and regulations of employee conduct may also be subject to disciplinary action.

D. Persons Authorized to Initiate Personnel Action

The District Administrator or direct supervisor shall have the authority to initiate personnel action against an employee.

E. Dismissal of Personnel

Discharge is the permanent removal of an employee from service. The District Administrator has the authority to dismiss any employee who has clearly failed to meet established performance or behavior standards

F. Disciplinary probation

Any employee may be placed on disciplinary probation status for a period of up to ninety (90) days at any time by the District Administrator, when in the District Administrator's opinion; the employee is not meeting the performance or conduct standards of the District. The District Administrator will determine, upon completion of the disciplinary probationary period, whether an employee will be continued on disciplinary probation; subject to other personnel action; dismissed; or retained as an employee in good standing.

G. Personnel Action Procedures and Appeal

Notice of Proposed Action

1. The employee normally will be given advance notice of dismissal or other proposed personnel action. The employee will be given ten (10) calendar days to respond to the Notice of Proposed Personnel Action or Dismissal. The employee

can respond orally or in writing to the District Administrator or designee. However, if the District Administrator has reasonable cause to believe that retention of an employee pending review, or their response to the Notice of Proposed Personnel Action, will result in damage to the employee, fellow workers, or the general public, then the District Administrator or may suspend said employee immediately without pay and without benefits pending the employee's response and pending any appeal or hearing.

2. The proposed personnel action or proposed dismissal shall be served on the employee, either personally or be registered or certified mail and first class mail. All timelines in this section shall be extended five (5) calendar days for mailing.
3. During the notice period, the employee is on normal pay status and normally remains on the job unless said employee has been suspended without pay and benefits pending termination. An employee will not be paid during the notice period if he or she is unavailable to work, absent without leave, or in jail.
4. Contents of the Notice of Intent to Suspend, Discipline or Proposed Dismissal shall include:
  - a. A statement of the nature of the personnel action identifying suspension, demotion, reduction of pay, disciplinary probation, and/or dismissal.
  - b. The effective date of the action
  - c. A statement of the reasons for such personnel action to allow the employee a fair opportunity to refute the charges
  - d. A statement advising the employee of his or her respond to the Notice of Proposed Action to the District Administrator; the procedure and time limit in which an appeal must be made; and the required content of the appeal notice.

#### 5. Response

An employee may respond orally or in writing with respect to any dismissal or personnel action to the District Administrator or his designee within ten (10) calendar days of receiving a Notice of Proposed Dismissal or Notice of Proposed Personnel Action. The timeline shall be extended five (5) calendar days for mailing. After considering such response or lack of response the District Administrator or his designee shall render a decision supporting dismissing or modifying the Notice of Proposed Action.

When the decision of the District Administrator or his designee orders discipline in the form of suspension without pay, reduction in pay, demotion or termination

from employment, the employee or the Union may request an appeal before an arbitrator in accordance with Article 10.

6. Failure to File Appeal Notice

If the employee against whom personnel action is filed fails to file an appeal or Notice of Appeal within the time specified, the personnel action shall be deemed final.

H. Maximum Period of Suspension

Any suspension invoked under this section against any one person shall not exceed ninety (90) days in any twelve (12) month period.

I. Citizen's Complaints

Complaints filed by an individual against any person in the District shall be verified and supported by an affidavit of one or more witnesses.

J. The District will provide an appropriate venue to assure that privacy and confidentiality are maintained for disciplinary/counseling sessions.

**ARTICLE 9**

**GRIEVANCE PROCEDURE**

A. Definitions

1. A grievance is a detailed, written allegation that there has been a violation, misinterpretation, or misapplication of the specific written terms of this agreement.
2. A grievant is an employee or the Union making the claim
3. A day referred to in this article means any day on which the District's central administrative offices are open for business.

B. Informal Level

1. Within seven (7) days of the alleged violation, a grievant shall informally discuss the claim with his/her supervisor.

C. Formal Level

1. Level One

- a. Within seven (7) days of the informal conference and if no resolution has been reached, the grievant may present a grievance in writing on the prescribed District form to his/her supervisor.
  - b. The grievance shall be clear, legible, and a concise statement of the facts and the specific provisions of the agreement that have allegedly been violated.
2. Level Two
- a. If the grievant is not satisfied with the decision at Level One, the grievant may appeal using the prescribed District form to the District Administrator within seven (7) days of receiving the Level One decision.
  - b. The appeal shall include copies of all information from preceding levels and a clear, legible, and concise statement of the reasons for the appeal.
3. Level Three
- a. If the grievant is not satisfied with the Step Two decision, within ten (10) grievant working days after the termination of Step Two the grievant may submit a written request to the District Administrator requesting the appointment of a mediator to hear the grievance in an attempt to resolve the grievance.
  - b. The request shall include a copy of the original grievance, the Step two decision, and a clear, concise statement of the reasons for the request.
- D. Within three (3) grievant working days of receiving the request, the District Administrator shall request the California SMCS to appoint a mediator to mediate the grievance, unless the District and the grievant are able to agree to a mediator.
- E. The mediation shall be held within fifteen (15) calendar days of the receipt of the Step Three request by the District Administrator, unless the SMCS is unable to provide a mediator within that period, in which case the mediation shall occur as soon as possible.
- F. The mediation process shall be confidential.
- G. If the mediation results in an agreement between the parties that resolves the grievance, the agreement will be reduced to writing.
- H. Discussions during the mediation process, including, but not limited to, any offers of settlement or admissions, may not be used by either party in the subsequent grievance process.
- I. All costs for services of the mediator, including, but not limited to, per diem expenses, and travel and subsistence expense, will be borne equally by the District and the Union if

the parties opt to use a mediator/advisory arbitrator that is not provided by the SMCS. All other costs will be borne by the party incurring them.

1. Level Four

- a. If the grievant is not satisfied with the decision at Level Three, the grievant may appeal to Arbitration as stated in Article 10 of this MOU.
- b. The decision of the Arbitrator regarding the grievance shall be final.

