

STRAWBERRY RECREATION DISTRICT
BOARD OF DIRECTORS MINUTES

Date: June 13, 2017

Time: 6:30pm Closed Session

7:30pm Open Session

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9. (Two Potential Cases)

Report out of Closed Session:

Chair Nichols reported out of closed session that direction was provided to legal counsel and staff.

Chair Nichols called the regular meeting of the Board of Directors of the Strawberry Recreation District to order at 7:13PM.

QUORUM CALL:

Present were Directors Bohner, Francis, Marino, Nichols, and Teese. District General Manager Leanne Kreuzer, and members of the public were also present.

CHAIR OPENING COMMENT: Chair Nichols opened the meeting and welcomed the public.

OPEN TIME FOR PUBLIC EXPRESSION: (limited to 2 minutes per person): None

AGENDA ADJUSTMENTS: Administrative, approval of the May minutes and Fiscal Calendar items moved to follow new business.

Approval of Minutes:

DRAFT May 9, 2017 Minutes.
No Quorum for May 15, 2017

Approval of Minutes: DRAFT Minutes

DRAFT May 9, 2017 Minutes (Francis, Marino, Nichols, and Teese)
M/S/C JF/CN

Ayes: Francis, Marino, and Nichols

Noes: _____ Absent for meeting: Bohner,
Left meeting prior to this item on 6.13.2017: Teese

FISCAL REPORTS – CONSENT CALENDARS:

A. Fiscal Reports - Consent Calendar

1. Approval & Confirmation of Expenditures, Disbursements, Payroll, and Warrants
2. Review, Weekly Deposit Reports
3. Transfer of Funds
4. Approval Professional Service Contract: none

- **Motion:** Move to Approve Item A1 Fiscal Reports - Consent Calendars

M/S/C JF/CN Ayes: Bohner, Francis, Marino, Nichols Noes: None Absent: Teese

- **Motion:** Move to Approve Item A2 Fiscal Reports - Consent Calendars

M/S/C JF/CN Ayes: Bohner, Francis, Marino, Nichols Noes: None Absent: Teese

- **Motion:** Move to Approve Item A3 Fiscal Reports - Consent Calendars transfer of Funds Zone IV

M/S/C JF/SM Ayes: Bohner, Francis, Marino, Nichols Noes: None Absent: Teese

B. Old Business – Items

1. **Discussion /Action Item:** Zone IV-2016 Strawberry Channel Maintenance Project & 2016/17 Zone IV Budget Report, proposed 2017/18 Budget and Special Tax Assessment.

Director Marino represented the Zone IV Sub Committee and provided a recap of the history noting that SRD became involved in the administration of Strawberry Channel maintenance by resolution in the 1980's. Citizen Committee members were Zone IV residents as well as SRD Board members. These Board members performed much of the administrative work on behalf of the District. At the advice of legal counsel, SRD streamlined the decision making and administrative processes limiting the authority of the Citizens Committee to limit liability. This increased the impacts on SRD and staff.

When the channel marker replacement item was presented to the SRD Board it was determined that County of Marin owned the channel and County Department of Public Works installed the channel markers in the 1970's with permits from BCDC making the County DPW the responsible party. When the item came before the SRD Board confirming this is information, the Board began to discuss various Zone IV items including property ownership, SRD sphere of influence, Zone IV and channel history and options for consideration related to funding and future administration of Zone IV.

Director Marino went on to state that SRD is a small district with seven full time employees. Zone IV funds come through the District's budget making it appear to be a much larger organization and contributes to speculation and confusion relating to the District's finances and fiscal management. Expressing concern Director Marino stated that Zone IV skews the budget, the public assumes that SRD has significant surplus in the general fund while other fiscal cycles reflect significant over spending related to the channel maintenance projects. A LAFCO review is needed to review the "sphere of influence" of the SRD as well as the boundaries of the District. SRD is not serving the residents as a whole but we are serving a select few. Legal, considerations relating to Zone IV are also being considered and there are options to consider as strategies. SRD needs to consider limiting exposure, the lack of compensation, and fiduciary responsibilities to the greater SRD.

The General Manager provided an overview of the impact of the Zone IV projects and permits on the administration and Board stating that the SRD Board did approve the 2017/18 Special Tax and 3.5% increase, Director Marino opposed. The Board is not defunding Zone IV rather exploring options for a possible transition of administrative duties related to future management of the Strawberry Channel and properties owned by residents and the County of Marin. Director Francis referenced the channel markers as an example of items of concern. The item was open for public comment. Terry Graham commented that the dredging benefits anyone who has a view of the water noting that if the channel was not dredged the entire channel would be mud. Chair Nichols responded that no one on the Board is opposed to the channel dredging or the disagreeing with the need for dredging. Terry Graham went on to state that she and other residents do not utilize the community buildings or programs and that residents will not support future bond measures for SRD if they compartmentalize the Districts responsibilities and Zone IV. Director Marino referenced the language in Resolution 362 establishing Zone IV. The Board is looking into options that may include pushing more responsibility to the Citizen's Committee or do we pass on the administrative responsibilities. Director Francis commented on the increase costs when a government organization holds responsibility referencing prevailing wage, public bid mandates and increased legal costs questioning if SRD is the best steward for the channel. Director Marino commented that the boundaries of SRD have not been redrawn. SRD needs to review their responsibilities and provided examples of resident in the Horse Hill and Tiburon Blvd areas.

