

To: Rosemary Kelley, Foreperson and all other members of the 2009-2010 Sacramento Grand Jury

Upon receipt of this Grand Jury's findings and recommendations the following is the response from Orangevale Recreation & Park District:

Finding 1.0 ISD directors perform valuable service at minimal cost. However, this survey reveals inconsistent behaviors regarding compliance with sound management practices.

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

**Response: Orangevale Recreation & Park District is in the process of reviewing and revising the District's Personnel Manual and Operational Policies and Procedures Manual. The revision should be approved October 2010.**

Recommendation 1.2 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.

**Response: Orangevale Recreation & Park District currently conforms to Section 5.1 of this report.**

Recommendation 1.3 Directors should limit the use of consent calendars according to the principles in section 5.1 of this report.

**Response: Although the District does not currently have written set limits or dollar value limits established for its consent agenda, the only items currently listed as such are the retroactive ratification of monthly claims. The district will take this matter under advisement during the revision of the Operational Manual.**

Finding 2.0 Some ISD's grant monetary awards for education and training; many have inadequate evaluation of employees' degrees and certificates.

Recommendation 2.1 All ISD's should encourage education and training, but should not make direct monetary (cash) awards for educational achievement.

**Response: Currently our district does not participate in this activity.**

Recommendation 2.2 All ISD's should recognize educational degrees and certificates only if they meet the criteria listed in Section 5.3.1.

**Response: Our district follows these guidelines.**

Finding 3.0 ISD pension awards and Other Post Employment Benefits (OPEB) have increased markedly in the last decade. Some of these awards are unfair and unsustainable.

Recommendation 3.1 All ISD's should adopt pension and OPEB plans that are fair, affordable and sustainable.

Recommendation 3.2 To minimize unfair pension boosting, all ISD's should ensure that calculations of employee' base pension awards are on actual base salary earnings over their highest 36 months of earnings and urge CalPERS to promote this standard.

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

**Response: Our District abides with and under all rules and regulations as set forth in Sacramento County Employee Retirement System (SCERS). Our district has no ties to or with CalPERS.**

Recommendation 3.4 All ISD pension/OPEB benefits should have an employee contribution component.

**Response: All employees eligible to participate in SCERS have an employee contribution component based upon a percentage of their pay.**

Finding 4.0 The majority of the ISD's surveyed in this study are neglecting their fiduciary responsibility to taxpayers and ratepayers by excessive use of no-bid purchasing.

Recommendation 4.1 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 bidder.

**Response: Our District follows the guidelines set forth in the Uniform Public Construction Cost Accounting Act (UPCCAA) for purchases and contracts.**

Finding 5.0 ISD's have not consistently conducted and reported required Independent Financial Audit Reports and management audits.

Recommendation 5.1 All ISD's must complete and file the required annual Independent Financial Audit.

**Response: The Independent Financial Audit and the Financial Transactions Report are both filed electronically with the State of California.**

Recommendation 5.2 All ISD's 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.

**Response: We are investigating this "management audit", as this is not a term or practice that we have been familiar with. We have however, completed a thorough audit/evaluation of management practices during the preparation of our master plan that we are currently undertaking. This was conducted by a private consulting firm, Pro's Consulting.**

Should you have any further questions please contact me at (916) 988-4373.

Thank you,

Greg Foell, District Administrator