**ARTICLE 10 ARBITRATION**

- A: After all of the steps of Article 8 and Article 9 have been exhausted and if the aggrieved employee/s is not satisfied with the District Administrator's decision the Union may submit the grievance to arbitration. Appeals for disciplinary actions and/or grievances shall be filed with the District Administrator and the parties shall mutually select a qualified arbitrator. If the parties fail to select an arbitrator within ten (10) days after the appeal is filed, the parties shall prepare a joint request to the State Mediation and Conciliation Service for a list of five (5) qualified arbitrators. The parties shall each strike two (2) names from the list and the remaining person shall be accepted as the arbitrator. The first party to strike will be determined by the flip of a coin.
- B. The hearing shall be scheduled as expeditiously as possible upon the request of either party. If the accepted arbitrator cannot hear the case within a mutually accepted time, but no later than ninety (90) days of selection, the parties may jointly request another list from the State Mediation and Conciliation Service.
- C. The hearing shall be held at a mutually agreeable location which shall be determined by the parties. The District shall make available appropriate facilities for such hearings.
- D. The hearing shall be recorded or, at the option of and with the agreement of the parties, reported by a court reporter. If one party requests a copy of the transcript, the requesting party shall pay the full cost. If the parties jointly request the transcript, the cost shall be shared equally.
- E. The fees and expenses of the arbitrator, a court reporter and transcript if required by the arbitrator, shall be shared equally by the parties.
- F. The District agrees that employees shall not suffer loss of compensation for time spent as a witness at an arbitration hearing held pursuant to this procedure. The Union agrees that the number of witnesses requested to attend and their scheduling shall be reasonable.
- G. The arbitrator shall prepare a written proposed decision on the matter which shall be sent to the parties.



- H. The parties shall have ten (10) days from the mailing of the proposed decision to file exceptions thereto with the arbitrator. Such exceptions shall be based solely on material errors in the determination of facts or conclusions of law, and shall be submitted simultaneously to the arbitrator and the opposing party. The arbitrator shall review the exceptions within ten (10) days of receipt and affirm or amend the proposed decision. If no exceptions are filed by the parties, the arbitrator's proposed decision becomes final and binding upon the parties.

## **ARTICLE 11**

### **SOLE AGREEMENT SEVERABILITY**

This Agreement when signed by the parties hereto, and approved by the ARD Board of Directors, supersedes all other Agreements and supplements, and represents the sole agreement between the parties.

Neither party shall be obligated to meet and confer during the term of this Agreement on any matter within the scope of bargaining. However, if during its term, the parties hereto should mutually agree to modify, amend or alter the provisions of the Agreement in any respect, any such change shall be effective only if and when reduced to writing and executed by the authorized representative of the District and the Union. Any such changes validly made shall become a part of this Agreement and subject to the terms.

The waiver of any breach or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all terms and conditions herein.

INTERNATIONAL UNION OF  
OPERATING ENGINEERS,  
LOCAL 39, AFL-CIO

Auburn Area Recreation and Parks District

By \_\_\_\_\_  
Bart Florence, Business Manager

By \_\_\_\_\_  
Kahl Muscott,  
District Administrator

By \_\_\_\_\_  
Robert Aldrich , President

By \_\_\_\_\_  
Scott Holbrook  
Chairman, Board of Directors

By \_\_\_\_\_  
Steve Crouch, Director of Public Employees

By \_\_\_\_\_  
Chuck Thiel, Business Representative

By \_\_\_\_\_  
Jerry Fisher, Shop Steward

By \_\_\_\_\_  
Tyler Kindice, Bargaining Team Member

By \_\_\_\_\_  
David Madruga, Bargaining Team Member

## **Appendix A Pay Scale**

1. F&G grounds supervisor (F/T).

**Range \$27.91-\$37.41**

2. Rec Sports Coordinator (F/T).

**Range \$21.48-\$28.90**

3. Youth Services Program Coordinator (F/T).

**Range \$19.92-\$26.69**

4. F&G Sr park worker/pool operator (F/T).

**Range \$18.85 - \$26.57**

5. F&G Facilities Coordinator (F/T).

**Range \$18.85 - \$26.57**

6. Youth Services Prog. Site Dir. (F/T).

**Range \$17.58-\$23.56**

7. F&G Park Worker (F/T).

**Range \$16.77 - \$22.47**

8. F&G Custodian (F/T)

**Range \$16.03-\$21.48**

9. F&G Custodian (P/T)

**Range \$15.05-\$20.17**

10. F&G Park Worker (P/T)(Seas)(Temp).

**Range \$15.05-\$20.17**

11. F&G Facilities Attendant/Custodian (P/T)

**Range \$15.05-\$20.17**

12. Customer service rep (F/T).

**Range \$15.05-\$20.17**

**Item 7.3 Cover Sheet for CalPERS Change in Auburn Area Recreation and Park District's Medical Family Benefit**

Auburn Area Recreation and Park District Program, Personnel, Policy, Fee & Legal Review Committee Meeting July, 2020; Board of Director's Meeting July, 2020

**The Issue:** Shall the Personnel, Policy, Fee & Legal Review Committee recommend approving changes to the Medical Section of our Personnel Policy to include the CalPERS Medical coverage for the Represented Union Staff and Non-Represented Staff hired after February 1, 2020.

**Background:** There are two proposed actions:

1) **Changing the District's Personnel Policy to reflect the language in the new contract between the District and the Union**

The Board of Directors' approved the District moving the Represented Union Staff's medical insurance policies to CalPERS with predetermined limits of \$530 for EE only, \$1000 for EE + 1, and \$1300 for EE + family in June, 2020.

It has been determined that this will save the District in annual premiums and, should the employees elect the PERSelect plan, it will also save the employees in deduction payments.

2) **Adding coverage for non-represented staff hired after 2/1/2020**

The Non-Represented Staff hired after February 1, 2020 currently do not have the same option to insure spouses and/or family. Staff recommends adjusting the Policy to include the same provisions as the Represented Union Staff to the Non-Represented staff. (currently no staff exists in this category)

This item serves to update the policy to reflect these changes.

**Recommendation:** The Program, Personnel, Policy, Fee & Legal Review Committee forwards to the Board with a positive recommendation for both proposed changes to the District's Personnel Policy: 1) changing the District's family benefit plan to reflect CalPERS coverage for Represented Union Staff and 2) instilling the same limits/options for the Non-Represented Staff hired after February 1, 2020.

