

EXHIBIT 1

SOUTHGATE RECREATION & PARK DISTRICT

***MUNICIPAL SERVICE REVIEW WORKSHEET
AND QUESTIONNAIRE RESPONSE***

DRAFT

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

1112 I Street, Suite 100, Sacramento, California 95814

(916) 874-6458

www.SacLAFCo.org

November 7, 2012

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MUNICIPAL SERVICE REVIEW WORKSHEET
AND QUESTIONNAIRE
DISTRICT PROFILE

SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

Date: October 10, 2012

Agency Name: Southgate Recreation & Park District

Address: 6000 Orange Avenue, Sacramento, CA 95823

Website: www.southgaterecandpark.net

Telephone: (916) 428-1171

(FAX) (916) 428-7334

Administrator Name: Ward Winchell

Title: General Manager

Name of Contact: Paula Hansen, Administration Manager

Contact's E-mail Address: phansen@southgaterecandpark.net

Agency's Principle Act: Public Resources Code Section 5780

Services Provided: Park and Recreation Services

Latent Powers: None

Governing Body: Elected Board of Directors

Total Number of Employees: 139

Represented 0

Unrepresented 139

Acreage/ sq. Miles within Agency: 52 square miles

Total Population within Agency: Approx. 119,000, based on 2010 Census Data and State of California population change estimates.

Total Registered Voters within Agency: 44,557, based on 2012 Voter Registration information.

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INTRODUCTION

Background Information

The Southgate Recreation & Park District is an Independent Special District.

- **Mission:** A commitment to provide positive recreational opportunities, safe and attractive parks and open spaces, resulting in a healthier community.
- **Setting:** Southgate Recreation & Park District serves over 119,000 residents in the southeast area of Sacramento County. The District generally borders the City of Sacramento to the north and the west and the City of Elk Grove to the south. The eastern border follows Grant Line Road from Calvine Road to Jackson Highway. The border then follows Jackson Highway west to the City of Sacramento.

Please attach map of the district boundary. (Attachments A.1.and A.2.)

History

Southgate Recreation & Park District was formed by the Sacramento County Board of Supervisors on August 27, 1956 under the name Southgate Park, Recreation and Parkway District. The District served two square miles in the south area of Sacramento County. In 1959, the name was changed to Southgate Recreation & Park District. Over the years, there have been various annexations increasing the area served to 52 square miles in south Sacramento.

Based on records from the Secretary of State, the District has experienced the following reorganizations:

Reorganization and name change on May 4, 1959.

Detachment from Southgate Park District (24-66) on December 14, 1966.

Detachment from North Florin-Franklin uninhabited area on December 14, 1966.

Annexation 16-67 on July 20, 1967.

Annexation of Orange Avenue on August 1, 1968.

Annexation of Lindale on October 25, 1968.

Detachment from West Power Inn Road on May 21, 1970.

Reorganization South Franklin Blvd. and Florin on December 10, 1970.

Reorganization –detachment of territory on August 20, 1975.

Reorganization –detachment to City of Sacramento on December 23, 1975.

Reorganization –detachment of Massie on December 6, 1978.

Reorganization –detachment of Sunzeri on April 13, 1979.

Reorganization –North Bruceville Road on December 4, 1979.

Annexation of the Vineyard area on February 25, 1983.

Reorganization –Industrial Sites Ltd. on January 17, 1985.

Reorganization –Methodist Hospital on September 17, 1985.

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Reorganization –East Lawn Mortuary on September 17, 1985.
Reorganization –Morrison Creek on March 24, 1986.
Reorganization –Danekas on July 10, 1987.
Reorganization –Valley J.A.G. Inc (AKT Development). on March 11, 1987.
Reorganization –Sturgeon on April 22, 1990.
Reorganization –Scurfield on January 8, 1991.
Reorganization –Morrison Creek Business Park on August 27, 1991.

There have been three major attempts to annex the Fruitridge Pocket Area to the City of Sacramento since the 1965. These attempts were: 1965 the Bowling Green Annexation, 1968 and 1970 the Fruitridge area. These annexations were approved by the Local Agency Formation Commission, but were rejected by the area's registered voters.

There have been small annexations within the District boundaries. Most of these annexations were initiated by landowners in an attempt to secure water from the City of Sacramento. The City of Sacramento requested that interested property owners located outside of their City boundaries annex to the City before providing City water services.

In 1982 at the request from residents and the County of Sacramento, Southgate Recreation & Park District annexed the Fruitridge Service Area and County Service Area 4A. In 1983 the Vineyard Community Planning Advisory Council and other residents within the Vineyard area requested that the District annex a portion of County Service Area 4B.

In 1992, Southgate considered the annexation of other county services areas including County Service Areas 4B, 4C and 4D. After meetings with those communities it was determined that these residents were not interested in the provision of park and recreation services at that time.

