

Arcade Creek Recreation and Park District

RESPONSE TO FINDINGS AND RECOMMENDATIONS OF THE SACRAMENTO COUNTY GRAND JURY

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.

THE BOARD OF DIRECTORS REVIEWS THEIR POLICIES AS NEEDED. THEY RECENTLY REVIEWED THE POLICY AND ADOPTED A REVISION ON OCTOBER 16, 2008. THE POLICY WAS AGAIN REVISED ON MAY 4, 2009.

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.

THE DISTRICT DOES FOLLOW THE PRINCIPLES DESCRIBED IN 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.

THE BOARD REVISED THE BOARD POLICY TO INCLUDE ITEMS THAT MAY BE PLACED ON THE CONSENT CALENDAR.

Finding 2.0

Some ISDs grant monetary awards for education and training; many have inadequate evaluation of employees' degrees and certificates.

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

THE DISTRICT ENCOURAGES EDUCATION AND TRAINING BUT TRAINING AND EDUCATION OF EMPLOYEES IS NOT TIED TO MONETARY AWARDS.

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

THE DISTRICT DOES NOT GIVE REWARDS FOR THE ACHIEVEMENT OF EDUCATIONAL DEGREES AND CERTIFICATES. THE DISTRICT'S PERSONNEL POLICY DOES ADDRESS THIS ISSUE AND INCLUDES THE CRITERIA IDENTIFIED IN SECTION 5.3.1.

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 ISDs should adopt pension and OPEB plans that are fair, affordable and sustainable.

THE DISTRICT PROVIDES PENSION BENEFITS ONLY. IT DOES NOT PROVIDE POST EMPLOYMENT BENEFITS.

Recommendation 3.2 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.

THE DISTRICT ENACTED THE THREE YEAR RULE WHEN IT ADOPTED THE MISC. 2% AT 55 CALPERS RETIREMENT PROGRAM FOR ITS EMPLOYEES.

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

THE DISTRICT WOULD DO AS RECOMMENDED SHOULD THE OCCASION OCCUR.

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

THE EMPLOYEES CONTRIBUTE 6% OF THEIR WAGES TO THEIR RETIREMENT PLAN. THE DISTRICT DOES NOT OFFER OPEB BENEFITS.

Finding 4.0

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

THE PUBLIC RESOURCES CODE WHICH GOVERNS OUR DISTRICT LAYS OUT THE REQUIREMENTS FOR BIDDING. THE DISTRICT IMPLEMENTED THE LAWS IN THEIR POLICY. AS SUCH PURCHASING FOLLOWS THE CODE IN ALL MATTERS.

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 bidders.

THE DISTRICT IS VERY CONSCIENTIOUS IN ITS PURCHASING PRACTICES. THE DISTRICT ENDEAVORS TO OBTAIN THE LEAST EXPENSIVE PRODUCTS BY USING POOLED PURCHASING PROGRAMS THROUGH THE COUNTY OF SACRAMENTO, CALIFORNIA COMMUNITIES, AND OTHER RESOURCES.

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

Recommendation 5.1 All ISDs must complete and file the required annual Independent Financial Audit.

THE DISTRICT HAS A FINANCIAL AUDIT PREPARED ANNUALLY AND SUBMITS IT TO THE STATE CONTROLLER. THE DISTRICT ALSO HAS THE ANNUAL STATEMENT OF FINANCIAL TRANSACTIONS PREPARED AND SUBMITTED TO THE STATE CONTROLLER EVERY YEAR.

Recommendation 5.2 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.

THE DISTRICT HAS NOT OBTAINED A MANAGEMENT AUDIT PER SAY. DUE TO THE SMALL SIZE OF THE DISTRICT, THE BOARD WONDERS IF SUCH AN AUDIT IS REALLY NECESSARY. AS PART OF THE ANNUAL FINANCIAL AUDIT, THE AUDITOR MAKES RECOMMENDATIONS IN A MANAGEMENT LETTER TO THE BOARD OF DIRECTORS. THE BOARD AND STAFF IMPLEMENT ARCADE CREEK RECREATION AND PARK DISTRICT RECOMMENDATIONS APPROPRIATE TO THIS ORGANIZATION.

7.0 Response **Requirements**

Penal Code sections 933 and 933.05 require that specific responses to indicated findings and recommendations contained in this report be submitted to the Presiding Judge of the Sacramento Superior Court by September 30, 2010, from:

In addition, e-mail the response to Becky Castaneda, Grand Jury Coordinator, at castanb@saccourt.com