**Fiscal Impact:** Action #1 - The fiscal impact for 2020-2021 is a potential savings of \$6,422. This amount has been budgeted in the FY 20/21 Budget.

Action #2 – the fiscal impact is unknown and will depend on the family status of future non-represented new-hires

**Attachments:** Medical Policy regarding CalPERS Health Insurance.

## **Medical Health Insurance Benefits**

Each employee should consult the applicable Insurance Provider information packet for more detailed information concerning eligibility, co-payments, other charges, and benefits. Employees are required to meet all co-payment requirements and regulations of the Insurance Provider.

The District provides a comprehensive medical insurance plan for eligible employees and their dependents. In the event of an increase in medical insurance premium rates, all employees may be required to contribute to the cost of increased premiums to retain coverage. Details about medical insurance coverage are available in a separate publication distributed by the Administrative Services Manager.

Medical insurance benefits become effective on the first day of the month following the first full month of continuous service. Coverage is available for full-time employees and their dependents and for regular part-time employees who work an average of thirty (30) hours per week and their dependents. Part-time employees who average less than thirty (30) hours per week, seasonal employees, temporary employees, on-call employees, volunteers and independent contractors are ineligible for medical benefits.

The District contribution is made in accordance with the allowable rate as allocated by current union agreements and policies adopted by the Board of Directors.

### **Open Enrollment**

An employee may change providers or coverage once a year during the **December Mid-September to Mid-November** open enrollment period. Employees experiencing a change in family status may change benefits to reflect this change at any time during the year.

### **HEALTH AND WELFARE BENEFITS DETAIL**

## **Medical Health Insurance Benefits for Non-Represented Employees**

### **A. CalPERS Medical plan available to Non-represented employees**

As per CalPERS policy, employees have a choice of **multiple** medical providers.

~~1. Anthem Blue Cross~~

~~2. Kaiser~~

~~3. Blue Shield~~

~~4. United Healthcare~~

~~5. Pers~~

~~6. PORAC Region 1~~

~~7. Western Health Advantage~~

The Administrative Services Manager has detailed information regarding each of these plans, including sub classifications that some of these plans offer.

For Non-represented employees, the District shall contribute the following maximum premium amounts toward any plan chosen by an employee:

\$605 for a single employee

\$1210 for an employee and dependent

\$1595 for a family plan

~~An employee may opt out of District provided coverage for themselves, for themselves and/or a dependent, or for themselves and/or their family. However, the Affordable Care Act mandates that all employees have health insurance coverage. Consequently, any employee that opts out of a District provided health insurance plan must find coverage independently from the Auburn Recreation District. The District will reimburse an employee's medical insurance premium up to the stated amounts above, provided that an invoice from a medical insurer is provided monthly to the accounting department. The District cannot pay the premium directly to the insurance provider.~~

~~Alternatively, an employee may choose to be covered by the District's CalPERS insurance coverage and not provide coverage to their dependents through CalPERS. In such a case, the District will pay the premium for the employee's coverage and reimburse the employee for the premium for dependents coverage up to the maximum amounts listed above, inclusive of the CalPERS employee premium. The employee must provide an invoice from the medical insurer monthly to the accounting department for reimbursement. The District cannot pay the premium directly to the insurance provider.~~

Additionally, the District will ~~continue to~~ pay employee only dental and life insurance ~~as before~~ for eligible employees.

Eligible part time, non-represented employees working 30 or more hours per week will ~~continue to~~ be able to obtain **partial employee only** medical coverage. **ARD will contribute 75% of the premium.** Coverage is for employee only and no dental or life insurance is provided by the District.

### **Non-Represented Employees hired after February 1, 2020:**

For Non-represented employees hired after February 1, 2020, the District will provide Medical Insurance Coverage as listed ~~above except that such coverage is for the employee only. Should an eligible full-time employee wish to include~~

~~dependent or family coverage, he or she may purchase said coverage through the District's medical insurance policy via payroll deduction or directly via check.~~

below for the Represented Employees.

Eligible part time, non-represented employees working 30 or more hours per week will be able to obtain medical coverage. ARD will contribute \$397.50 (75% of \$530) towards their plan of choice through the CalPERS. Coverage is for employee only and no dental or life insurance is provided by the District.

## Medical Health Insurance Benefits for Represented Employees

### CalPERS Medical plan available to Union-represented employees

As per CalPERS policy, employees have a choice of multiple medical providers.

The Administrative Services Manager has detailed information regarding each of these plans, including sub classifications that some of these plans offer.

For Union-represented employees, the District shall contribute the following maximum premium amounts toward any plan chosen by an employee:

\$530 for a single employee

\$1000 for an employee and dependent

\$1300 for a family plan

### Kaiser Health Plans for represented employees

~~Kaiser H.S.A 0/2000 deductible plan (main plan)~~

~~Kaiser HMO 30 co pay plan (alternative plan)~~

- ~~1. The District's main medical plan is H.S.A coverage and the HMO 30 plan is the alternative coverage.~~
- ~~2. Beginning on December 1, 2014, any and all increases in medical insurance premiums exceeding 8% shall be borne equally by the District and by the employee.~~
3. Due to open enrollment restrictions, any employee wishing to change plans from one type of coverage to another shall be allowed to do so only during the Mid-September to



~~Mid-November~~ ~~December~~ 2014 open enrollment period. ~~Until open enrollment in~~  
~~December of~~ 2014, the plans shall remain in place as is.