Services Provided

Recreation & Park

Management and Staffing Structure

Management Structure

Southgate Recreation & Park District is an independent special district governed by a five-member elected Board of Directors. The Board assigns District administrative responsibilities to a General Manager. The General Manager is responsible for implementing the policies of the District.

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Employment Structure

The District employs 56 full-time and between 46 and 112 (79 average) part time and seasonal employees, all of whom are unrepresented. The Board of Directors has adopted a Personnel Policies Manual, which is updated on a periodic basis.

The District employs: 56 full time positions.

In addition, the District employs on average 79 part-time/seasonal positions.

Please attach organization chart. (Attachment B)

- **The type and purpose of contracts and consultants.**

The District contracts with consultants and other service providers for specialized services including construction, architectural services, engineering, landscape maintenance, pool maintenance, HVAC maintenance, specialized computer services, graphic arts, web site design and leisure enrichment instructors.

- **Please feel free to mention any awards or recognition the agency has received.**

Since 2007, the District has received the following awards or recognition:

Government Finance Officers Association – Distinguished Budget Presentation Award, 2008/2009, 2009/2010, 2010/2011 and 2011/2012 Final Budgets

Government Finance Officers Association – Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Years Ended June 30, 2011, 2010, 2009, 2008 and 2007

2012 California Association of Public Information Officials Excellence in Communications Award of Excellence

2012 California Parks and Recreation Society Champion of the Community Award for Director Edd Smith

2012 California Parks and Recreation Society District 2 Champion of the Community Award for Director Edd Smith

2012 California Parks and Recreation Society District 2 Agency Showcase Marketing Award for the District's Website

2011 “Best of Elk Grove” – WildHawk Golf Club

2009 Showcase Marketing Award for the District's *Southgator*

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2011 California Association for Park & Recreation Indemnity Commitment to Safety and Loss Control

- **Describe ongoing training and personnel policies.**

The District maintains a comprehensive Personnel Policies Manual, which is reviewed and updated on a periodic basis.

The District provides proper training for staff using a variety of methods including training by supervisors and managers, conferences, seminars, and web-based training.

- **Are salaries and pay scales comparable/competitive with regional and industry standards?**

Yes. The District reviews salary and benefits surveys prepared by outside agencies and conducts its own salary and benefits surveys to ensure that salaries and pay scales are comparable/competitive with regional and industry standards.

- **Is organization structure similar with like service providers?**

Yes. The District is organized similar to other recreation and park service providers.

Municipal Service Review Information and Determinations

1. **Growth and Population Projections (This provides the public with a “snapshot” of your community.)**

Type of Information to be provided:

- **What is the current level of demand for services?**

Southgate Recreation & Park District serves over 119,000 residents. The District owns and maintains over 700 acres of parks and open space, four community centers, two swimming pools and an 18-hole championship golf course.

- **What is the projected demand for services?**

There are four Sacramento County planning areas entirely located within the District’s boundaries including; the Vineyard Springs Comprehensive Plan Area, North Vineyard Station Specific Plan Area, Florin-Vineyard GAP Community Plan Area, and the Old Florin Town Special Planning Area. These areas are projected to include over 20,000 new dwelling units, over 300 acres of new parkland and 500 acres of open space. (See map: Southgate Planning Areas, Attachment A.3.) There are additional Sacramento County planning areas that are

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partially located in District boundaries including the South Sacramento Community Plan Area, Florin Road Corridor Plan, Vineyard Community Plan Area and the Jackson Highway Visioning Area.

- **Please provide growth rate and population projections.**

Sacramento County's population is expected to grow by approximately 10% over the next 8 years. The District is expected to receive a proportionate share of this growth and is poised to accept a significant amount of new subdivision development over the next 10 to 20 years.

- **Please provide any other information relevant to planning for future growth or changing demographics.**

The 2010 Census estimated that Sacramento County's population at 1,418,788, representing a 16-percent increase from 2000 (California Department of Finance 2011). Unincorporated areas of Sacramento County are estimated to contain a population of 554,554 (California Department of Finance). As indicated in the table below, future growth within Sacramento County is expected to result in a population of approximately 2.1 million in 2050.

| | 2015 | 2020 | 2030 | 2040 | 2050 |
|--|-------------|-------------|-------------|-------------|-------------|
| Sacramento County | 1,484,030 | 1,557,547 | 1,731,061 | 1,908,527 | 2,091,542 |
| Source: California Department of Finance | | | | | |

LAFCo MSR Determination

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2. Facilities and Programs

A. Facilities

Summary of Facilities (Parks, Physical Plant)

See Park and Facility Guide (Attachment C)

Please attach Facilities Map. (Attachment A.2.)

