

STRAWBERRY RECREATION DISTRICT
BOARD OF DIRECTORS MINUTES
23 June 2010

Chair Klopfer called the regular meeting of the Board of Directors of the Strawberry Recreation District to order at 10:02 AM.

QUORUM CALL:

Present were Directors Francis, Klopfer, Reade, and Zener. District Manager Leanne Kreuzer, Jennifer Vuillermet from Marin County Counsel, and members of the public were also present.

OPEN TIME FOR PUBLIC EXPRESSION: (limited to 3 minutes per person):

A member of the public commented that holding the meeting during the day makes attendance for the working public difficult and pointed out the usual time for SRD Board meetings is 7:00 pm. Chair Klopfer responded that this meeting is an emergency meeting.

A second member of the public commented that attendance was large despite the early time.

AGENDA ADJUSTMENTS: None

MINUTES CORRECTIONS: None

MINUTES

The June 9, 2010 minutes were not available for review.

FISCAL REPORTS – CONSENT CALENDARS:

District Manager Kreuzer pointed out a revised fiscal report from the June 9, 2010 meeting.

- **Motion:** Move to Approve Item A1-2 Fiscal Reports - Consent Calendars, including the corrected page 1 of the previous meetings warrants. M/S/C Francis / Zener
Ayes: Francis, Klopfer, Reade, and Zener. Noes: None Absent: Peter Teese
- **Motion:** Move to Approve Item A3 Transfer of Funds (transfer Zone IV expenditure). M/S/C Francis / Reade
Ayes: Francis, Klopfer, Reade, and Zener. Noes: None Absent: Peter Teese

NEW BUSINESS

Item B1. Discussion Item/Action Item: Employee proposed/request for modification of SRD Voluntary Separation Incentive Program (VSIP).

District Manager Kreuzer stated that 91% of generated revenue is spent on employee costs. The facilities are ageing and the District is facing a budget shortfall. The Marin County guidelines for budget shortfalls were adopted by the Board. Back in May a VSIP was offered to the SRD Full Time/Benefitted Employees. Two employees have requested the SRD Board to consider modifications to the VSIP agreements. VSIPs received will be reviewed. The original VSIP offers employees who have been employed for less than 10 years /\$15,000 and employees who have been employed for over 10 years / \$25,000. Manager Kreuzer stated that the County's 5-year minimum was lowered to 1-year for SRD based on the recommendation of County Counsel related to the size of the District.

A member of the public commented that the Board wanted the Aquatics Supervisor, John Hale, to return to SRD and added that the Facility Maintenance Manager, Luis Yataco, has invaluable knowledge and has served as an interim District Manager. This relatively new Board is letting go of the two most experienced employees. The member of the public felt these two experienced employees should be kept and two new hires let go or have everyone cut their pay by 5-10 percent.

Another member of the public commented that Luis Yataco is familiar with the County approval process as well as technical issues regarding the facilities like underground power lines.

A third member of the public commented that if the District is successful in ridding the most valuable people, the assistants do not have enough experience and worried about the cost of replacing the Pool Supervisor. She added that the pool requires a great demand for maintenance. This member of the public added that the pool always had a profit with Mr. Hale in charge and added that she felt the Board was making a serious mistake.

Director Francis stated that this is a voluntary separation program. Director Francis commented that it is not easy for the Board to manage this financial crisis, and added that the District has a new business model based on revenue.

A member of the public commented that the manager used to control expenses with signatures, supervisors acknowledged expenses by signing warrant requests. Manager Kreuzer stated that expenses are paid by warrants and the Board reviews the expenses monthly. Manager Kreuzer commented that the budget was discussed line item by line item at the May meeting. Chair Klopfer commented that the Board meetings are the “visible” part of the process.

A member of the public commented that the pool cannot do without a maintenance man, if not then it must be contracted. Chair Klopfer commented that the District saves money if the positions are not filled. Manager Kreuzer stated that changes to the full time positions are related to a long term business model, and added that the District had 4 managers in January of 2009, which is a high ratio for a small recreation agency. Manager Kreuzer commented that it is a function of the business of the agency to manage job changes.