~~4. The District began offering Health Savings Accounts (HSA) for all employees beginning with open enrollment on June 1, 2008. The District will contribute 50% of the premium differential for the HSA to a debit card based HSA program. For calculation purposes, the premium differential will be based on the premium of the Kaiser HMO \$30 Co Pay Plan. The District reserves the right to change medical insurance coverage to an H.S.A only program at any time and to modify its contribution rate towards the debit card based H.S.A program.~~

~~5. The District will pay a maximum of \$550.00 per month for the following benefits for eligible full time employees in accordance to District Personnel Policy and the District's insurance contracts.~~

~~a. Employee only medical insurance premium, and~~

~~b. Employee only dental insurance premium, and~~

~~c. Employee only life insurance premium.~~

~~If the total premiums do not reach the maximum amount of \$550.00 per month for the above benefits, any remaining amount of the \$550.00 per month can be used only for spouse and/or dependent's medical insurance premium, in accordance to District Personnel Policy and the District's insurance contracts.~~

~~If an employee elects medical insurance coverage for a spouse and/or dependent(s) and the premium exceeds \$550.00 per month, when combined with coverage's 1.a, 1 and 2 as listed above, the District and the employee will each pay fifty percent (50%) of the amount exceeding the \$550.00 per month cap. The employee portion for said coverage shall be in accordance with the following limits:~~

~~The maximum employee contribution per month for the above coverage shall not exceed \$300.00 per month, not inclusive of the equal split of increased annual health insurance premiums. All employees are subject to the equal split of increased premiums regardless of contribution, if any, that the employee is responsible for.~~

~~6. The District will pay the amount of the monthly premiums for the following benefits for eligible full time employees, in accordance to District Personnel Policy and the District's insurance contracts, for employees whose plans exceed the \$550.00 per month maximum for employee only insurance coverage for the following:~~

~~1. Employee only medical insurance premium for the least expensive plan offered by the District, and;~~

~~2. Employee only dental insurance premium, and;~~



~~3. Employee only life insurance premium.~~

~~In the event of choosing an alternate insurance plan as allowed by the District's insurance contracts, the employee will pay any premium amount exceeding the amount of the least expensive plan offered by the District.~~

~~7. Employees will pay all costs for the following:~~

~~1. Spouse and/or dependent dental insurance.~~

### ~~Employees hired after March 31, 2014:~~

~~a. The District will pay for the following benefits for eligible full time employees in accordance with District Personnel Policy and the District's insurance contracts:~~

~~1. Employee only medical insurance premium, and~~

~~2. Employee only dental insurance premium, and~~

~~3. Employee only life insurance premium.~~

~~e. Employees will pay all costs for the following:~~

~~1. Spouse and/or dependent medical insurance premiums;~~

~~2. Spouse and/or dependent dental insurance;~~

~~3. Spouse and/or dependent life insurance.~~

~~4. All other elective insurance coverage.~~

~~d. The District began offering Health Savings Accounts (HSA) for all employees beginning with open enrollment on June 1, 2008. The District will contribute 50% of the premium differential for the HSA to a debit card based HSA program. For calculation purposes, the premium differential will be based on the premium of the Kaiser \$35 Co Pay Plan. The District reserves the right to change medical insurance coverage to an HSA only program at any time and to modify its contribution rate towards the debit card based HSA program.~~

~~Beginning on December 1, 2014, any and all increases in medical insurance premiums shall be borne equally by the District and by the employees.~~

Additionally, the District will ~~continue to~~ pay employee only dental and life insurance ~~as before~~ for eligible employees.

Eligible part time, Union-represented employees working 30 or more hours per week will be able to obtain medical coverage. ARD will contribute \$397.50 (75% of \$530) towards their plan of choice through the CalPERS. Coverage is for employee only and no dental or life insurance is provided by the District.

## **Item 7.4 Cover sheet – Placer County Auditor-Controller MOU**

**Auburn Area Recreation and Park District (ARD) Finance Committee Meeting July, 2020;  
Board of Director's meeting July, 2020**

### **The Issue**

Shall the Auburn Area Recreation and Park District (ARD) enter in to a Memorandum of Understanding (MOU) with the Placer County Auditor-Controller for services provided?

### **Background**

On June 26, 2020, Andrew Sisk, Placer County Auditor-Controller, sent the following email to ARD:

As you all know, the County Auditor-Controller provides a number of services to special districts, joint powers authorities and other local agencies. These services include, but are not limited to, accounting, auditing, financial and payroll. Most of you are also aware the County implemented a new Enterprise Resource Planning System, Workday, during the past two fiscal years that must be used to support the services we provide. As a result, I decided it was time to memorialize the services we provide, and more importantly, the cost to provide said services.

I believe we have developed a sound methodology and rate structure for each of the services we provide, which will provide consistency Countywide to each of you. The MOU attached has been tailored to each of you for the services we believe we provide to you currently or have recently requested going forward. The MOU does not include any charge to conduct your annual financial audit as our professional standards require a separate engagement letter to do so.

### **Recommendation for the Board of Directors**

The Finance Committee sent this item to the Board with a positive recommendation to approve the MOU between ARD and the Placer County Auditor-Controller.

### **Fiscal Impact**

\$1,055.46 (covers July 1, 2020 – June 30, 2021). The following is a breakdown of the costs:

General accounting:           \$805.46  
Appropriation GANN Limit: \$250.00

### **Attachments**

MOU between ARD and the Placer County Auditor-Controller



## COUNTY OF PLACER

## OFFICE OF AUDITOR-CONTROLLER

ANDREW C. SISK, CPA  
Auditor-Controller  
E-mail: [asisk@placer.ca.gov](mailto:asisk@placer.ca.gov)

NICOLE C. HOWARD, CPA  
Assistant Auditor-Controller  
E-mail: [nhoward@placer.ca.gov](mailto:nhoward@placer.ca.gov)

June 10, 2020

To the Board of Directors and Management  
Auburn Area Park and Recreation District

The Auditor-Controller is pleased to confirm our understanding of the terms and costs of our services under this agreement for the 2020-2021 fiscal year.

### A. Scope of Services

The Auditor-Controller will provide the following services to Auburn Area Park and Recreation ("District"):

1. **General Accounting** – includes use of County's centralized accounting system and recording of financial system entries submitted by the District. Transactions will be reviewed for authorization by appropriate District personnel prior to processing. This also includes compiling the District's financial information to report within the County's A-87 Cost Plan, if applicable.
2. **Accounts Payable** – includes processing payment claims by warrant, wire or ACH. Claims will be reviewed to validate authorized District signers have approved the payment prior to processing, recording and mailing payments. Any invoices submitted with payment claims will be scanned and archived for retention. Review of invoices for mathematical accuracy and appropriateness of expenditure is not part of the service agreement. Maintaining vendors and payments for purposes of 1099 reporting along with issuing 1099 forms for the calendar year, if applicable.
3. **Gann Limit** - calculation of appropriation limit for the current fiscal year and measurement (testing) of appropriation limit for the previous fiscal year to assist the District in meeting the requirements of Article XIII B, Section 1.5 of the California Constitution.