Present and Planned Capacity of Public Facilities

- **What is the current and projected service capacity?**

The District currently owns and maintains over 670 acres (622 acres are developed and 48 acres are undeveloped) which includes parks, parkways, landscape corridors, open space, and an 18-hole championship golf course; 4 community centers; 3 aquatic facilities; 10 miles of trails; 1 corporation yard, and an administration office.

Approximately 300 acres of new parkland to be dedicated by future developers is planned for the District over the next 10-20 years including 3 new community centers. In addition, the District will accept approximately 500 acres of open space and 13 miles of new pedestrian and bicycle trails.

The District's Recreation Department currently offers recreation and educational activities for residents of all ages including aquatics programs, youth and adult sports, special interest classes and special events.

- **What is the level of adequacy of services and facilities to serve current and future population?**

The District adequately serves its current population with its current facilities and actively plans for the services and facilities for future populations.

- **What Performance Measures are used by the District to determine service adequacy?**

The District uses various performance measures to determine service adequacy including number of park acres per 1,000 residents, acres of open space per 1,000 residents and proximity of facilities to residents.

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Infrastructure Needs or Deficiencies/Capital Improvement Program

- **Describe the District's Capital Improvement Program, as applicable.**

The District's annual budget includes construction and capital improvement projects expected to be completed over the next 3 years. (See Final Budget Fiscal Year 2012-2013: Capital Projects Fund section – Attachment G) These improvement projects include: District-wide renovation projects, expansion projects and construction of new park and recreation facilities. The need for new facilities is based on a service level requirement of 5 acres per 1,000 residents based on the Quimby Act's land dedication requirements. The District works collaboratively with Developers and the County Planning Department to locate park sites.

The District has developed a long-term Capital Projects budget for 3-20 years, which was last approved in June 2011. The District is currently reviewing and updating its Master Plan, which will be developed over the next year.

As part of the District's needs assessment it outreaches to the community through surveys, questionnaires and workshops to help staff plan, design and prioritize projects. In 2005 and 2010, the District completed resident surveys to determine resident's level of usage and satisfaction of park, recreation facilities, and programs offered by the District. These were used for policy planning purposes and to identify spending priorities for future enhancements to the recreation services and programs presently provided by the District.

- **Describe deferred maintenance strategy.**

The District's annual budget includes the maintenance, replacement and upgrade of various facilities. The District maintains a list of maintenance projects to be completed. Projects are prioritized based on the condition of the facility and safety standards. This list is continually updated as projects are identified and completed.

- **Describe policies and practices for depreciation and replacement of infrastructure.**

Capital assets purchased or acquired, with an original cost of \$5,000 or more, are recorded at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 5 – 40 years depending on asset types.

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The Board of Directors authorizes capital improvement projects priority lists and budgets as part of the annual public hearing and budget adoption process.

- **How will new or upgraded infrastructure and deferred maintenance be financed?**

New and upgraded infrastructure will be financed using a variety of sources including Development Impact Fees, Quimby Act In-Lieu Fees, State, Federal and other grant funds, Property Tax Revenue, Landscaping & Lighting Assessment District funds, Mello-Roos Community Facilities District funds, debt issuance proceeds, partnerships with Southarea Recreation, Inc. and other agencies, donations, sponsorships and funds reserved for future capital projects.

- **List infrastructure deficiencies, if any; indicate if deficiencies have resulted in permit or other regulatory violations; if necessary, explain how deficiencies will be addressed.**

There are no known infrastructure deficiencies. The District has not received any permit or other regulatory violations as a result of infrastructure deficiencies.

- **Provide evidence of compliance with applicable regulatory standards (for example, CA R-39-97 (Certified Playground Safety Standards) for Recreation and Parks Districts)**

The District owns and maintains playgrounds in 37 parks. All District-owned playgrounds have been inspected as required by CA R-39-97. Documentation of compliance is available for review at the District Office.

B. Programs

Summary of Programs (Recreation, Education, Conservation, etc.)

See Summary of Programs. (Attachment D)

LAFCo Determination

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3. Financial Information

Budget (Please attach current budget.) (Attachment G)

Revenue

- **Describe all revenue sources (i.e., property taxes, special taxes, service charges, fees, rentals, assessments, grants, etc.).**

Revenue sources include property taxes, Landscaping & Lighting (L & L) Assessment Districts, Mello-Roos Community Facilities Districts, charges for services (recreation fees), golf course revenues, facility rentals, building maintenance fees, park rentals, park maintenance services, Development Impact Fees, Quimby Act in-lieu Fees, redevelopment tax increment pass-through, land leases, concessions, grants, and donations. Descriptions of various revenue sources are provided in the glossary of the Final Budget Fiscal Year 2012-2013 starting on page H-23 (Attachment G).