A member of the public asked about the coordinators job descriptions. Manager Kreuzer responded that the coordinators are certified as Certified Pool Operators “CPO”, WSI swim instructors and lifeguards. In addition to other training and certification standards. One coordinator oversees the marketing and swim lessons, and the other coordinator is responsible for swim camp and special events.

A member of the public commented that the same function would receive the same compensation for an equivalent job. The member of the public stated that the junior people should be laid off instead of encouraging the senior people to leave.

A member of the public questioned offing VSIP down to 1 year, instead of down to 3 or 5 years. Jennifer Vuillermet from Marin County Counsel stated that there is no compensation or severance package if positions are eliminated. Jennifer Vuillermet commented that the state determines (unemployment) through the employment division. Language from the County changed to “may or may not be eligible for unemployment”. The decision on each application is made by the state. The County has “bump down”; there are no bumping rights here, maybe eligible for unemployment. Manager Kreuzer stated that the Board will make the decision on eliminating positions. A member of the public commented that there are unemployment costs to the District.

Item B2. Discussion Item/ Action Item: SRD Voluntary Separation Incentive Program (VSIP).

District Manager Kreuzer stated that John Hale submitted a VSIP on June 16, 2010 with 2 modifications: First a change in the language on unemployment to may be, and second a September 10, 2010 end date instead of July 30, 2010 with compensation of \$62,075.

Manager Kreuzer stated that Luis Yataco submitted a VSIP on June 17, 2010 with a request to change the end date to September 10, 2010. Mr. Yataco is requesting compensation of 2 weeks per year of employment which equals \$64,233 at 44 weeks of employment. Mr. Hale’s years of service calculation was provided to the Board and the public in a handout.

Director Francis felt that this issue is sensitive and that the different requests were an opportunity for the Board. Director Reade commented that the change from July 30th to September was advantageous for the Board. Chair Klopfer commented that the Board is discussing \$100,000 in compensation, and added that there may be further changes or other employee cuts. Manager Kreuzer commented that job duties and descriptions will need to be reconfigured. Chair Klopfer noted that the District has employee pay scale steps. The Board agreed to the modifications on rehiring and contracting.

A member of the public questioned how long it would take the District to recoup costs if John Hale and Luis Yataco leave. Manager Kreuzer stated that the District is currently reviewing a preliminary budget worksheet illustrating a \$207,000 shortfall and noted that the cost savings related to accepting the VSIP will

be reflected in future years. The member of the public asked if the Manager had any idea of the replacement costs and suggested researching with other agencies. Another member of the public wondered how the pool and maintenance will be managed and added that the pool is the profit center for the District. Manager Kreuzer responded that the Human Resource Committee will evaluate as a result of these changes. The member of the public commented that there are reserves for replacements and major repairs. Manager Kreuzer commented that funds for annual maintenance include items such as resurfacing the tennis courts or gym floor but also address issues like pool motor failure. The VSIP offer allows SRD to transition to a sustainable business model with a healthy financial plan. The VSIP offer closes on Monday June 28, 2010. The Board will need to adjust job descriptions and the business model. Manager Kreuzer commented that the District will likely utilize lower management positions rather than, maintain upper level management positions.

Chair Klopfer requested the cost benefit of the changes estimated out for the July budget. A member of the public asked why increases are proposed for 3 positions and at the same time eliminating other positions. Manager Kreuzer responded that the District is following the policies of the County. SRD does not imposing a hiring freeze as it relies on "seasonal" and "part-time staff". The District has not frozen step increases for full time, part time and seasonal workers. Salary ranges, step increases and salary caps were discussed and approved by the Board in 2009 and commented that the Human Resources Committee is composed of Directors Francis and Reade. Director Zener was concerned about creating an incentive for employees to leave and setting a precedent. Director Zener reminded the Board of possible unemployment costs.

Chair Klopfer commented that the previous recreation supervisor received 1-week per year of service. Chair Klopfer stated that 1-week per year is \$14,000 and 2-weeks per year would be \$24,000 for Mr. Hale. Chair Klopfer continued that 1-week per year is \$32,000 and 2-weeks per year would be \$64,000 for Mr. Yataco.