### B. Term

The term of this Agreement will commence on July 1, 2020 and end on June 30, 2021. Subject to written agreement of the parties, this agreement may be renewed annually.

### C. Responsibilities of Auditor-Controller

The Auditor-Controller's responsibility under this Agreement is to perform the services enumerated above. The Auditor-Controller will not audit accounting entries, payment claims or budget transactions, nor will we validate the appropriateness of accounting transactions or claims for payment.

The Auditor-Controller's services are not designed to detect instances of fraud, noncompliance with laws or regulations or significant errors; however, the Auditor-Controller will communicate to District any known and suspected fraud, noncompliance with laws or regulations or significant errors that come to their attention. Neither the County nor the Auditor-Controller will be held liable should any instances of fraud, noncompliance with laws or regulations or significant errors be subsequently discovered by either District or through a claim or lawsuit to District.

### D. Responsibilities of District Management

2970 Richardson Drive / Auburn, California 95603 / (530) 889-4160 / Fax (530) 889-4163  
Internet Address: <http://www.placer.ca.gov> / email: [auditor@placer.ca.gov](mailto:auditor@placer.ca.gov)

District is responsible for (1) ensuring all transactions are submitted and/or approved by authorized staff, (2) reviewing all transactions prior to submittal to ensure appropriateness of the expenditure, compliance with laws or regulations and to check for significant errors and fraud, (3) retaining all source documents, and (4) providing all District Board authorized budgets and budget amendments. District is encouraged to routinely provide accounting reports and payment registers to its Board for review.

District agrees to inform County of significant noncompliance, fraud and/or errors immediately upon discovery.

For all services provided District management agrees to assume all management responsibilities; oversee the services by designating an individual who possesses suitable skill, knowledge, and/or experience to understand the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. District agrees to hold the County and the Auditor-Controller harmless for any subsequent claims or lawsuits that may arise from the results of the services.

Annual Cost and Billing

The annual cost of services identified above is \$1,055.46. Your District will be billed by journal entry during the third quarter of the fiscal year for the entire annual costs. A copy of the journal entry will be provided to your District.

Agreement

The Auditor-Controller appreciates the opportunity to be of service to you and believes this letter accurately summarizes the significant terms of your agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements. Please execute this document and return the original version to my office at your earliest convenience.

Sincerely,

Andrew C. Sisk, CPA  
Auditor-Controller

We, the undersigned, have read and agree to the terms of this Agreement. We represent we have the authority to execute this Agreement on behalf of the Auburn Area Park and Recreation.

Authorized Signature Director: \_\_\_\_\_ Dated: \_\_\_\_\_

Authorized Signature Board Chair: \_\_\_\_\_ Dated: \_\_\_\_\_

District Name: \_\_\_\_\_

## **Item 8.1 Cover sheet – Unfunded CalPERS Pension Reserve Funding**

**Auburn Area Recreation and Park District Finance Committee July, 2020; Board of Directors, July, 2020**

### **The Issue**

Shall the Auburn Area Recreation and Park District (ARD) adjust the amount of FY 20/21 funding for the CalPERS pension reserve?

### **Background**

ARD District Policy states the following regarding funding for the CalPERS Pension Reserve:

5. Unfunded CalPERS Pension Reserve Funding GASB 68: Contributions to this fund may occur at any time but will be included in the budget each fiscal year at an amount that represents at least 10% of the known unfunded liability per the current GASB68 report and shall be funded at a minimum of 50% of the entire known liability.

ARD is billed for and pays CalPERS extra money each year towards this unfunded liability. This extra payment rarely keeps up with the unfunded liability. ARD's CalPERS Reserve was established to try and bridge the gap (to half of the liability).

For FY 20/21, ARD has budgeted \$45,800, based on the past year's funding. The actual known unfunded liability for fiscal year ending 2019 is \$934,476. The 10% as required by policy would be \$93,400 (a difference of \$47,600 compared to what is budgeted).

There is \$183,200 in the Unfunded Liability Reserve Fund (before the \$45,800 transfer).

FY20/21 has seen ARD make \$1.2 million in cuts due to the COVID-19 crisis, and includes a \$190,000 transfer from ARD's Contingency Reserve.

The Board of Directors requested this be sent back to the Finance Committee to find a way to partially fund the remaining \$47,600 due to the Contingency Reserve per policy. It is noted, a special transfer was approved in the amount of \$90,000 to the Contingency Reserve, on May 29, 2020 increased the Contingency Reserve to \$540,000. As well as the transfer in, the District has also allocated a transfer of \$190,000 out the Contingency Reserve to the General Fund to fund expenses in the 2020-21 Final Budget, leaving a remaining balance of \$350,000.

### **Recommendation for the Board of Directors**

The Finance Committee forwards a positive recommendation to the Board that ARD only transfer the budgeted \$45,800 for FY 20/21. Funding the extra \$47,600 to this Reserve account will lead to more money coming out of the Contingency Reserve and/or more cuts.

### **Alternatives available**

- 1) Fund the extra \$47,600 or a smaller percentage of this from ARD's Contingency Reserve. Staff suggests making this change at the mid-year revision in October.
- 2) Change the policy to allow for some flexibility in how much is funded.
- 3) Make additional cuts to the current budget to allow for \$20,000 – 47,600 funding to the Contingency Reserves. Staff suggests making this change at the mid-year revision in October.

**Fiscal Impact**

Zero - \$47,600

**Attachments**

None.

## **Item 8.2 Cover sheet – Discussion Item: 24 Acres Project- Proposition 68 Grant Opportunity Update**

**Acquisition and Development Committee July 22, 2020; Board of Directors Meeting July 30, 2020**

### **The Issue**

Staff has been alerted that the CEQA completion deadline for the 4<sup>th</sup> and final round of Proposition 68 Grant money has just been released and is March, 2021. The application deadline for the grant is December 14<sup>th</sup> 2020. If the District would like to get CEQA done so the 24 Acres project can be submitted for a chance at this second round of grant funding (\$395.3 mil), decision needs to be made in the next 2 months as a master plan refinement & CEQA process will take approximately 6 months.