Rates, Fees, Charges, and Assessments

- **Describe rate setting methodology.**

The District considers the market rates, District goals and constituent needs when setting rates. The District Board of Directors reviews the rates on a periodic basis during a public meeting.

- **Explain constraints associated with agency's ability to generate revenue. What options are available – special assessments/ special taxes/ increases in sales tax/impact fees/grants, etc.?**

The District does not have the ability to increase property tax rates. The District charges for services such as recreation classes, golf and the rental of facilities including parks and community centers. The District's ability to increase these fees is influenced by participants' willingness and ability to pay.

The District uses financing districts established by the District's Board of Directors such as Landscaping & Lighting Assessment Districts and Mello-Roos Community Facilities Districts (CFD) to fund the construction, maintenance and operation of facilities. (See map: Southgate Financing Districts – Attachment A.4.) The Landscaping & Lighting Assessment Districts provide for a fixed annual assessment. The Mello-Roos CFDs have an inflation factor. Both require a majority vote of property owners to change the level of services or assessment. Generally, there is an anti-tax climate among property owners making

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increases difficult.

The District coordinates with the County of Sacramento to participate in several Public Facilities Financing Plan (PFFP) programs in which developers pay fees to mitigate the impact of development. (See map: Sacramento County Planning Areas – Attachment A.3.) The District's portion of the Development Impact Fee is used to fund park and landscape improvements in new developments. Some financing plans include open space acquisition. The County of Sacramento makes periodic updates to the fee schedules based on the construction costs at the time.

- **Please provide a comparison of rates and charges with similar service providers (favorable or less so).**

Comparisons are difficult to summarize because of differences in length, quality and frequency of programs. Please refer to other agencies' web sites and/or activity guides.

- **Describe revenue constraints.**

Property taxes account for 80% of operating revenues in the General Fund. Charges for services, investment income, operational grants, and other income make up the balance of operating revenues in the General Fund. Operating revenue in the General Fund has decreased 21% over the past five years because of economic conditions.

Expenditures

- **Describe the agency's Service Levels compared to industry standards and measurements.**

The District is not aware of standards that can be applied for this analysis. The District evaluates service levels based on the needs of the community.

- **Describe the Cost of Service compared to industry standards and measurements.**

The District is not aware of standards that can be applied for this analysis.

Assets, Liabilities, Debt, Equity, and Reserves

- **Provide the Book Value of Assets.**

\$58,580,674

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- **Provide a list of equipment, land, and other fixed assets.**

See Equipment List (Attachment E.1), Land Values (Attachment E.2.) and Structures and Improvements List (Attachment E.3.)

- **Provide a summary of long term debt and liabilities.**

See Schedule of Long-term Liabilities (Attachment F)

- **Explain the agency's bond rating; discuss reason for rating. Discuss amount and use of existing debt. Describe proposed financing and debt requirements.**

In March 2011, Standard & Poor's upgraded the District's rating to 'AA-' from 'A-' and affirmed a stable outlook.

The District currently has the following outstanding debt:

2005 Refunding Bonds were issued on July 5, 2005 in the amount of \$8,350,000 to refinance 1998 Certificates of Participation and a portion of 1996 Series B Certificates of Participation. The 1998 COP issue and previous related issuances funded the construction of WildHawk Golf Club. The 1996 Series B COP issue funded various park improvement projects. The bonds are initially secured by WildHawk Golf Club revenue then by certain assessment revenues. The bonds have interest rates ranging from 3.25% to 4.40% and mature on October 1, 2030. The current outstanding balance on October 1, 2012 is \$6,730,000.

On September 1, 2005, the District entered into the 2005 Refunding Lease. The lease is an installment sale agreement with the Southgate Improvement Finance Corporation in the amount of \$490,330 to refinance the remaining portion of the 1996 Series B Certificates of Participation. The initial certificates were issued to fund park improvement projects. The lease is secured by certain assessment revenues and are payable solely from these assessments. The interest rate is 4.35% and the lease matures on October 1, 2020. The current outstanding balance on October 1, 2012 is \$300,230.

In December, 2010, the Southgate Improvement Finance Corporation issued Certificates of Participation in the amount of \$5,210,000. These certificates were issued to fund improvement projects including a community center, aquatic center and park improvements. The certificates have interest rates ranging from 3.00% to 5.875% and mature on October 1, 2031. The current outstanding balance on October 1, 2012 is \$4,910,000.

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- **Describe policies and procedures for investment practices.**

The District has adopted a formal investment policy. The investment policy provides for prudence, objectivity, delegation of authority, ethics, conflicts of interest, permitted investments, maximum maturity, reporting requirements, safekeeping and custody. The District also adopted the Sacramento County's investment policy for the funds that are held in the Sacramento County Treasury.

