



**MINUTES
BOARD OF DIRECTORS
ROSSMOOR COMMUNITY SERVICES DISTRICT**

REGULAR MEETING

RUSH PARK
3021 Blume Drive
Rossmoor, California

Tuesday, July 14, 2015

A. ORGANIZATION

- 1. CALL TO ORDER: 7:02 P.M.**
- 2. ROLL CALL:** Directors Casey, DeMarco, Maynard
President Kahlert
Director Burgess was absent at this time
- 3. PLEDGE OF ALLEGIANCE**
- 4. PRESENTATIONS: None**

B. ADDITIONS TO AGENDA—None

AT APPROXIMATELY 7:06 P.M. DIRECTOR BURGESS ARRIVED AND TOOK HIS SEAT ON THE DAIS

C. PUBLIC FORUM:

New Los Alamitos Girls Softball (LAGSL) President, Nani Luculesco introduced herself to the Board and Staff. She provided the Board with updates relative to the team's performance stating they had taken several championships and had qualified to move on to Nationals in the next couple of weeks. She concluded that she was happy to be working with the Board and staff and was delighted to be part of the Rossmoor community.

Resident Steve opined relative to the rise in administrative costs appearing in the budget. He stated he wanted to understand the revenues and expenditures and how to read the financials. Since he had a considerable number of complex questions regarding same, President Kahlert suggested he set up a meeting with the General Manager for an in depth discussion on his budget related concerns.

D. REPORTS TO THE BOARD

- 1. REPORT OF THE BUDGET COMMITTEE RE: DISCUSSION AND POSSIBLE**

ACTION TO AMEND THE PROPOSED FY 2015-16 FINAL BUDGET FOR TREE TRIMMING SERVICES

Recommendation to approve a recommendation of the Budget Committee for an amendment to the proposed FY 2015-2016 Final Budget for inclusion of funds in the amount of \$4,655 for tree trimming services.

The General Manager reported WCA is proposing a new three-year Agreement with an increase in each of the three years. WCA’s Price Schedule depicts the proposed increases for each line item with their stated overall percentage increase of approximately \$4,655 or 5.3% for next fiscal year and a three-total increase 16.3% or \$14,205 for the entire three-year term.

Discussion ensued. The Budget Committee reported that WCA had not increased its CPI costs in six years—if they had done so the District would be paying \$2000 more than the proposed increase. Therefore, approving the contract would actually save the District \$2000 overall. The Board unanimously approved the recommendation of the Budget Committee for an amendment to the proposed FY 2015-2016 Final Budget for inclusion of funds in the amount of \$4,655 for tree trimming services by roll call vote, 5-0.

E. CONSENT CALENDAR

1a. MINUTES REGULAR BOARD MEETING—June 9, 2015

2. REVENUE AND EXPENDITURE REPORT—May 2015

Motion by Director Maynard, seconded by Director Casey to approve the Consent Calendar Items as submitted. Motion passed 5-0.

F. PUBLIC HEARING:

1. PUBLIC HEARING-FISCAL YEAR 2015-2016 PROPOSED FINAL BUDGET

Recommendation to open hearing, receive presentation from the General Manager, take public testimony, close hearing, deliberate and approve Fiscal Year 2015-2016 Proposed Final Budget.

President Kahlert opened the public hearing and received the presentation from the General Manager.

General Manager Ruth reported that a Fiscal Year 2015-2016 Preliminary Budget was presented to the Board at the May and June Board meetings. After deliberation of the Preliminary Budget, the General Manager was directed to publish a Notice of Public Hearing for the July Board meeting. SB 135 requires that the hearing be noticed and a hearing be held prior to adoption of the Final Budget. The Notice was published as required and a copy of the Notice of Public Hearing is attached. Upon the Board’s approval of the Proposed Final Budget, the Board will be asked to adopt Annual Budget Revenues and Expenditures Total Amounts by resolution.

President Kahlert opened the floor for public testimony.

Resident Erwin Anisman opined that he wanted to take this opportunity to express his concerns regarding the trend administrative costs have taken over recent years and now continues—increasing over the last four years from \$482K in FY 2014-2015 to \$654K in FY 2015-2016. As a percentage of revenues this amounts to an increase from 41% for FY 2011-2012 to 50% in FY 2015-2016. At the same time District reserves have steadily declined from \$1,174,000 in FY 2007-2008 to the present \$687K in FY 2015-2016. He further opined that has been a prudent financial rule of thumb that reserves should equal about one year of operating budget. He stated that District reserves have fallen well below that and he finds both these trends troubling. In conclusion he stated he hoped the Board would look in to his observations and respond accordingly.