### **Background**

The original full-scope 24 Acre Project proposal price received from Dudek was \$210K. With fee exceeding current budget of 190K, Dudek was asked to re-propose with some scope reduction options and the options were provided as follows: A.) Remove the Bid Assistance & Construction Administration tasks: \$190K B.) Remove Bid Assistance, Const. Admin and Construction Drawing tasks (refine Master Plan and produce CEQA docs only): \$119K. In order to qualify for the upcoming 2nd Round of the Prop. 68 Statewide Park Program Grant money, projects have to have CEQA process completed at minimum. Staff understands that the odds of the District receiving any of the statewide grant money are low based on the first round competition that occurred (2.7 billion in grand requests received, 254.9 million awarded). However, having CEQA done on the project will make it easier to apply for other/future grant programs. The CEQA documents once completed do not expire as long as conditions remain relatively the same as described in the documents (5+ years min. estimated). Additionally, staff had previously received guidance and reported to the Board that there would be *multiple upcoming rounds* of this Prop. 68 grant funding and this now appears to be incorrect.

This project is currently postponed by decision at the May Board of Directors meeting.

### **Recommendation for the Board of Directors**

The Acquisition & Development Committee reviewed this information and forwarded it to the Board of Directors for consideration.

### **Fiscal Impact**

The master plan refinement and CEQA process (the minimum required to qualify for Prop. 68 grant) fee is \$119,000.00.

\$190,000 is budgeted for Fiscal Year 2021/22

### **Attachments**

None.



## **Item 8.3 Cover sheet – Reusable, recyclable or compostable food containers and utensil use within ARD and by vendors at ARD events.**

**Auburn Area Recreation and Park District Board of Director’s meeting February, 2020; Policy Committee meeting July, 2020; Board of Directors meeting July, 2020**

### **The Issue**

Shall the Auburn Area Recreation and Park District (ARD) create a policy that would require reusable, recyclable or compostable food containers and utensils within ARD and by vendors at ARD events? This item was requested by Director Lynch.

### **Background**

ARD currently uses plastics in several ways, including:

#### **Youth Services:**

- Forks, knives and spoons at Discovery Club and Day Camp
- The United Way provides food for the Discovery Club sites. The United Way provides plastic utensils as part of this program
- Some straws are used for crafts

#### **Recreation Services:**

- Vendors at ARD events use plastic utensils and serve some non-alcoholic drinks in plastic bottles
- Beer at ARD events is served in plastic cups

From Director Lynch: ARD should develop a policy requiring reusable, recyclable or compostable food containers and utensils within ARD and by vendors at ARD events. Such a policy can be phased in over several years, both within ARD and for vendors. Additionally, ARD might provide some incentive for vendors who use reusable, recyclable and/or compostable food containers and utensils by way of a vendor discount. California State Parks (and the State in general) has mandated a policy on this subject (See below). Many food service companies are heading this way including McDonalds paper straws and cups and Starbucks making a major effort in this regard (see: <https://www.wastedive.com/news/starbucks-waste-goals-2030-landfill-diversion-single-use-plastics/570810/> ).

### **Recommendation for the Board**

The Policy Committee forwarded this item to the Board without a recommendation. Should the Board be interested in pursuing this item, it would be referred back to Policy Committee to develop the actual written policy.

### **Fiscal Impact**

The biggest cost would be the beer cups. Based on online pricing (attached), the cost for a recyclable or compostable cup is 14¢. The cost for a standard beer cup is around 8¢. A typical event will see ARD use approximately 2,000 cups. The extra 6¢ would cost ARD an extra \$120/event.

## Attachments

Cup costs

Other articles:

### Governor Brown Signs Legislation on Sustainable Food Packaging - Thursday, September 20, 2018

Sacramento, CA – Legislation authored by Senator Ben Allen (D - Santa Monica) to end the use of wasteful take-out food containers in food facilities operated on state properties, including state parks and beaches, was signed into law today by Governor Jerry Brown. SB 1335 would require that all food containers provided at food facilities in state-owned properties be reusable, recyclable or compostable by January 1, 2021.

“California will set a positive example by showing the world that it’s possible to switch from environmentally damaging food packaging to sustainable alternatives. Our new policy will help lead the way to widespread availability and acceptance of to-go food containers that are affordable, recyclable, compostable and non-toxic,” Allen said.

Take-out food packaging in California generates tons of non-recyclable and non-compostable waste every day, much of which finds its way into the natural environment. Once there, plastic packaging breaks down into impossible-to-clean-up pieces and is ingested by fish and other marine life. A recent study by UC Davis surveying fish and shellfish sold at local fish markets found that a quarter of fish and a third of shellfish intended for human consumption contained plastic debris. Reducing the volume of take-out food packaging is a necessary step in beginning to address the global environmental health crisis of plastic pollution and assist California in meeting its goal of diverting 75% of waste from landfills by 2020.

“There is no reason for state facilities to continue serving food in environmentally-harmful packaging that clogs our landfills, and pollutes our parks and beaches,” said Allen. “The solution to wasteful packaging is here, it’s affordable, and the public is ready for it.”

The legislation requires CalRecycle, a state department that oversees recycling and resource conservation programs, to develop a list of acceptable packaging types to assist food vendors providing food service on state properties in complying with the law.

SB 1335 was sponsored by Californians Against Waste, and supported by the California Restaurant Association and dozens of cities and organizations across the state.

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Link to text of SB1335: [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=201720180SB1335](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB1335)

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From Wikipedia: Plastic pollution is the accumulation of plastic objects and particles (e.g. plastic bottles, bags and microbeads) in the Earth's environment that adversely affects wildlife, wildlife habitat, and humans. Plastics that act as pollutants are categorized into micro-, meso-, or macro debris, based on size. Plastics are inexpensive and durable, and as a result levels of plastic production by humans are high. However, the chemical structure of most plastics renders them resistant to many natural processes of degradation and as a result they are slow to degrade. Together, these two factors have led to a high prominence of plastic pollution in the environment.

Plastic pollution can afflict land, waterways and oceans. It is estimated that 1.1 to 8.8 million tons of plastic waste enters the ocean from coastal communities each year. Living organisms, particularly marine animals, can be harmed either by mechanical effects, such as entanglement in plastic objects, problems related to ingestion of

plastic waste, or through exposure to chemicals within plastics that interfere with their physiology. Effects on humans include disruption of various hormonal mechanisms.

