

Marinwood Community Services District

Minutes of Board of Directors Meeting

Tuesday November 18, 2014

Time and Place: 7:30PM Marinwood Community Center classroom.

Present:

Board Members: President Bill Hansell, Deana Dearborn, Justin Kai, Tarey Read and Bill Shea.

Staff: District Manager Thomas Horne, Fire Chief Thomas Roach, Recreation Director Shane DeMarta, Firefighters Joel White and Esteban Cespedes and Administrative Assistant Carolyn Sullivan.

Park and Recreation Commissioners: Chair Izabela Perry, Eric Dreikosen and Linda Barnello.

Fire Commissioner: Jeff Naylor.

Others Present: Stephen Nestel, Ray Day, Roy Nisja, Michael O'Connor, Liz Dale and Irv Schwartz.

Call to Order and Pledge of Allegiance

Agenda

Barnello stated the agenda needs to state the minutes are still "draft". Additionally the minutes on the website need to be updated. Sullivan responded she will update the website.

Nestel conveyed his disappointment in being ignored by the District Manager and stated his civil rights are being ignored. Nestel had written correspondence to the Board which was not included in the Board packet. Horne apologized.

Consent Calendar

- a. *Minutes of Regular Meeting of October 14, 2014 and Special Meeting of October 30, 2014:* No comments.
- b. *Bills paid nos: 348-432:* Shea asked if the Firefighter overtime costs are going to hold. Roach replied no, the Department still has one member out. Shea asked why janitorial costs were high. DeMarta replied we had the old office carpeting removed and replaced as well as waxing the existing flooring in the classroom and a deep clean of the community center. Dearborn asked why there was no drop in Park Salaries. Sullivan responded the payrolls went through October 31st, you will see a drop in expenditure beginning in November. Dearborn asked why the garage and fuel charges were high. Sullivan responded they were for maintenance to the Park vehicle and fuel for the Parks Department not Fire Department.
- c. *Report of County Pooled Investment Funds CY 2014 Qtr 3:* No comments.
- d. *Current Revenue and Expenditure report for November 12, 2014:* Dearborn asked when property taxes were expected. Horne replied December 15th. Dearborn asked why the money from CSA 13 is not being reflected as revenue. Roach replied he is unsure, but will look into it.

M/s Dearborn/ Shea to approve Consent Calendar.

Motion carried unanimously.

Open Time for Items not on Agenda

Roy Nisja a community member and owner of the "Christmas Bear House" stated it would be nice to be able to promote the three Holiday Houses in Marinwood; including "Linda's Snow Village" and the "Mize's Mickey House". Hansell deferred to the Recreation Director. DeMarta commented he has no problem helping advertise the Holiday Houses if the Board approves. Read stated there is no monetary exchange to visit the holiday houses. Nisja confirmed that, but said he did have a donation box for his December electricity bill. DeMarta said that he and Nisja would meet to iron out the details.

Barnello commented she would like all the Board members and Commission members to be courteous and respectful as well as to uphold Roberts Rules and the Brown Act. In the August Commission meeting there was discussion held after Barnello had read her letter to the Commissioners; this discussion violated the Brown Act. It resulted in further discussion held at the September Board meeting. Barnello stated there was "Barnello bashing" held at the Commission meeting as well as reported in the minutes. Barnello commented there should be no personal attacks in the Commission or Board meetings. Furthermore Barnello commented the five and a half minute letter that was read by the Chair of the Commission violated the Brown Act because she was refused a copy of the letter. Hansell thanked Barnello for her comments. All Commissioners and Board members are required to do online compliance training. Hansell added there have been discussions with Counsel regarding the Brown Act and possible future training sessions. Read commented the Chairs of both Commissions should be given a copy of Roberts Rules. Any personal commentary in the course of the meetings is inappropriate and Barnello stated the next time it happens she will go to the District Attorney. Perry commented in light of this discussion she will be stepping down from the Chair position. Hansell replied he would like Perry to consider her comment and not to rush a decision.

Nestel commented the two minute speaking allowance is arbitrary. Additionally his letter to the Board was not distributed and stated it was regarding Park maintenance; specifically the plies of wood chips that are scattered throughout the parks. DeMarta replied he agrees with Nestel; the wood chips need to be addressed. He and the

Recreation Supervisors had done a walk-through of the grounds assessing issues. DeMarta added he will be meeting with the remaining Park staff to finalize a maintenance schedule.

Nestel stated he had put in a FOIA request to Horne regarding the solar contract and was informed I would receive all copies of correspondence which did not happen. Horne is in violation of the law. Hansell replied Nestel may have copies of correspondence.

