

September 30, 2010

The Honorable Steve White, Presiding Judge
Sacramento County Superior Court
720 Ninth Street, Dept. 47
Sacramento, CA 95814
VIA HAND DELIVERY

Honorable Judge White:

Enclosed please find the required responses to the Survey of Independent Special Districts, conducted by the Sacramento County Grand Jury. As instructed, the Cordova Recreation and Park District is submitting responses to Findings 1 through 5. A copy of these responses is also being sent via email to the Grand Jury Coordinator, Becky Castaneda. The District is meeting the submittal deadline of September 30, 2010.

If you have any questions, please do not hesitate to contact me. I may be reached at the District Office at (916) 362-1841.

Sincerely,

David Edmonds
Administrator/CEO

Enclosures

cc: Becky Castaneda, Grand Jury Coordinator (via email)



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Responses: Survey of Independent Special Districts

- 1.1 *Grand Jury Recommendation: Directors should review their by-laws every four years to assure compliance with applicable laws, ethical practices, and appropriate behavior.*

District Response: The District contracts with Legal Counsel to assure compliance and to be made aware of changes. Every two years, the Board of Directors of the Cordova Recreation and Park District attends the Ethics Compliance Training mandated by AB 1234 typically through the California Special Districts Association. In addition to outside training, the District Policies and Procedures are reviewed by Legal Counsel and subsequently approved by the Board. A comprehensive review and update of the District Policy Manual are planned for the coming year.

- 1.2 *Grand Jury Recommendation: Directors should limit compensation to reasonable meeting stipends and necessary costs of professional activities. All ISD boards should ensure that their compensation practices conform to the principles in Section 5.1 of this report.*

District Response: The compensation practices for the Board of Directors of the Cordova Recreation and Park District comply with the principles set forth in Section 5.1 of the Grand Jury report. No employee-like benefits are granted to Board members. Each member of the Board receives a stipend of \$100.00 per meeting, not to exceed \$300.00 in one month. All other reimbursements are for training and professional membership dues, which are included in the Board approved budget for each fiscal year.

- 1.3 *Grand Jury Recommendation: Directors should limit the use of consent calendars according to the principles in Section 5.1 of this report.*

District Response: Consent calendar items are typically part of the Agenda for meetings of the Board of Directors of the Cordova Recreation and Park District. They are used according to the principles found in Section 5.1 of the Grand Jury report. The Consent calendar procedure is clearly listed in the following statement on every Agenda:

“The following Consent Calendar items are expected to be routine and non-controversial. They will be acted upon by the Board at one time without discussion. Any item may be removed by a Board Member for discussion, or a member of the audience may request the Board to remove an item for discussion by completing a blue speaker card.”

The Consent items have traditionally included: approval of the Minutes of the previous meeting; ratification of the expenditures for the prior month; ratification of the salaries paid the previous month; and a Profit and Loss Statement for the Cordova Golf Course. No compensation decisions are ever made by Consent item.

- 2.1 *Grand Jury Recommendation: All ISDs should encourage education and training, but should not make direct monetary (cash) awards for educational achievement.*

District Response: The Cordova Recreation and Park District does not pay monetary rewards to employees for educational achievement.

- 2.2 *Grand Jury Recommendation: All ISDs should recognize educational degrees and certificates only if they meet the criteria listed in Section 5.3.1.*

District Response: Cordova Recreation and Park District bases hiring criteria on legitimate degrees and certificates obtained from accredited institutions. Educational requirements are detailed in the job prerequisites for each job description and confirmed in the reference checking review by Human Resources.

- 3.1 *Grand Jury Recommendation: All ISDs should adopt pension and OPEB plans that are fair, affordable and sustainable.*

District Response: The pension and OPEB plan for the Cordova Recreation and Park District are comparable to other districts in the region, as demonstrated in the CalPERS Retirement Formula (Table 2) in the Grand Jury report. The District is a member of CalPERS.

- 3.2 *Grand Jury Recommendation: To minimize unfair pension boosting, all ISDs should ensure that calculations of employees' base pension awards are on actual base salary earnings over their highest 36 months of earnings and urge CalPERS to promote this standard.*

District Response: The Cordova Recreation and Park District does not practice pension boosting for employees. A system of checks and balances for salary increases has been implemented and complies with District Personnel Policies. All increases must be reviewed and approved by a Supervisor, a Department Head and Human Resources. All Department Head salary increases must be reviewed by Human Resources and the District Administrator. The District Administrator is under an Employment Agreement (contract) and requires approval by the Board of Directors to increase compensation.

- 3.3 *Grand Jury Recommendation: All ISD pension/OPEB changes should be made only after analysis and full disclosure to all parties of the fiscal ramifications.*

District Response: All pension/OPEB changes are analyzed and disclosed to the Board of Directors (and thereby, the public) and all employees. Additionally, as a member of CalPERS, any changes to the pension/OPEB must adhere to CalPERS procedures.

- 3.4 *Grand Jury Recommendation: All ISD pension/OPEB benefits should have an employee contribution component.*

District Response: All pensions/OPEB benefits do include an employee contribution component.

- 4.1 *Grand Jury Recommendation: Every ISD in Sacramento County should establish and adhere to a goal of minimizing no-bid purchasing. Essentially all purchases except utilities and emergency construction should be by contracts awarded to the lowest responsive responsible bidders.*

District Response: The District has adopted and is thereby subject to the Uniform Public Construction Cost Accounting Act (UPCCAA). Construction bids are solicited according to the UPCCAA. Appropriate District purchases are priced through the California Multiple Award Schedules (CMAS) or through a bidding process or government pricing to ensure the lowest prices are obtained.

- 5.1 *Grand Jury Recommendation: All ISDs must complete and file the required annual Independent Financial Audit.*

District Response: The Cordova Recreation and Park District completes and files the required annual Independent Financial Audit.

- 5.2 *Grand Jury Recommendation: All ISDs should commission a thorough periodic management audit. These audits should be completed by a multi-disciplinary team qualified to examine a district's management practices. This audit should be done in fiscal year 2011, and every four years thereafter.*

District Response: In preparation of a Strategic Master Plan, the Cordova Recreation and Park District is currently undergoing a thorough review by independent consultants. The findings relate to and reflect an analysis of Management practices, as the consultants are reviewing every aspect of the District. The Draft Strategic Master Plan is anticipated to be circulated for review in early 2011. As required by the Statement of Auditing Standards No. 114, the District Auditors review Management practices as they relate to the District's financial reporting practices. This will continue to be prepared annually. Additionally, Legal Counsel is currently conducting a thorough review and update to the District Policy Manual in conjunction with the Strategic Master Plan.