



CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

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Lou Ann Texeira
Executive Officer

MEMBERS

Donald A. Blubaugh <i>Public Member</i>	Dwight Meadows <i>Special District Member</i>
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Michael R. McGill <i>Special District Member</i>	Don Tatzin <i>City Member</i>
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Sharon Burke <i>Public Member</i>
Tom Butt <i>City Member</i>
George H. Schmidt <i>Special District Member</i>
Mary N. Piepho <i>County Member</i>

July 11, 2012

July 11, 2012
Agenda Item 8

Contra Costa Local Agency Formation Commission
651 Pine Street, Sixth Floor
Martinez, CA 94553

Contra Costa County 2011-12 Grand Jury Report No. 1206 “Rollingwood-Wilart Park Recreation and Park District: Who’s Minding the Store?”

Dear Members of the Commission:

SUMMARY

On April 30, 2012, Contra Costa LAFCO received Contra Costa County Grand Jury Report No. 1206, “*Rollingwood-Wilart Park Recreation and Park District: Who’s Minding the Store?*” (Attachment 1). The report speaks to management problems and deficiencies of the Rollingwood-Wilart Park Recreation and Park District (RWPRPD) and recommends that the District be dissolved.

Contra Costa LAFCO is required to respond to report No. 1206 by July 25, 2012. The California Government Code requires that the responding entity reply to each finding and recommendation.

LAFCO staff has reviewed the report and drafted a response (Attachment 2) for the Commission’s consideration.

BACKGROUND/DISCUSSION

The RWPRPD operates and maintains a recreation center for recreation programs and community events in the unincorporated Rollingwood community, which is bordered by the City of San Pablo in the south and west, the City of Richmond to the north, and I-80 to the east. (Attachment 3).

In April 2010, LAFCO completed a Municipal Service Review (MSR) covering cemetery, park and recreation services (available online at www.contracostalafco.org). The report provided a review of various local agencies including RWPRPD.

In conjunction with the MSR report, the Commission updated the spheres of influence (SOIs) of most agencies covered in the *Recreation & Parks and Cemetery Services* MSR, with the exception of

several including the RWPRPD. In accordance with its actions, the Commission requested 12-month progress reports from a number of agencies, including RWPRPD.

The MSR report noted that RWPRPD faces ongoing governance and operational challenges, and was operating with only three Board members and essentially no staff. Generating community interest and involvement had been difficult over the last 10-15 years.

The MSR report noted various governance issues including members of the RWPRPD governing board serving as staff (i.e., general manager, building manager), and that this practice may result in a prohibited legal conflict of interest or incompatible activity. It was recommended that the District consult with its legal counsel regarding the statutory authority for such dual service, and ask legal counsel to evaluate whether any prohibited conflicts of interest, incompatible activities or other legal problems might arise from this arrangement.

In addition, the MSR report included a number of recommendations to address fiscal and operational issues including the following:

- Consider preparing a capital improvement plan to address infrastructure needs
- Review and update all facility and rental fees regularly (last reviewed in 2003)
- Prepare regular financial audits (the District has not audited its financial statement in at least 10 years)
- The District should consider establishing a website and posting meeting and District information

The MSR also identified a number of governance options including 1) annexing Rollingwood to the City of San Pablo, as Rollingwood is entirely within the City's SOI; 2) dissolving RWPRPD and creating a new CSA as a successor agency; 3) and consolidating RWPRPD with an existing CSA, such as R-9.

The MSR report noted that there was previous interest in annexing Rollingwood to the City of San Pablo, but the proposal was rejected by the community due to concerns over tax increases following annexation to the City. The MSR report also indicated that CSA R-9 could be a possible successor agency; however, CSA R-9, which serves the unincorporated community of El Sobrante, also faces fiscal and governance challenges.

In conjunction with the MSR report, the Commission deferred the SOI update for RWPRPD, and directed LAFCO staff to explore governance options including dissolution of RWPRPD, or consolidation with another local agency. The Commission also requested an update from the RWPRPD.