Audit Report for Fiscal Year 2013-2014

1. *Presentation of Basic Financial Statements and Management Report:* Michael O'Connor spoke to the Board referencing the report. O'Connor made specific notes as to the District's net position at the end of the period with full accrual which is \$2,881,617.00. Hansell read the first paragraph of the *Management's Discussion and Analysis*, "*The District...has ended the 2013-14 Fiscal Year with an increase in fund balance of \$321,097. This continued improvement is due to the increasing revenues and decreasing costs from recreation programs, from recovering property tax revenues, from the first half year's distribution of Marin County Measure A sales tax funds-expected to bring in over \$80,000, per year for nine years to the District for recreation facility investment, and from concessions made by full-time staff assuming more of the cost of employee benefits.*"

Nestel commented if the new law for pension liabilities is reflected in the report. O'Connor replied it will be reflected in next year's report, OPEB will be as well. Perry commented OPEB liabilities are included in this report, but are located in the notes. Nestel commented CSPP (Citizens for Sustainable Pension Plans) stated Marinwood is the worst funded District for pensions. Roach replied CSPP is incorrect. Dearborn questioned how compensated absences are calculated. Horne replied there is a one year carry-over for full time employees with a limit on accrual; the numbers originate from our payroll service provider. Dearborn stated there will be a vacation payout when an employee retires. Horne replied yes. Nestel stated the deferred maintenance on the Park building is not captured in the report. O'Connor replied no.

O'Connor discussed the Management Report and stated there were no new current year observations. It was noted that the Capital Expenditures threshold should be raised. Roach asked O'Connor if the District is in better financial position that it has been in years past. O'Connor replied yes, but the District needs a long term plan to address OPEB liabilities. He added, there are ways to resolve the issues and time is on the side of the District.

2. *Accept Basic Financial Statements and Management Report:*

M/s Shea/ Read to accept the Basic Financial Statements and Management Report.
Motion carried unanimously.

District Manager Position

Hansell reported the current District Manager will be retiring next month. This Board decided to hire a consultant to advise and assist in the process for hiring a new Manager. This consultant helped with the job description and salary benefits. It had been 18 years since Marinwood has gone out to hire a new Manager and the Board was unaware of the current market rate. The consultant received about 30 applications for the position, from those 30 she suggested a smaller group and the interview process progressed. All of the candidate information will be confidential and the Board will maintain confidentiality until a candidate has accepted the position. The interview process went as follows: for the first interview two panels were formed, each panel consisted of one Board member, one Department Head, one community member (chosen by each Board member), the Commission Chairs, and the manager of another Special District. For the first round six candidates were interviewed, and from that pool the panels decided upon four very strong candidates to move onto the second round of interviews. The second round was held by the Board and Department Heads in a Special Meeting. The Board at this time has a preferred candidate. Nestel asked if the Board could elaborate on the qualifications and qualities that looked for in the candidates. Hansell referred Nestel to the District Manager advertisement that was distributed. The candidates interviewed included people from the public and private sector. Dearborn commented the interviews were very thorough with a wide variety of candidates. Ray Day (member of a first round interview panel) stated the interviews were well structured with good questions. Perry stated while at first she had been taken aback with the price tag of the consultant, the end result was beneficial. The District had good candidates that were talented. Her only criticism was that the first interview round of questioning was scripted. Hansell replied the second round interview questions were brought forth and scripted by Board members and Dept. Heads. Barnello asked if every Board member had the opportunity to question the candidates. Hansell replied yes.

Hansell added the current District Manager has been with Marinwood for 17 years, his service and dedication to this community should be recognized.

Hansell stated the consultant had conducted a salary survey and the survey numbers yielded a salary range significantly higher than our current manager's salary; which was confirmed in the candidates resumes. Read commented if the Board offers the candidate a base salary of \$115,000 burdened it would be \$164,968 and with the unburdened \$8,000 to deferred compensation the total is \$172,968 which is \$10,000 less than the Fire Chief. Hansell distributed an informational packet that details the salaries of all full time employees of the District. Read stated the numbers are a bit shocking, but the chosen candidate is coming with twenty years of experience and the choice was unanimous. Shea stated he had thought long and hard about this decision and feels the chosen candidate was the best candidate. Kai

agreed with the Board, every candidate was strong and qualified. Hansell stated this candidate has a proven track record of increasing revenues and any subsequent raises will be based upon performance, not routine step increases. Hansell stated the candidate is aware of the high expectations. Dearborn stated she agrees with her fellow Board members, but is worried about how the proposed salary will fit into the budget; there is no guarantee of increased revenues. Liz Dale asked if the job announcement advertised salary. Hansell replied no. Dale commented she is upset to hear the discussion of increased salary. Dale stated the Upper Lucas Valley Homeowners are going without the basic needs at this point in time and the overgrown vegetation in the neighborhood needs to be addressed. Roach replied the Conservation Corp is working on the area tomorrow. Nestel asked specifically how the candidate has increased revenues. Read replied they had recently designed a tax measure to cover the OPEB liabilities. Nestel objected a tax measure is not a good way to increase revenues. Fire Captain Joel White thanked the Board for their due diligence in the hiring process, but stated the District needs to move forward with a health care vesting schedule. DeMarta commented the candidate has a good track record of increasing revenues as well as good standing in the community. Roach added they also will bring knowledge regarding policies and procedures. Perry noted the salary being discussed is high, but it is because Horne has stayed with the District for 17 years. Barnello asked if the candidate will require relocation compensation. Hansell replied no. Barnello questioned if Sullivan's hours will increase due to the adjustment of the new Manager. Sullivan replied she will be available if need be. Kai commented the salary being discussed is higher than the Board had initially considered, but fully vested it is not too far from the original discussion.