Barbara Wambach representing the Citizen's Committee commented that they do not disagree with administrative compensation and that they would like to increase their responsibilities. She noted that they look forward to resolving the item of compensation. She requested that the Board keep the item moving forward, select a new engineer, new eel grass survey and consider utilizing County of Marin engineers. County engineers do perform these same responsibilities on County property. Ms. Wambach expressed concern that the funding is in place through 2024 and the permits name the District. Director Marino responded that that these are exactly the items that the Board is considering and why the discussion is does not have an action or end date at this time. The Board needs to discuss transition plan strategies and options as well as maintain their commitment to health and wellbeing and fiduciary responsibility.

Director Francis commented that it may be in the best interest of the residents that someone else assume responsibility for Zone IV and that the Board is exploring the use of a land us attorney during the possible transition.

Ms. Wambach provided the example of Paradise Cay and the management and role of the County of Marin. Director Marino expressed concern that the liability would still remain if County engineers and project managers were utilized as SRD administration would still need to be on every call and review ever correspondence to limit liability and inform the Board of the activity.

Director Teese commented on the importance of addressing the issues before the Board and moving the item forward to a future meeting when specific information can be reviewed and discussed.

2. Discussion /Action Item: Marin Local Agency Formation Commission (LAFCO). Status of SRD Review by LAFCO

The General Manager introduced Executive Director of LAFCO Keene Simmonds and LAFCO Board member, Luke Cias. Mr. Simmonds provided an overview of LAFCO citing that it exists based on the State's requirement to have a planning arm of cities, towns, and special districts. Every 5 years a review of each organization is to be performed. LAFCO will review the SRD sphere of influence and items such as boundaries and Zone IV. The initial review was scheduled for 2017/18 however LAFCO is proposing moving the review to the 2018/19 Fiscal year. LAFCO provides a comment period. SRD did express interest in maintaining the original schedule, LAFCO reviewed the request and has kept the review in the 2018/19 year. Mr. Simmons provided a list of the organizations scheduled in 2017/18 and 2018/19 recommending that SRD consider being grouped with Southern Marin agencies in 2018/19. Director Marino expressed concern that the last review was performed 13 years ago and that the boundaries of SRD still do not align with the County's unincorporated Strawberry boundaries. She went on to express the urgent need to address items like Zone IV and the LAFCO review is a key factor in this process and the determination of land use related items.

Mr. Keene noted that the SRD use to be in the Tiburon sphere of influence and that was changed years ago. The discussion of the history of discussions continued including the previous conversations and votes on annexation and changing SRD from a recreation district to a community service district. Also noted that Zone IV could potentially become a CSA.

Luke introduced himself and discussed LAFCO items as they relate to SASM and sanitation districts. Mr. Keene expanded the conversation to neighboring municipalities and districts in relationship to their spheres of influence and boundaries. Mr. Keene discussed the proposed process and timelines for future a SRD review noting the importance of community meetings and public comment periods.

Director Marino recommended that the Board invite LAFCO back to a future meeting when looking for feedback and public comment as we represent the community at large. She then thanked Mr. Keene and Luke for attending.

Chair Nichols confirmed the estimated timeline as 13 months before community meetings would occur and discussed the importance of community input. Chair Nichols discussed SRD sending another letter to LAFCO for consideration.

A member of the public commented that SRD has limited purview and limited authority and stated that the County and LAFCO should be hosting meetings on the topic not SRD indicating that the County or LAFCO should pay for facility use.

Director Marino responded that the LAFCO review of SRD directly involves the SRD and would be in the interest of the District to host community meetings on the topic. Director Bohner noted the documentation provided by Mr. Simmonds referencing the notes related to water studies and the impacts of the item on the need to push back the entire schedule which is impacting SRD's review schedule. The Board discussed.

The Board expressed the position that they accept the postponed schedule moving SRD to the 2018/19 fiscal year and request that SRD not be pushed beyond the 2018/19 fiscal year. The Board requested that Chair Nichols send a second letter to LAFCO noting the new schedule and request to not be pushed beyond the 2018/19 schedule.

3. Discussion /Action Item: Approve 2017/18 Fiscal Budget –Final

The General Manager presented the Preliminary Fiscal Budget approved by the Board at the May 2017 meeting which includes the Zone IV special tax and 3.5R% increase. Important note that Director Marino disagrees with the Zone IV special tax and increase. The Board reviewed the budget and commented that the Board did review each line item at the May meeting discussing at length several items. Chair Nichols requested comment or discussion. The Board had nothing to further to discuss and called for a motion.

- **Motion:** Move to Approve the SRD 2017/19 Fiscal Budget

M/S/C JF/CN Ayes: Bohner, Francis, Nichols Noes: None Absent: Marino, Teese

4. Discussion /Action Item: Proposed strategic plan and discussion of the pool house, engineer's report and proposal for community building replacement.