Seeing no additional public comments, President Kahlert closed the public hearing.

Discussion ensued. Director Burgess had comments relative to his projected administrative and legal costs. Director DeMarco requested further clarification. Director Burgess stated that he believed the District would see a shortfall of approximately \$50K. Director Maynard disagreed with Director Burgess’ projections stating that last year the District had experienced significant ADA construction costs, tree removal litigation expenses and particular events that would not be occurring this year, thereby reducing expenses and was confident in the Budget Committee’s recommendation. Director Maynard had additional questions relative to the salary plan not appearing in the agenda. Director Casey concurred. Accountant/Bookkeeper Kathy Bell stated that the salary plan appeared in the previous two agendas and was approved by the Board. Motion by Director DeMarco, seconded by Director Casey to approve the Fiscal Year 2015-2016 Proposed Final Budget. Motion passed by roll call vote 4-1, with Director Burgess voting No.

G. RESOLUTIONS:

- 1. RESOLUTION NO. 15-07-14-01: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ROSSMOOR COMMUNITY SERVICES DISTRICT ESTABLISHING THE ANNUAL BUDGET REVENUE AND EXPENDITURE TOTALS AMOUNT FOR THE FISCAL YEAR 2015-2016 FOR THE ROSSMOOR COMMUNITY SERVICES DISTRICT**

Approve Resolution No. 15-07-14-01 by roll call vote by reading the title only and waiving further reading as follows:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ROSSMOOR COMMUNITY SERVICES DISTRICT ESTABLISHING THE ANNUAL BUDGET REVENUE AND EXPENDITURE TOTALS AMOUNT FOR THE FISCAL YEAR 2015-2016 FOR THE ROSSMOOR COMMUNITY SERVICES DISTRICT.

Approval of this resolution is in keeping with SB 135 which requires approval of the Final Budget by a Resolution of the Board of Directors. This action also establishes budgetary control by the Board at the Fund level.

Resolution No. 15-07-14-01 was approved by roll call vote 4-1, with Director Burgess voting No.

ORDINANCES—None

H. REGULAR CALENDAR:

1. PROPOSED THREE YEAR TERM AGREEMENT WITH WEST COAST ARBORIST INC. FOR PARK AND PARKWAY TREE ARBORIST AND TREE MAINTENANCE SERVICES.

Recommendation: Subject to an approval by the Board for an amendment to the proposed FY 2015-2016 Final Budget for inclusion of funds for tree trimming services, Authorize the General Manager to execute a new three-year agreement with WCA.

Brief discussion ensued. The Budget Committee reported that WCA had not increased its CPI costs in six years. Director DeMarco stated that, while the increase was significant and sudden, given the fact that WCA had not taken a CPI increase in over six years, approving the new agreement would amount to an overall savings of over \$2,000. Motion by Director Maynard, seconded by Director DeMarco to authorize the General Manager to execute a new three-year agreement with WCA. Motion passed 5-0.

2. FIRST READING OF AMENDMENT TO POLICY NO. 5030 COMMITTEES OF THE BOARD OF DIRECTORS.

Recommendation to give first reading to amendment of Policy No. 5030 Committees of the Board of Directors for appointment of alternate members of a Board Committee.

Discussion ensued. President Kahlert expressed his concern about the way the policy was currently written, which in his view did not provide enough checks and balances. Director Maynard concurred and stated that he disliked the policy, it gave too much power to the Board President and while it may be acceptable for Ad Hoc Committees, it was unacceptable for Standing Committees. He also felt that if an issue was time sensitive and a committee meeting could not be scheduled, the item could always be brought to the entire board for discussion. Director Casey agreed. Motion by Director Maynard, seconded by President Kahlert to give first reading to amendment of Policy No. 5030 Committees of the Board of Directors for appointment of alternate members of a Board Committee, incorporate verbiage that provided more checks and balances and bring the policy back to the Board for a second reading at the August 11, 2015 regular board meeting. Motion passed 5-0.