- **Describe policies and procedures for establishing and maintaining reserves/retained earnings.**

The District's Fund Balance Policy is as follows:

Nonspendable and restricted fund balances are defined by GASB Statement No. 54 and are not affected by District policy.

Committed fund balance

Contingency for Operations

The District shall commit 10% of the approved operations budget in the general fund and each special revenue fund as an operational contingency, if funds are available.

The circumstances in which the operational contingency may be spent include an unanticipated budgetary shortfall in excess of 10%, or an unforeseen emergency not immediately covered by liability, property or other insurance. The operational contingency should be used to cover one-time expenditures or incidents, not to meet ongoing operational expenditures. Use of the operational contingency shall be approved by the Board of Directors. The Board of Directors will adopt a timeline containing a plan to replenish the operational contingency.

Future Capital Projects

At year end, the fund balance in excess of *nonspendable, restricted, committed, and assigned* fund balances shall be committed to future capital projects. Amounts committed to future capital projects may be uncommitted and/or redirected by Board action.

Assigned fund balance.

The assigned fund balance is based on intended use and can be made by the Board by formal resolution or as part of the annual budget, which is adopted by formal resolution. Examples of uses that may be assigned fund balance include but are not limited to the purchase of furniture, fixtures, equipment, contracts, deferred maintenance and refurbishments.

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- **What is the dollar limit of reserves/retained earnings?**

There is not a specified dollar limit of reserves/retained earnings.

- **What is the ratio of undesignated, contingency, and emergency reserves to annual gross revenue?**

The following chart summarizes the Fund Balance categories and amounts on June 30, 2011.

Fund Balances on June 30, 2011

| | | |
|---------------------|------------------|--------------|
| Nonspendable | \$23,804 | 0.1% |
| Restricted | 18,737,933 | 80.8% |
| Committed | <u>4,429,343</u> | <u>19.1%</u> |
| Total Fund Balances | \$23,191,080 | 100.0% |

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Summary of Revenue Sources

| Fiscal Year | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 Projected |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|------------------------------|
| Property Taxes | \$4,828,597 | \$4,141,375 | \$3,854,203 | \$3,861,945 | \$3,752,117 |
| Interest | 326,585 | 83,137 | 55,718 | 39,564 | 221,575 |
| Rental Income | 171,833 | 173,399 | 141,347 | 190,337 | 182,280 |
| HPTR | 60,661 | 55,442 | 54,634 | 55,231 | 54,500 |
| In-Lieu Fees | 44,712 | 10 | 362,153 | 1,404 | 0 |
| State & Federal Grants | 396,048 | 299,698 | 166,731 | 32,641 | 186,000 |
| Recreation Fees & Grants | 411,435 | 378,387 | 413,881 | 285,751 | 315,293 |
| Miscellaneous | 2,651,382 | 2,810,146 | 2,988,436 | 2,629,748 | 2,619,967 |
| Total | \$8,891,253 | \$7,941,594 | \$8,037,103 | \$7,096,621 | \$7,331,732 |

Summary of Expenditures

| Fiscal Year | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 Projected |
|-------------------------|--------------------|--------------------|--------------------|--------------------|------------------------------|
| Salaries & Wages | \$3,595,208 | \$3,614,758 | \$3,768,184 | \$3,588,243 | \$3,398,374 |
| Services & Supplies | 2,676,097 | 2,429,926 | 2,819,257 | 2,722,035 | 2,715,854 |
| Long-Term Debt | 713,419 | 710,252 | 779,392 | 1,156,427 | 823,750 |
| Capital Improvements[1] | 1,771,839 | 1,547,400 | 1,701,776 | 457,094 | 7,000,000 |
| Equipment | 62,713 | 39,318 | 25,013 | 0 | 0 |
| Total | \$8,819,276 | \$8,341,654 | \$9,093,622 | \$7,923,799 | \$13,937,978 |

1. Identify Sources of Funding: Development Impact Fees, In Lieu Fees, Grants, Fund Balances Reserved for Capital Projects.
2. Fixed or Variable? n/a

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Summary of Financial and Operational Information

| | 2011/12 |
|--|---|
| Population | 119,133 |
| Area Served | 52 sq. mi. |
| Developed Real Estate | 540 acres |
| Undeveloped Real Estate | 195 acres |
| Service Standard Ratios ¹ | 5 acres per 1,000 residents |
| Full Time Employees | 56 |
| Average Part-Time Employees | 79 |
| Total Annual Budget | \$36,324,335 |
| Per Capita Spending | \$101.61 |
| Total Annual Administrative Costs | \$1,848,254 |
| % Annual Administrative Costs to Total | 5% |
| Estimated Deferred Maintenance | \$350,000 |
| Average Capital Improvements (5 Years) | \$1,478,689 |
| Reserve Amount | 23,191,080 |
| Operational Cost per Employee | \$46,743 |
| Average Property Tax Rate | Approx. 6% of property taxes (1%) |
| | |