In November 2011, the RWPRPD provided LAFCO with an update including the following:

- District revenues continue to be weak; however RWPRPD continues to operate debt free
- The District expects to complete ADA rest-room retrofitting this year
- RWPRPD currently has four Board members and is actively pursuing a fifth member
- The District has set goals for 2012 including painting the exterior of the building and replacing the sound system
- All of the District's records have been lost or destroyed

Also in 2011, District staff provided additional information relating to pursuing website development, increasing fees for programs and rentals, capital improvements and the condition of the RWPRPD community center, District records, and staffing.

On June 28, 2012, LAFCO and RWPRPD staff discussed current District activities. The District reported the following:

- The District now has its fifth Board Member – Miguel Ontiveros
- The District has hired a part-time Secretary to manage Board agenda and District records
- The District is currently renovating its restrooms in compliance with ADA requirements
- The District is exploring website development

LAFCO staff previously discussed with County Public Works staff and Supervisor Gioia's office various governance options for RWPRPD. The general consensus was that consolidating RWPRPD with CSA R-9 is not feasible, as R-9 provides limited services and has no regular source of financing.

More recently, LAFCO staff discussed the status of the RWPRPD and governance options with the San Pablo City Manager. The City Manager is open to continuing the dialogue.

The second round MSR for park and recreation services is tentatively scheduled for 2015.

The draft response to Grand Jury Report No. 1206 reflects the above information.

RECOMMENDATION

It is recommended that the Commission approve the attached response to Grand Jury Report No. 1206 entitled "*Rollingwood-Wilart Park Recreation and Park District: Who's Minding the Store?*", with any changes as desired, and direct LAFCO staff to forward the response prior to July 25, 2012.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

c: Charlotte Rude, RWPRPD
Matt Rodriguez, City Manager, City of San Pablo

Attachments:

- 1 - Grand Jury Report No. 1206 "*Rollingwood-Wilart Park Recreation and Park District: Who's Minding the Store?*"
- 2 - Draft Response to Grand Jury Report No. 1206
- 3 - Map of RWPRPD

Grand Jury**Contra
Costa
County**

April 25, 2012

Lou Ann Texeira
Executive Officer, LAFCO
651 Pine Street, 6th Floor
Martinez, CA 94553



Dear Ms. Texeira:

Attached is a copy of Grand Jury Report No. 1206, "**Rollingwood-Wilart Park Recreation and Park District, Who's Minding The Store**" by the 2011-2012 Contra Costa Grand Jury.

In accordance with California Penal Code Section 933.05, this report is being provided to you at least two working days before it is released publicly.

Section 933.5(a) of the California Government Code requires that (the responding person or entity shall report one of the following actions) in respect to each finding:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees with the finding.
- (3) The respondent partially disagrees with the finding.

In the cases of both (2) and (3) above, the respondent shall specify the portion of the finding that is disputed, and shall include an explanation of the reasons therefore.

In addition, Section 933.05(b) requires that the respondent reply to each recommendation by stating one of the following actions:

1. The recommendation has been implemented, with a summary describing the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
3. The recommendation requires further analysis. This response should explain the scope and parameters of the analysis or study, and a time frame for the matter to be prepared for discussion. This time frame shall not exceed six months from the date of the publication of the Grand Jury Report.

Report No. 1206
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4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation thereof.

Please be reminded that Section 933.05 specifies that no officer, agency, department or governing body of a public agency shall disclose any contents of the report prior to its public release. Please insure that your response to the above noted Grand Jury report includes the mandated items. We will expect your response, using the form described by the quoted Government Code, no later than JULY 25, 2012.

It would be greatly appreciated if you could send this response in hard copy to the Grand Jury as well as by e-mail to clope2@contracosta.courts.ca.gov (Word document).