M/s Read/ Shea to authorize the Board President to make an offer to the chosen candidate under the conditions the base salary is \$115,000 with an \$8,000 deferred compensation contribution per year, standard benefits and the most advantageous PERS plan available to the candidate with preference for three highest years compensation basis. There will be no car allowance and no step raises, only merit raises based upon performance review.

Motion carried unanimously.

Hansell thanked all involved in the interview process.

Correspondence

1. *Liz Dale, September 6, 2014 providing information re: proposed State Scenic Route designation for Lucas Valley Road and suggesting letter of support:* Irv Schwartz commented he is a 48 year resident who would like to see the electricity lines be relocated underground. This designation would allow for possible grant money to be received to assist in that project. Additionally, before Prop 13 landscaping was performed on Lucas Valley Road this designation would allow for possible grant money to be received for landscaping. He urged the Board to write a letter of support. The Board agreed to write a letter of support for the designation of Lucas Valley Road to become a State Scenic Road.

Fire Department Matters

1. *Fire Chief Operations Report:* Roach reported the Fire Engine Committee had gone to the manufacturer to check on status of the build. Roach reported Measure A is looking like it will pass. Thank you to Barnello for her work on the measure.
2. *Implementation of paramedic program:* Roach reported Cespedes is ready, but the Board needs to meet and confer with the Union for compensation. Horne had sent a letter to John Bagala last week and received a response letter yesterday.

Park and Recreation Matters

1. *Recreation and Maintenance activities Reports:* DeMarta reported that recent community events have gone very well. Halloween Harvest Fest was quite crowded and the Wine and Canvas Night was sold out. It was a great night and we had partnered with a wine distributor who was serving at the event. Winter Fest will be held on December 12th and our Winter Break Camp attendance is looking strong. Luke Fretwell has just completed and passed the Certified Pool Operator course. DeMarta commented in his report of 2014 summer revenue that pool revenue was down due to the lack of groupon deals we offered and the revamping of the Waterdevils payment structure. Read stated even with the decrease in pool revenue the summer programs as a whole had a net revenue increase of \$73,000. Dearborn asked if Horne had received any quotes for pool equipment upgrades. Horne replied he is awaiting the responses. Dearborn asked for a Park maintenance report. DeMarta replied yes, with Harrelson's departure he has stepped in to work with the remaining staff and will be meeting with them this week and will provide updates. DeMarta stated he and the Recreation Supervisors had conducted a walk-through of the parks and grounds and had the opportunity to speak to people in the community.

New and Other Business

1. *Findings that the Marinwood CSD PV Solar Procurement Project is Exempt from the Requirements of the California Environmental Quality Act:* Horne reported this is the next step for implementation.

M/s Read/ Dearborn to approve Findings that the Marinwood CSD PV Solar Procurement Project is Exempt from the Requirements of the California Environmental Quality Act.

Motion carried unanimously.

2. *Resolution No 2014-12 Fixing the Employers Contribution for Employee Health Care Premiums*: Horne reported this is a yearly resolution. The District pays 80% of the Fire Department and 90% of the miscellaneous employees, with the remainder being picked up by payroll deductions. PERS takes care of the retiree deductions.

M/s Read/ Kai to approve Resolution No. 2014-12 Fixing the Employers Contribution for Employee Health Care Premiums.

Motion carried unanimously.

Recognitions and Board Member Items of Interest

Horne reported on the status of the solar project. The District has the opportunity to apply for a second PG&E grant. Dearborn commented the contract states the Board has the right to review the plans and stated she would like to see the full design. Hansell agreed. Dearborn asked that the Solar Project Status be placed as an ongoing item on future agendas.

Hansell stated the Board will vote in December for the new Board President.

Hansell thanked staff for Harrelson's Retirement party.

Marinwood Professional Firefighters MOU discussions

The Board may meet in Closed Session to confer with its designated representatives to represented employees regarding wages, benefits and working condition matters, pursuant to Government Code section 54957.6: The Board entered into closed session at 10:19. The Board exited closed session at 11:09 there was no reportable action.

The date of the next Regular Board meeting is December 9, 2014 at 7:30PM.

The meeting was adjourned at 11:11PM.

Respectfully submitted,
Carolyn Sullivan