As of 2018, about 380 million tons of plastic is produced worldwide each year. From the 1950s up to 2018, an estimated 6.3 billion tons of plastic has been produced worldwide, of which an estimated 9% has been recycled and another 12% has been incinerated. This large amount of plastic waste enters the environment, with studies suggesting that the bodies of 90% of seabirds contain plastic debris.[8][9] In some areas there have been significant efforts to reduce the prominence of free range plastic pollution, through reducing plastic consumption, litter cleanup, and promoting plastic recycling.

Some researchers suggest that by 2050 there could be more plastic than fish in the oceans by weight.

From Wikipedia, the free encyclopedia



**Kraft Recyclable Paper Cups 16 oz - 50 Pcs Pack**

**\$9.10 /Pack**

Quantity: 1

[Add to Cart](#)

.14¢ each

Home > Biodegradable > Cups > Cold Cups

SKU DMRE-16 COLD Cup 16 oz. PLA lined Fiber - Made in USA

Less than 15¢ ea. (case pricing)

	Qty
pack of 12	\$11.27
pack of 50	\$18.99
pack of 150	\$44.82
pack of 250	\$59.77
pack of 500	\$92.57
case of 1000	\$149.27

.149¢ each



Get Lid for this cup here >



[Add to Cart](#)

Buying 1 COLD Cup 16 oz. PLA Lined Fiber - Made in USA Saves

0.1 miles of driving emissions vs 0.1 days of bulb energy

Your car's impact by choosing "Plant Based" vs. Styrofoam™



**16 ounce Compostable Cups - Made in USA**  
Disposable Cold Cups - Biodegradable Cups

Paper Cups - Reinforced with Polylactic Acid (PLA) - a corn based resin lining making these cups fully compostable. Using Ecotainer products lowers usage of petrochemicals and reduces waste being sent to landfills.

Home Page > Products > Cold Cups > Minimally Branded > 16 oz. Minimally Branded Cold Cups



**16 oz. Minimally Branded Cold Cups**



[Click Here for Larger Image](#)

A minimally branded compostable drink cup that makes a big environmental statement

- Use lid EP-FLCC
- Top Diameter 3.75in
- Bottom Diameter 2in
- Height 5in

Item Code: EP-CC16-MB

Fulfilled By:

Case 1000 Price: <del>\$183.74</del> Sale: <b>\$146.99</b> Save 20% Out of stock	Pack 50 Price: <del>\$29.83</del> Sale: <b>\$10.26</b> Save 20% Out of stock
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[add to cart](#)

[click to enlarge](#)

**Highlights:**  
A minimally branded compostable drink cup that makes a big environmental statement

- Use lid EP-FLCC
- Top Diameter 3.75in
- Bottom Diameter 2in
- Height 4in

.14¢ each

# Regular plastic

Home & Kitchen > Household Supplies > Paper & Plastic > Disposable Drinkware > Cups



## AmazonBasics 16-Ounce Disposable Plastic Cups, Clear/Translucent - Pack of 240

by AmazonBasics  
★★★★☆ 1,202 ratings

Price: **\$20.99** FREE Shipping on your first order. Details & FREE Returns  
Available at a lower price from other sellers that may not offer free Prime shipping

Color: **Clear/Translucent**



Material	Plastic
Item Weight	5.54 Pounds
Capacity	16 Fluid Ounces
Item Dimensions L x W x H	13.78 x 11.6 x 7.68 inches
Product Specifications (Unit)	240 count

### About this item

- 240 transparent plastic party cups
- Each cup holds 16 ounces of your favorite cold beverage
- Stacked together and wrapped in individual sleeves for easy handling
- Ideal for parties, as well as home or food-service use
- Disposable—no cleanup necessary

Buy new: **\$20.99**

FREE Shipping on your first order. Details & FREE Returns

Arrives: Thursday, July 23

Fastest delivery: Tomorrow  
Order within 14 mins. Details

In Stock

Qty: 1

Add to Cart

Buy Now

Secure transaction

Ships from and sold by Amazon.com.

Item arrives in packaging that reveals what's inside. To hide it, choose Ship in Amazon packaging at checkout.

Add gift options

Select delivery location

*Handwritten:* 0.875/each



## [200 Count] 16oz Clear Plastic Disposable Cups - Premium 16 oz (Ounces) Crystal Clear PET Cup (No Lids) for Cold Drinks Iced Coffee Tea Juices Smoothies Slush Soda Cocktails Beer Sundae Kids Safe

by Harvest Pack GOURMET SHOWCASE  
★★★★☆ 209 ratings

Amazon's Choice for "clear plastic cups 16 oz"

Price: **\$25.90** & FREE Shipping. Details & FREE Returns

Item Package Quantity: **200**

Qty: 200

Size: **16 Ounce**

Qty: 12oz 16 Ounce 20oz

Material	Plastic
Item Weight	4.01 Pounds
Capacity	16 Fluid Ounces
Product Specifications (Unit)	200 Count

Show

**\$25.90**

& FREE Shipping. Details & FREE Returns

Arrives: Thursday, July 23  
Details

Fastest delivery: Friday, July 17  
Order within 14 mins. Details

In Stock

Qty: 1

Add to Cart

Buy Now

Secure transaction

Sold by Harvest Pack and Fulfilled by Amazon

Add gift options

Select delivery location

Add to List

Add to Wedding Registry

*Handwritten:* 0.1295

## **Discussion Item 9.1 Cover sheet – Rock Creek Mobile Home Park Encroachments at Regional Park**

**Auburn Area Recreation and Park District Policy Committee meeting May, 2020; June, 2020; July, 2020; Board of Directors meeting July, 2020**

### **The Issue**

Shall the Auburn Area Recreation and Park District (ARD) address encroachments in to Regional Park made by residents of the Rock Creek Mobile Home Park? Director Holbrook has requested that this item be reviewed.

### **Background**

Rock Creek Mobile Home Park borders Regional Park to the east. 29 of the 296 lots abut the park. Approximately 12 - 20 of these lots have encroached upon Regional Park's property. The encroachments are a variety of improvements.

While residents of the Mobile Home Park have claimed in the past that an agreement exists between ARD and the Mobile Home Park, no one has been able to produce a copy.