Sincerely,



LLOYD BELL, Foreperson
2011-2012 Contra Costa County Civil Grand Jury



A REPORT BY
THE 2011-2012 CONTRA COSTA COUNTY GRAND JURY

725 Court Street
Martinez, California 94553

Report 1206

**ROLLINGWOOD-WILART PARK
RECREATION AND PARK DISTRICT**
Who's Minding the Store?

APPROVED BY THE GRAND JURY:

Date: April 5, 2012

Lloyd D. Bell
LLOYD D. BELL
GRAND JURY FOREPERSON

ACCEPTED FOR FILING:

Date: 4/18/12

John T. Laettner
JOHN T. LAETTNER
JUDGE OF THE SUPERIOR COURT

Contact: Lloyd Bell
Foreperson
925-957-5638

Contra Costa County Grand Jury Report 1206

ROLLINGWOOD-WILART PARK RECREATION AND PARK DISTRICT Who's Minding the Store?

**TO: ROLLINGWOOD-WILART PARK RECREATION AND PARK DISTRICT BOARD
LOCAL AGENCY FORMATION COMMISSION (LAFCO)**

SUMMARY

Rollingwood-Wilart Park Recreation and Park District (District) is a small, independent special district with a service area of 109 acres. It was created in 1956 to manage a community facility and provide activities. In April 2010, the Local Agency Formation Commission (LAFCO) issued a Municipal Service Review (MSR) in which serious management problems were identified. The District was given 12 months to significantly reduce the deficiencies. In November 2011, LAFCO revisited the issue, found the deficiencies continued and gave the District another 12 months to make corrections.

The Grand Jury confirmed the LAFCO findings and found the District has failed to perform basic management activities, generate facility rentals, or fill Board vacancies.

The Grand Jury recommends that the District be dissolved.

BACKGROUND

Rollingwood-Wilart Park Recreation and Park District (District) is a small, independent special district with a service area of 109 acres, created in 1956 to manage a community facility and provide recreation services to the residents of the District. It is a fully-developed, unincorporated area located between the cities of Richmond and San Pablo, and serves a community of approximately 2,400 persons.

The District operates and maintains a community facility for recreation programs and events. The District receives property tax money (averaging \$27,000 per year) and can charge rental fees for the facility.

The District has been operating with a three-member board since 1999 due to lack of public interest in serving on the Board; however, the District is required to have at least a five-member board.

It is a "working board" (members of the Board provide maintenance and minor repairs to the building). One member of the Board functions as the General Manager. The General Manager is in charge of building management, finances, arranging and conducting operations-related meetings, record keeping, compliance with state and local regulations, and responding to requests for rental information.

The Board pays the General Manager and a custodian \$300 a month each. There are no signed contracts for these positions. Board members get a \$50 per month stipend for Board meetings.

No agendas or minutes of any meetings of the Board as required by the Brown Act, or financial records of any kind (rentals, payments, budget, etc.), could be located, reportedly due to vandalism and accidental destruction of all records in the past few years. Financial audits have not been performed for over 10 years. The District's only computer is not working and no website has been created to provide information about facility rentals or activities offered by the District.

Decisions regarding the use of District revenues for the maintenance of the community facility have been, and continue to be, a cause for concern. In some cases, the justification for the scope and magnitude of expenditures cannot be confirmed. For example, to prevent the loss of insurance for the facility, a \$30,000 commercial range hood was installed. Without records, it is impossible to determine if such an oversized range hood was needed for a rarely used kitchen, or if a less costly model could have served as well.

Due to a lack of effective advertising, there has been little interest in either the District or neighboring communities to rent the facility for parties, celebrations or other activities. However, a community church is permitted to use the District's facility and equipment at no charge. The facility is also available at no charge for funerals of residents of the District. Policies for waiving required rental fees could not be found.

Due to governance issues raised in the MSR, LAFCO staff was directed, at the April 21, 2010 LAFCO meeting, to work with the County to either dissolve the District or consolidate it with another agency, and report back to LAFCO within 12 months.