3. CSDA BOARD OF DIRECTORS ELECTION 2015

Recommendation to discuss proposed slate of candidates (2) and give Board direction to the General Manager to submit its vote for one (1) candidate for the Board of the California Special District Association (CSDA).

Discussion ensued. Motion by Director Casey, seconded by Director Maynard to vote for candidate Jo MacKenzie for the Board of the California Special District Association (CSDA). Motion passed 4-0, with Director Burgess abstaining.

4. FIRST READING OF AMENDMENTS TO POLICY NO. 6013 RE: DONATIONS FOR DISTRICT PROGRAMS.

Recommendation give first reading to amendments to Policy No. 6013 Joint Use of District Property for District Sponsored Programs.

The Parks and Facilities Committee reported that they had reviewed Policy 6013 and there were no statewide legal requirements regarding sponsorship. President Kahlert stated that the policy would provide additional funding for events and a necessary framework for sponsors. Motion by President Kahlert, seconded by Director Maynard to give first reading to amendments to Policy No. 6013 Joint Use of District Property for District Sponsored Programs to be brought back for second reading and possible adoption at the August 11th Board meeting. Motion passed 5-0.

5. REQUEST FOR PROPOSALS RE: GENERAL COUNSEL.

Recommendation to give direction to the General Manager to solicit proposals for General Counsel legal services. The General Manager reported that the District was informed in mid-June that its assigned attorney, Mr. Tarquin Preziosi with Jenkins and Hugin, had left the firm. Since attorneys with Special District expertise are a unique specialty and Mr. Preziosi was the only attorney with such experience, it is deemed advisable to solicit proposals from our current firm, as well as, other firms in the area. It is also advisable for the Board President to appoint an ad hoc committee of the Board to assist the General Manager in a review of proposals and to make recommendations to the Board.

Brief discussion ensued regarding the quantity of proposals. The General Manager responded that 3 to 4 proposals would be adequate. Motion by Director Maynard, seconded by Director Casey to authorize the General Manager to solicit proposals for General Counsel legal services and appoint an Ad Hoc Committee of the Board to assist the General Manager in a review of proposals and to make recommendations to the Board. Motion passed 5-0.

6. AUTHORIZE PURCHASE OF REPLACEMENT FOR DAMAGED PLAYGROUND SLIDE AT ROSSMOOR PARK

Recommendation to authorize the General Manager to purchase a replacement slide or other component for the Rossmoor Park Playground. The General Manager reported that the slide component of the Rossmoor Park playground equipment is damaged and is not repairable. A replacement slide or other component are above the General Manager's spending authority of \$5,000 and therefore requires Board approval.

Lengthy discussion ensued relative to the pros and cons of choosing either option A or B and obtaining donations to pay for the more expensive slide replacement option. The General Manager stated there were safety concerns and time was of the essence. Motion by Director Maynard, seconded by Director DeMarco to authorize the General Manager to purchase a replacement slide for the Rossmoor Park playground. Motion failed 1-3, with Directors DeMarco, Casey and President Kahlert voting No and Director Burgess abstained.

Discussion ensued relative to the condition of the rest of the playground equipment. The General Manager stated the rest of the structure was 15 yrs old and contained some cracks and wear. Motion by Director Casey, seconded by Director DeMarco to authorize the General Manager to purchase the Skyward Climber Option B component to replace the damaged slide for the Rossmoor Park playground. Motion passed 5-0.

ITEM I: CLOSED SESSION WAS MOVED AHEAD IN THE AGENDA AT THIS TIME.

AT APPROXIMATELY 9:15 P.M. THE BOARD ADJOURNED TO CLOSED SESSION

I. CLOSED SESSION:

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957

Title: General Manager

AT APPROXIMATELY 9:50 P.M. THE BOARD RECONVENED FROM CLOSED SESSION.

General Counsel reported that the Board recessed into closed session at approximately 9:15 p.m. to discuss one item on the agenda. The Board reconvened into open session at approximately 9:50 p.m. There was no reportable action.