1. For example, Park acres per 1000 residents

LAFCo Determination

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4. **Status of and Opportunities for Innovation and Shared Facilities**

- a) **Describe existing and/or potential shared facilities, infrastructure, and staff. Describe any joint power agreements or other agreements for sharing resources with other agencies.**

The District collaborates with many public agencies, private entities and non-profit organizations throughout the community. These partnerships provide valuable resources and funds for events and programs that operate on a limited budget. They also increase access for Southgate's programs and services, while expanding the reach of our community partners. Through these partnerships the District has combined common interests and developed capital projects and programs, which help to create community in our neighborhoods.

Businesses - The District partners with many private businesses like Cerezo's Martial Arts, the International Karate Federation, Sacramento Coca-Cola, Pepsi, Centerplate, National Football League (NFL), US Kids Golf and Wal Mart, which regularly donate funds and/or resources to our programs which benefit area residents.

California Association for Park and Recreation Indemnity (CAPRI) – The District is a member of CAPRI for workers compensation liability insurance purposes. CAPRI is organized under a joint powers agreement pursuant to the California Government Code. The purpose of CAPRI is to arrange and administer a program of property liability and workers compensation risk pooling.

California Conservation Corps (CCC) - The District has worked with the CCC on several park improvement projects. The CCC provides training in job skills and environmental education to young men and women of California. The District provides public service projects for this program.

Community Organizations, Churches and Non-profits – The District partners with various community organizations, churches and non-profit organizations such as Building Healthy Communities, Boy Scouts, Girl Scouts, The Boys and Girls Club and Southarea Recreation, Inc. member organizations to provide programs and special events to the community.

County of Sacramento – The District has a long-term lease with the County for the use of a portion of their land for Olde Florintown Park. The District also has several agreements with the County Department of Water Resources and the Sacramento Regional County Sanitation District to provide various easements for joint-use of facilities including detention basins, drainage corridors, parkways and maintenance roads/trails. Two examples of this would be the Tillotson Parkway and the Laguna Creek Parkway. Tillotson Parkway is a four mile long landscaped parkway with an off-road pedestrian/bicycle trail, which was constructed on Sanitation District easement. The Laguna Creek Parkway is a section of the creek corridor owned by

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Southgate, which provides a generous open space corridor with a joint maintenance road/trail. This trail provides a beautiful open space in the community as well as a natural drainage corridor, which is maintained by Sacramento County Department of Water Resources.

The District also works closely with Sacramento County's Department of Neighborhood Services and the SouthCAST Vision Group to enhance community development activities in the Southgate area.

The District works with the Southgate Library to provide special events and programs, such as Neighborhood Night Out and Movie Nights.

Elk Grove Unified School District – A Joint Use Agreement with the Elk Grove Unified School District provides use of the Rutter Swim Center to Florin and Sheldon High School's aquatic programs and Southgate's summer aquatic program. Additionally, Southgate's after-school programs operate from elementary school campuses. The District also uses land for the District Corporation Yard and several school fields for SRI (Southarea Recreation Inc.) member organizations.

First Tee of Greater Sacramento – The WildHawk Golf Club is the second largest affiliate of the First Tee program in the Sacramento region. The program teaches youth important and valuable life skills: courtesy, integrity, and responsibility through the game of golf. This partnership is developing young golfers and encourages family participation.

Meals on Wheels by Asian Community Center (ACC) - The District provides the Fruitridge Community Center for the Senior Nutrition Services program available through the Meals on Wheels by ACC by providing one of our community centers and staff to accept deliver and serve the meals.

Laguna Creek Watershed Council - District staff is working collaboratively with this diverse group of local government agencies, community group leaders and watershed residents to protect the health of Laguna Creek and its tributary streams. Laguna Creek is one of the main creek corridors that run through the District. Joint projects include educating residents, promoting active community participation and fostering partnerships and projects that benefit the watershed and the stakeholders.

Neighborhood Associations and Business Groups –The District participates in community development organizations and associations. Many of these organizations partner with the District on events and activities and use our facilities for their meetings and events. The District has an agreement for use of the Jose Rizal Community Center with the Filipino Community of Sacramento and Vicinity, Inc., a non-profit community organization, which uses the center for its regular meetings. We are actively involved with: the Florin Historical Society, the Stockton Boulevard Partnership, the Florin Road Partnership, the Vintage-Churchill Neighborhood Association, the Parkway Estates Neighborhood Association, the Parkway Estates

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North Neighborhood Association, Silver Springs Neighborhood Association and the Fletcher Farm Neighborhood Watch Association.