Director Francis recommended considering \$40,000 for Mr. Hale and \$60,000 for Mr. Yataco. Chair Klopfer commented that Luis Yataco has gone above and beyond in his 22 years of service. Director Zener commented that the District will have to hire someone. Manager Kreuzer stated that it is not necessary to immediately hire someone because job descriptions and positions can be worked out with the coordinators during the slow season. Manager Kreuzer continued that managerial functions from these positions will transfer to the District Manager. The issue of contracting services and labor will still need to be addressed. Aquatics Supervisor John Hale commented that his position could be eliminated and added that the 2 current tiers of employees are not treated equally. Mr. Hale stated that he has no desire to leave the District, but added that it would be advantageous to the District. Mr. Hale commented that he would rather see the District survive and would leave to help the District grow. The \$25,000 VSIP is an insult, Mr. Hale asked for almost 1/2 of his salary and noted that he would need to cover his medical expenses for his family. Mr. Hale stated that \$40,000 is the smallest number he could accept with unemployment. Manager Kreuzer commented that the 2 tiers are defined as those hired prior to 2009 receiving full family benefits and those hired after 2009 individual/single benefits. Manager Kreuzer commented that John Hale has worked a combined total of 12.3 years at full time bridged employment. Director Zener asked how long to the breakeven point if the VSIP is accepted. Manager Kreuzer stated that the breakeven point is somewhere in the next budget cycle.

A member of the public commented that Mr. Yataco is experienced in hiring contractors, has electrical skills, and contractor skills. His skill set is unusual with an engineering degree and is able to supervise contractors when jobs are bid out. The member of the public commented that the District will not save money by contracting out. Mr. Yataco stated that he has worked for the District for 22 years and was a civil engineer in Peru. Mr. Yataco commented that he is familiar with contractors and blue prints. Mr. Yataco suggested cutting all employees back to working 32 hours per week in order to save the District \$140,000 per year. Mr. Yataco added that it is difficult to find jobs with medical benefits.

Another member of the public commented that Mr. Yataco and his crew cleared the District parcels of broom and also restored access to Neider Lane. This member of the public added that the Board did not compensate Mr. Yataco or fill out a claim when \$800 of his personal tools was stolen years earlier. Director Zener was concerned about pool and grounds maintenance because of the possible loss of 2 senior

employees. Director Zener commented that she felt uncomfortable with the issues and noted that she was not on the Chair or on the Human Resource Committee. Jennifer Vuillermet from Marin County Counsel commented that there is a 7 days revocation grace period.

Director Francis agreed with both the \$40,000 VSIP amount for John Hale, as well as the \$60,000 VSIP amount for Luis Yataco. Chair Klopfer agreed with the above amounts, but also suggested the District could examine salary modifications and the CAMR. Chair Klopfer commented that there may need to be further employee reductions. Director Francis noted that the job descriptions will need modifications. Manager Kreuzer noted that the dollar amounts of the VSIP compensation have been modified, the date of separation has been modified, and the allowing of independent contractor or consultant work has been added to both: the ineligibility for rehire within one year stands.

- **Motion:** Move to Approve Option B for John Hale. M/S/C Francis / Reade
Ayes: Francis, Klopfer, and Reade. Noes: Zener Absent: Peter Teese
- **Motion:** Move to Approve Request #2 with \$60,000 for Luis Yataco. M/S/C Francis / Reade
Ayes: Francis, Klopfer, and Reade. Noes: Zener Absent: Peter Teese

Director Zener left at 11:30 am

Manager Kreuzer stated that the contracts can be submitted today but will need to be submitted by the 4:30 deadline Monday, June 28m 2010. Director Francis stated that SRD would not fight unemployment requests. Mr. Yataco stated that he would wait until Monday to submit the VSIP.

SESSION BREAK: 12:30 pm

RECONVENE SESSION: 12:48 pm

Mr. Hale submitted a VSIP with modifications as discussed.

- **Motion:** Move to accept VSIP as modified by John Hale. M/S/C Francis / Reade
Ayes: Francis, Klopfer, and Reade. Noes: None Absent: Zener, and Teese

Item B3. Discussion/ Action Item: Resolution authorizing the November 2, 2010 General Election and related expenses to elect members to the SRD Board.

Recommended Action: Approve the November 2, 2010 General Election and related expenses to elect members to the Board.