THE REGULAR CALENDAR WAS RESUMED AT THIS TIME

J. GENERAL MANAGER ITEMS:

The General Manager reported that The Golden State Water Company would be holding a Joint Public Hearing on July 23, 2015 at 7:00 p.m. in the Rush Park Auditorium regarding Phase 1 of the Mandatory Drought Restrictions. The meeting would be hosted by the RCSD and RHA and Mr. Doug Wood had agreed to televise the meeting. The General Manager proceeded with the following announcements: In response to mounting pressure from environmental groups, the County of Orange had delayed the Wireless Ordinance decision until July 21, 2015. He stated that, although permitting obstacles had been encountered, the Rush Park Picnic Canopy construction project was progressing steadily. He also announced that the Rossmoor Advisory Committee (RAC) meeting had been scheduled for Tuesday, July 28th at 7 pm. Another meeting had been scheduled with Exercise Boot Camp organizer and instructor, Carrie Devane to discuss the possibility of entering into an agreement with the District for conducting her enterprise on District Property. He added that drafting the ordinances and putting the necessary controls in place was finally paying off. He discussed the most recent work toward the District's Drought Plan implementation which included replacing and repairing a large quantity of broken nozzles and , sprinkler heads, turf removal and mini-park conversions. Finally, he stated that he had met with RHA President Mark Nitikman and resident Erwin Anisman for a second time regarding the Kempton Mini-Park Demo Project and Valleycrest had proposed some good landscaping redesign plans which included drought-tolerant and native plants. The RHA representatives wanted to explore other ideas. He would keep the Board apprised of the progress.

K. BOARD MEMBER ITEMS

Director Burgess had comments relative to verbiage contained in Item J: on the RCSD agenda.

Director Casey provided the Board with an update on the I-405 Project. He stated that last month he incorrectly reported that Seal Beach had legally challenged OCTA on the Environmental Impact Report (EIR), however, last night Seal Beach met in closed session to officially challenge the CEQA for the I-405 Project. The City of Long Beach was scheduled to do the same tonight. If

Long Beach legally challenged the EIR as well, the two challenges would be automatically linked and considered one. This would mean that costs would be shared by both cities in the official protest. He concluded by saying that he would be following the issue closely and would update the Board and community on any new developments.

Director DeMarco had comments relative to two articles appearing in the RCSD Quarterly Newsletter. He addressed the “Got Graffiti” article and reminded residents to call the Orange County graffiti hotline. Next he discussed the article pertaining to the restriping on Bradbury Road. He asked the General Manager for the latest update from the County. The General Manager stated that the Bradbury restriping had been in response to a number of neighborhood complaints about speed. The restriping was an attempt to calm traffic, however new complaints were now being generated regarding the narrowness of the lanes, the excessive width of the median and the lack of a bicycle lane. He concluded that the change was still being evaluated by the County and he would work with County staff to keep the Board informed. Director DeMarco requested that a County Traffic Representative attend a future meeting to report on the restriping. The General Manager agreed to make the arrangements for a speaker at a subsequent meeting. Director DeMarco had additional comments regarding a resident complaint. He stated that same resident put forth allegations that they were unable to find a way to contact the Board of Directors on the website. Administrative Assistant Liz Deering outlined at least three different ways to contact the Board of Directors via the website. She also stated that she had personally contacted the resident in response to said allegations and provided detailed instructions for contacting the Board. Director Casey stated that in his view the website was very transparent in this regard.

Director Maynard thanked the residents for their comments during the public hearing. He stated that staff was available to discuss budget-related matters in more detail. He responded to Erwin Anisman’s comments relative to his concerns regarding salary and administrative changes, by stating some of the increased costs could be attributed to changing the General Manager’s position from a part time, temporary position to full time and permanent. He concluded by stating that he had noticed a great deal of summer construction in the community. He reminded residents that construction was restricted until 7 a.m. and to please be courteous to fellow neighbors and abide by those restrictions.

President Kahlert announced that the District’s Stellar Summer events continued with this Friday’s second movie in the park, Big Hero 6. He encouraged everyone to come out for a good time with family and friends. He also reminded residents to promptly report graffiti to the graffiti hotline and added that graffiti on private property needed to be reported directly to the Orange County Sheriff.

I. CLOSED SESSION: Was moved ahead of Item J: in the agenda

J. ADJOURNMENT:

Motion by Director Casey, seconded by Director DeMarco to adjourn the regular meeting at 10:05 p.m. Motion passed 5-0.

SUBMITTED BY:

**James D. Ruth
General Manager**