Northern California Golf Association (NCGA) Foundation & La Familia – The District has partnered with the NCGA and La Familia to provide golf instruction to underprivileged kids. WildHawk Golf Club provides weekly golf instruction to 25 kids from the La Familia Program for a twenty week session each year.

Rails to Trails - The District is working collaboratively with non-profit organizations and other public agencies, including adjoining communities and park districts, to explore any rails-to-trails opportunities in the Central California Traction Railroad corridor.

Sacramento Area Creeks Council – District staff works collaboratively with the Sacramento Area Creeks Council and regularly hosts its Creek Week clean-up event at our creeks. This program provides a unique opportunity for District residents to learn more about the benefits of local creeks and its habitat. Staff and residents participate in a volunteer effort to improve and enhance our urban waterways by collecting and removing trash, debris and invasive plants from area creeks.

Sacramento City Unified School District - A Joint Use Agreement with the Sacramento City Unified School District allows Southgate's programs to operate from the Bowling Green Elementary School and at the Fern Bacon Middle School Gymnasium.

Sacramento Employment & Training Agency (SETA) - The District built and designed a Head Start facility at Fruitridge Park dedicated to providing a pre-school program to low-income families in the Fruitridge area with help from the Sacramento Housing and Redevelopment Agency.

Sacramento First 5 Commission – The District received grant funding from Sacramento's First 5 Commission for the construction and operation of a water spray park at Fountain Plaza Park which serves children ages 0-5 years and the construction of playground equipment and butterfly gardens at Florin Creek Park, Norman Waters Park and Calvine Crossing Park.

Sacramento County Sheriff's Department - The County's Sheriff's Department also aids the District with graffiti abatement and their off-duty Sheriff's patrol, and has successfully provided assistance with nuisances such as illegal dumping, vandalism and loitering in our neighborhood parks. The Parks Department partners with the Sacramento County Sheriff's Department for use of alternative community service bus crews for trash pick-up and weed abatement at District parks and open space.

Sacramento County as the Successor Agency for Sacramento Housing and Redevelopment Agency (SHRA) – The District has received grant funds through SHRA for many park improvement projects including playground equipment

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replacement and sports court resurfacing projects. The District also received funds from SHRA for community services in low-income areas including the after-school program at Bowling Green Elementary School, crime prevention and senior programs. The District continues to work with Sacramento County to provide improvements to Rainbow Park and Olde Florintown Park.

Sacramento Tree Foundation – The District has received over a thousand shade trees at no cost to the District from the Sacramento Tree Foundation. This past year over 250 trees were planted throughout the District's parks, parkways and open space to add to the Sacramento regions tree canopy. The District was awarded the Austin B. Carroll Award in 2007 for its communication and education activities to the community.

Special Districts Risk Management Association (SDRMA) – The District is a member of the SDRMA for liability insurance purposes. SDRMA is organized under a joint powers agreement pursuant to the California Government Code. The purpose of SDRMA is to arrange and administer a program of insurance risk pooling for general insurance coverage.

State of California - The District has received grant funds through the State Department of Parks and Recreation and CalTrans for many park improvement projects over the years including playground equipment replacement and sports court resurfacing projects. The California Highway Patrol Department also aids the District with traffic control issues at District special events, and has successfully provided assistance with nuisances. The District has received funds from the State Department of Housing and Community Development through the Work Force Housing Grant program to improve facilities in areas with a large number of affordable housing units.

State Department of Forestry and Fire Protection (CalFire) - The District in conjunction with the Fulton-El Camino Recreation and Park District, the Arcade Creek Recreation and Park District and the Arden Manor Recreation and Park District has entered into an agreement with the State of California to carry out an urban forestry grant project. At the end of this project, the District will have its own current and complete tree inventory.

Telecommunication Providers – Southgate has several lease agreements with telecommunication providers for the construction of cell tower facilities on District property. These facilities improve wireless communications in the area, and generate additional revenue for the District. The District maintains strict control over the siting, design and screening of the facility so that it is acceptable to the community.

Upper Laguna Creek Collaborative (ULCC) – The District is working collaboratively with several public agencies, non-profit organizations and private property owners to create a multi-functional corridor along the Upper Laguna Creek. This open space corridor is being planned to include recreation trails, wildlife habitat, an underground

sewer pipeline and ecological urban run-off treatment methods and watershed management practices.

Volunteer Center of Sacramento – The Parks Department uses volunteers from the Volunteer Center of Sacramento, which allows individuals to do community service work hours in-lieu of incarceration time.

Water Agencies – The District has an agreement with Sacramento County Water Agency to operate and maintain a low-water use demonstration garden on land owned by the Water Agency.