District Manager Kreuzer stated that the \$5,000 cost is set by the County of Marin. Five positions are up for election: three 4-year term positions, and two 2-year positions. The Board needs to authorize the vote and the related fees. Manager Kreuzer commented that the District did meet the time line to appoint Peter Teese to the SRD Board and he has been sworn in by the county. Interested parties may pick-up an information packet in SRD Office.

- **Motion:** Move to approve the November 2, 2010 General Election and related expenses to elect members to the Board. M/S/C Francis / Reade
Ayes: Francis, Klopfer, and Reade. Noes: None Absent: Zener, and Teese

Item B4. Discussion Item/ Action Item: Review the updated Strawberry Area map and parcel listing for the November 2, 2010 election. **Recommended Action:** Approve the Strawberry Area map and Strawberry parcel listing

District Manager Kreuzer commented that the new parcel address map are the result of a Novato Sanitary lawsuit.

- **Motion:** Move to approve Strawberry Area map and parcel listings as shown. M/S/C Francis / Reade
Ayes: Francis, Klopfer, and Reade. Noes: None Absent: Zener, and Teese

OLD BUSINESS

Item C1. Discussion Item/Action Item: 2010-11 Preliminary Budget incorporating Current Major Annual Repairs (CAMR)

Recommended Action: Approve 2010 Preliminary Budget

District Manager commented that one VSIP has been submitted and approved and noted that SRD is still facing severe budget cuts. Chair Klopfer directed Manager Kreuzer to modify the preliminary budget for the next meeting. Manager Kreuzer noted that the revised CAMR budget line items currently equal \$137,000 and needs to be reviewed. The Board decided to cut the fence and gate project as well as the shower project. Concrete work remains in the CAMR. The cabinets and pool cover replacement was removed from the budget. Manager Kreuzer commented that the pool covers could be replaced if needed. Aquatics Supervisor Hale stated that the sand must be replaced immediately according to the County Health inspector: Sand filters added back in. Gates and latches were put back in. ADA lift is in the budget because it is a liability issue.

Mr. Hale commented that there are 9-shade umbrellas: 5 are out and 4 are in storage. There is 1 umbrella in the playground and 1 can go to the tennis court table. The Board removed awnings from the budget. The wading pool items were decreased to \$200. The office floor project has been suspended, but will be revisited to explore lower cost options. Art remains in the budget. Cabinets and flooring were reduced to \$4,000 each. Staff microwave and refrigerator remain in. Audio visual was removed. Annual cleaning remains in. Gym rescreening decision is pending further research. Vegetation remains in at \$10,000. The lower tennis courts will be resurfaced. Manager Kreuzer commented that TPLL favors redoing dugouts to ground level. Chair Klopfer noted that the budget is not approved.

ADMINISTRATION: MANAGER'S REPORT

As presented.

District Manager Kreuzer stated that she has been involved with the updating of Mill Valley School District Strategic Plan. Manager Kreuzer commented that she has been working on the field use contracts, separating out the teams and times. Other additional rentals times are now available before 3:00 pm, specifically for programs for pre-K and Kindergarteners. Camp Strawberry is underway and will be expanded in 2011. The pool closure for camp swim lessons is running smoothly.

CORRESPONDENCE:

Manager Kreuzer asked for direction on the Safe Routes to School correspondence requesting a letter of support. Safe Routes is getting involved with the neighbor's sidewalk, which is private property. Director Reade commented that curb was painted with a gritty red stripe. Chair Klopfer was in favor of sending a letter of support to Marin County Supervisor Charles McGlashan. Manager Kreuzer will provide a letter of support to the SRD Chair for the next meeting. Chair Klopfer stated that the Human Resources Committee will convene regarding budget restructuring and layoffs.

GOOD OF THE ORDER

There being no further business to come before the Board, Chair Klopfer motioned that the meeting be adjourned, seconded by Director Francis. The meeting was adjourned by Chair Klopfer at 12:24 PM.

The next regular meeting of the Strawberry Recreation District Board of Directors will be held on: Wednesday, June 30, 2010 at 10:00 AM in the 3rd floor meeting room.

Secretary, Board of Directors Strawberry Recreation District

Chair, Board of Directors
Strawberry Recreation District