Chair Nichols introduced the item as the discussion continues on the condition of the existing pool house and the proposed design development plan for replacement of the structure with a community building. Chair Nichols recapped the stage of the process as SRD explores the condition of the existing building and structure. Structural Engineer Roy Andrewson of Axion was introduced to review his findings and full report on the existing pool building.

Mr. Andrewson began his presentation noting that many of the elements of the building are not in the condition they should be. He informed the Board that his review is an independent review of the structural condition of the building and addressed the structural load that may be impacted or compromised in events like earthquakes. He commented that it is important to note that there isn't structural life threatening concerns at this time for daily use of the facility and stated that the structure could remain being utilized at this time however there will be an increasing need to address many of the concerns and issues as the building continues to age and deterioration is identified.

Mr. Andrewson reviewed the report as submitted and discussed the condition of the roof construction, pooling, pitches and damage to the elements impacted by standing water and water penetrating the structure. He reviewed visible fungus and growth which indicates that the environment is promoting strong and healthy growth of fungus. He indicates that there most likely is quite a bit of decay behind the surfaces. The corner of the roof above the sauna was discussed as well as drainage.

Mr. Andrewson reviewed each item on the report proposing options to address each issue noting that the report focuses on identifying issues and providing recommendations to repair each item. The goal of the report is to identify items for the Board to consider.

Board members discussed the concerns about the condition of the structure in relationship to the costs to repair the items and how that impacts a future building replacement. Director Francis addressed the Board expressing interest in exploring some of the repairs, perhaps considering a more detailed look at the structure by removing some of the surfaces to get to the structure and considering a strategic plan to maintain the building for five or more years until the SRD can explore funding some sort of replacement.

Director Nichols asked MR Andrewson if he would consider repairing or replacing. He responded that it is no this role to make that determination however he rarely sees these type of conditions limited to the what is identified on a report once property owners begin to look deeper into the structures and behind surfaces.

Director Bohner expressed concerns with spending funds to repair a building in this type of condition when costs are undetermined and what it costs to replace the structure.

Director Teese asked Mr. Andrewson what he has experienced with similar structures.

Mr. Andrewson responded that he is not a contractor reiterating that he expects that the Board will find more in this situation if they address repairs and perhaps will look at the costs after may feel that due to the costs that maybe they should have replaced.

Director Marino reviewed the purpose of the report and engineer's evaluation of the existing conditions. She thanked Mr. Andrewson and commented that she is in favor of replacing the structure not to say that SRD won't address some of the items identified for repairs.

Director Francis commented that raising 5 million dollars may be difficult and take more than 5 years and that he would like the board to consider cosmetic facelift in the offseason. HE expressed that he does not want to take the building down and recommended the board invest in the building to maintain it for an additional 5-10 years. Director Francis indicated that he did not wish to initiate anything requiring a permit. Director Teese questioned the health of the building. Mr. Andrewson responded that this review does not reference health related items just structural items.

Director Francis proposed installing operable skylights to improve ventilation.

Director Teese commented that this is a huge decision and questioned if the Board takes a deeper look into the structure bring in additional concerns forward or does the Board allocate resources to proactively replacing the building.

Director Marino asked questions regarding permits and what types of projects would initiate the need for permits.

Mr. Andrewson noted that repairs involving sections of the roof may not require a permit however installing skylights or replacing the entire roof would. These items may also trigger Strawberry Design Review for aesthetic reasons.

The Board thanked Mr. Andrewson for his dedication and detailed report. The Board discussed placing the item on a future agenda.

5. Discussion /Action Item: Tennis Court Lighting Permit

The General Manger provide dan update of the permit and Strawberry Desing Review process. The SDRB provided recommendations for SRD to consider expanding the

6. Discussion /Action Item: Funding Strategies Sub-Committee and SRD Foundation nonprofit 501(c)(3) status progress report.

C. New Business – Items

1. **Discussion /Action Item:** Tiburon Peninsula Little League proposed field feature improvements and donations.

D. Administration: Manager’s Report:

E. Correspondence:

F. Board Member Items/Good of the Order:

Sub Committees: Public Affairs and Outreach, SRD Public Meeting Sub Committee, Finance, Human Resources Sub Committee, Design Sub Committee, Zone IV & Property Maintenance.

G. Adjournment:

H. Proposed future Regular Board meetings: July 11, Aug 8, Sept 12

Chair Nichols thanked the Board members for their discussion commenting that he will take it into consideration when setting future agenda.

There being no further business to come before the Board, Chair Nichols motioned that the meeting be adjourned, seconded by Director _____. The meeting was adjourned by Chair Nichols at ____ PM

The next regular meeting of the Strawberry Recreation District Board of Directors will be held on: Tuesday, _____, 2017 at 7:00pm in the 1st floor meeting room.

Secretary, Board of Directors Strawberry Recreation District

Chair, Board of Directors
Strawberry Recreation District

Motion: Move to Approve _____

M/S/C ____/____ **Ayes:** Bohner, Francis, Marino, Nichols, Teese **Noes:** None **Absent:**