The Committee and staff walked to subject property in May. It was recommended to contact the management at the Rock Creek Mobile Home Park and invite them to a future meeting to discuss the situation and possible options.

At the June Committee meeting, the committee recommended that staff speak with ARD's attorney about this issue. Staff spoke with Derek Cole at Cota Cole. Derek got background information from staff and is looking in to ways to develop an agreement/waiver. Derek said that the cost to put together an agreement that would indemnify ARD is approximately \$2,000.

### **Recommendation for the Board of Directors**

At the July Committee meeting, the committee recommended that this item be forwarded to the Board for review and discussion. Staff will move forward with getting an agreement drawn up to address indemnification and possible rental payment for use of the property.

### **Fiscal Impact**

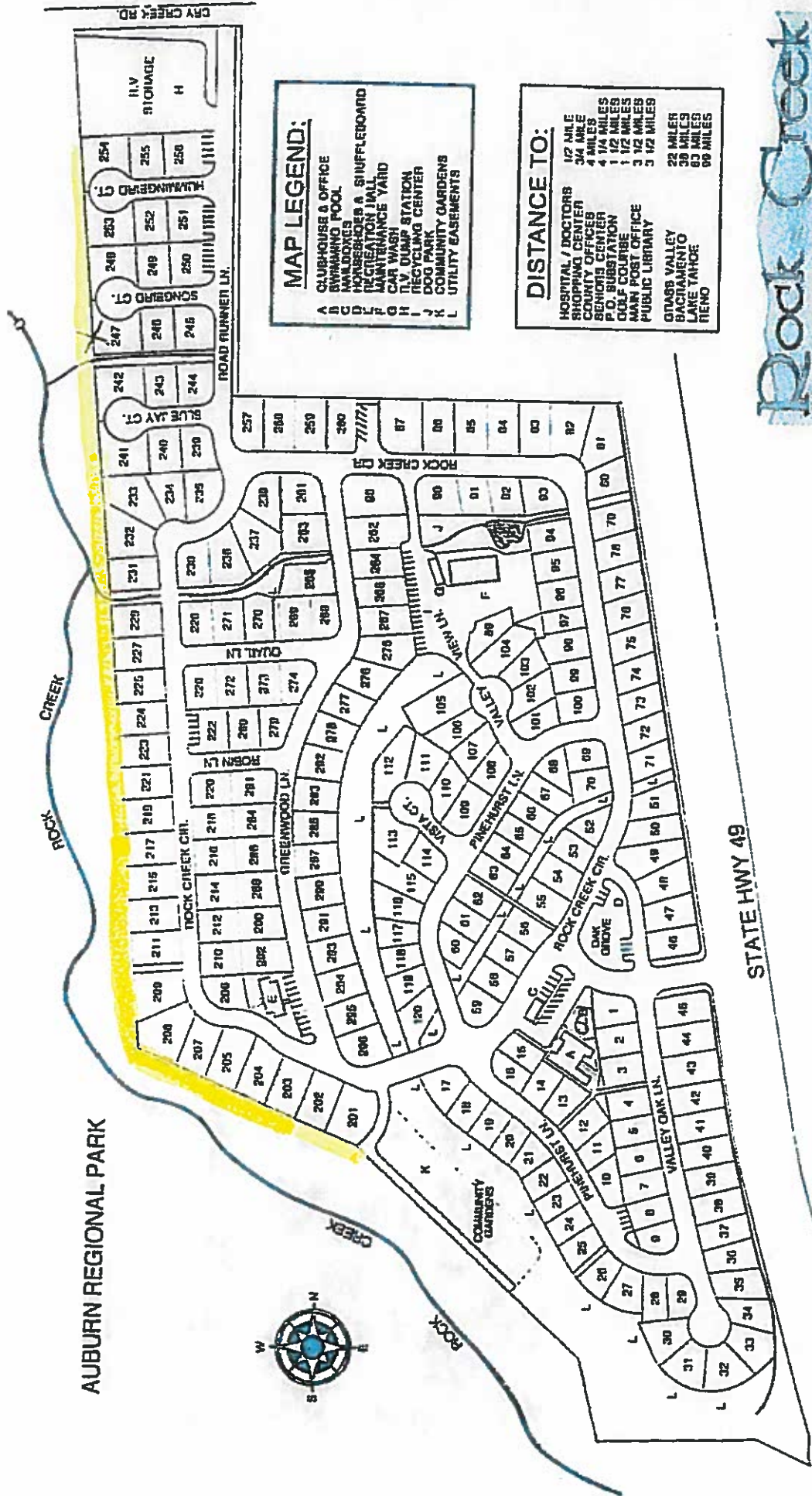
Unknown at this time

### **Attachments**

Rock Creek Mobile Home Park site map  
Aerial photo of Regional Park and the Rock Creek Mobile Home Park



**AUBURN REGIONAL PARK**



**MAP LEGEND:**

- A CLUBHOUSE & OFFICE
- B SWIMMING POOL
- C MAINTENANCE YARD
- D HOUSEHOLD & SUFFLEBOARD
- E RECREATION HALL
- F MAINTENANCE YARD
- G CAR WASH
- H T.V. DUMP STATION
- I RECYCLING CENTER
- J DOG PARK
- K COMMUNITY GARDENS
- L UTILITY EASEMENTS

**DISTANCE TO:**

- HOSPITAL / DOCTORS 1/2 MILE
- SHOPPING CENTER 3/4 MILE
- COUNTY OFFICES 4 MILES
- SENIORS CENTER 4 1/4 MILES
- P.O. SUBSTATION 1 1/2 MILES
- GOLF COURSE 3 1/2 MILES
- MAIN POST OFFICE 3 1/2 MILES
- PUBLIC LIBRARY 3 1/2 MILES
- GRASS VALLEY 22 MILES
- SACRAMENTO 38 MILES
- LAKE TAHOE 63 MILES
- RENO 89 MILES

**Rock Creek**  
**MOBILE HOME PARK**  
 3785 Green Valley Hwy • Auburn, CA 95602

RetireAtRockCreek.com  
 rockcreek@wavecable.com  
**530-885-0141**

MAP FOR ILLUSTRATION PURPOSES ONLY  
 NOT TO SCALE