At the November 9, 2011 LAFCO meeting, LAFCO Commissioners voted to extend the update for an additional 12 months.

FINDINGS

1. The District has not been able to generate community interest in filling Board vacancies.
2. The District has not been able to generate facility rentals.
3. The District has failed to adequately perform basic management activities, including safekeeping of records, such as Board agenda, Board minutes, and financial documents.

RECOMMENDATIONS

1. LAFCO should initiate proceedings to dissolve Rollingwood-Wilart Park Recreation and Park District.

REQUIRED RESPONSES

Findings

Rollingwood-Wilart Park Recreation and Park District Board
Local Agency Formation Commission

Recommendations

Local Agency Formation Commission



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Executive Officer

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July 11, 2012

Lloyd Bell, Foreperson
 2011-2012 Contra Costa County Civil Grand Jury
 725 Court Street
 P.O. Box 911
 Martinez, CA 94553-0091

Dear Mr. Bell:

On April 30, 2012, the Contra Costa Local Agency Formation Commission (LAFCO) received Grand Jury Report No. 1206, which deals with the Rollingwood-Wilart Park Recreation and Park District (RWPRPD). The report speaks to management problems and deficiencies of RWPRPD and recommends that the District be dissolved.

On July 11, the Commission met and reviewed the draft response to the Grand Jury. The Commission provided input and directed LAFCO staff to submit a response by the July 25th deadline.

We hereby submit the response below which addresses the applicable findings and recommendations contained in Grand Jury Report No. 1206, “*“Rollingwood-Wilart Park Recreation and Park District: Who’s Minding the Store?”*

FINDINGS

1. The District has not been able to generate community interest in filling Board vacancies.

Response: *The respondent partially disagrees with the finding. At the time LAFCO completed its Municipal Service Review (MSR) for the RWPRPD in 2010, it was reported that the District was operating with three Board members, and that generating community involvement and interest was difficult. In November 2011, at LAFCO’s request, RWPRPD provided an update to LAFCO and reported that the District had four Board members and was actively pursuing a fifth member. Recently, the District reported that it has filled its fifth vacant seat on the Board.*

2. The District has not been able to generate facility rentals.

Response: *The respondent agrees with the finding. As noted in the 2010 MSR report, the District rents the community center on Saturdays only. The District reported that rental revenues received by the District had decreased dramatically over the last year, due to a decreased number of facility rentals and the sagging economy. In its November 2011 update to LAFCO, the District reported that it had two rentals scheduled for 2012 (February and April).*

3. The District has failed to adequately perform basic management activities, including safekeeping of records, such as Board agenda, Board minutes, and financial documents.

Response: *The respondent agrees with the finding. The MSR noted a number of management deficiencies including lack of a website, lack of financial audits for the past 10 years, lost/destroyed District records, and lack of other documents such as a capital improvement plan. In November 2011, the District reported to LAFCO that it was in the process of rebuilding its records. Further, we understand that the District recently hired a part-time Secretary to assist with administrative and recordkeeping duties.*

RECOMMENDATIONS

1. LAFCO should initiate proceedings to dissolve Rollingwood-Wilart Park Recreation and Park District.

Response: *The recommendation requires further analysis. LAFCO staff is exploring with County and City of San Pablo staff possible governance options for the RWPRPD, including 1) dissolving RWPRPD and naming the County as successor agency to wind-up the affairs of the District; 2) consolidating RWPRPD with another local agency; 3) annexing the Rollingwood community to the City of San Pablo; or 4) reorganizing RWPRPD as a subsidiary district to the City of San Pablo. These discussions and identification of a desired governance option are expected to be complete within the next six months.*

Please contact the LAFCO office if you have any questions or if we can be of further assistance.

Sincerely,

Don Tatzin
Chair, Contra Costa LAFCO

Rollingwood-Wilart Recreation and Park District