Water Forum - The District is working collaboratively with several public agencies, business and agricultural leaders, water managers, environmentalists and citizen groups in the Sacramento Region to provide a reliable and safe water supply for the region's economic health and planned development. Their goal is to also preserve the fishery, wildlife, recreational and aesthetic values of the lower American River.

b) Describe existing and/or potential joint use planning.

The District works with the County of Sacramento, the Elk Grove Unified School District and other public agencies and organizations, and the other groups mentioned above to identify opportunities for shared or joint-use facility planning and service offerings. Several examples of these planning efforts are listed below:

- **Parkways** – the District is working with Sacramento County Departments of Planning and Transportation to identify roadways or other corridors for possible landscape, pedestrian and bicycle enhancements to provide both a recreation feature and an enhanced alternative transportation corridor.
- **Trails** – the District is working with Sacramento County departments of Planning, Sanitation and Water Resources to identify corridors where maintenance roads for drainage and/or sanitation facilities can be used jointly for a pedestrian/bicycle trail. Trails may be through open space corridors, natural creek corridors and around detention basins. The District is also working collaboratively with adjoining communities and park districts to plan for comprehensive and efficient trail connections.
- **Joint-Use Basins** – the District is working with Sacramento County Departments of Planning, and Water Resources to identify and design basins to serve both stormwater filtration/detention functions and recreation purposes. Some basins will be designed to provide active recreation like sports fields while others will provide passive amenities such as trails with enhanced landscaping.
- **Open Space** – The District is working to protect the valuable open space resources in our area including creek corridors, vernal pools and wetlands, as well as

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utility easement reservations. District Staff, together with other public agencies like the County Department of Water Resources, is jointly planning the use and preservation of these valuable resources.

- **Special Planning Projects** – the District is working with the County of Sacramento on special planning projects such as the Old Florin Town Special Planning Area, the South of Florin Area (SOFA), the Florin Road Redevelopment Plan and the Florin Road Corridor Plan.
 - **Parks and School Facilities** - District staff jointly plans the siting of new park and recreation facilities with the Elk Grove Unified School District so that parks are located adjacent to new school sites to promote opportunities for shared community use of facilities such as sports fields and parking lots. The District continues to work with the Sacramento City Unified School District to provide programs and facilities to residents.
- c) **Describe existing and/or potential duplication with existing or planned facilities or services with other agencies.**

The District is not aware of any duplication with existing or planned park and recreation facilities or services.

- d) **Describe availability of any excess capacity to serve customers or other agencies.**

The District is always interested in working with other agencies. There are facilities where schedules could be adjusted to meet the changing needs of the community. For example, the Fruitridge Community Center serves seniors in the morning and afternoon. The schedule is occasionally adjusted to accommodate other community needs or programs such as flu clinics or job training programs.

The District works with the County of Sacramento Department of Water Resources on the development of trails along creeks. Instead of having a separate road for maintenance, a bike and pedestrian trail is combined with the road. This saves significant costs in construction and long term maintenance, and has less impact to the environment. The District also works with the County of Sacramento Department of Transportation on planning landscape corridors, bike paths and parkways.

The District has established joint use agreements with school districts to share sports fields, parking lots, play equipment, gymnasiums, swimming pools, after school programs, the District's golf course, irrigation systems and maintenance.

Recently, the District has experienced increased use of its programs and facilities since the City of Sacramento has reduced its programs and closed facilities.

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- e) **Describe any economies of scale in shared purchasing power, and any other cost-sharing opportunities that can be implemented by joint use or sharing resources.**

Generally, the District is of sufficient size that it does not need to work with other agencies to gain economies of scale in purchasing.

- f) **Describe any duplication (overlap), or gaps in services or boundaries.**

The District is not aware of any duplication in services or boundaries.

- g) **Describe ongoing cost avoidance practices. (For example, if you hire contract vs. in-house employees, is the bidding process cost effective and efficient)?**

The District regularly explores opportunities to create cost efficiencies. The District uses a combination of contracted and in-house maintenance of facilities based on the cost effectiveness, efficiency and quality of the service.

The District has clear policies and procedures for bidding. Formal and informal bidding processes are used depending on the cost of the item or project.

- h) **Describe any opportunities to reduce overhead and operational costs.**

The District continually seeks opportunities to reduce overhead and operational costs. The District's financial policies provide direction in the form of budgeting, procurement, and bidding policies. The following are examples of opportunities that the District has used.

The District obtains bids for large purchases and services based on the financial policies. For example: architectural services, construction contracts, equipment purchases, vending machine concessions, legal services, environmental services, food and beverage operations at the WildHawk Golf Club, landscape corridors maintenance, instructors, and, the operations of the WildHawk Golf Club. Contracts are re-bid periodically to maintain price competitiveness.

The District evaluates various operations to determine whether the most cost effective methods are to contract out services or to perform services in-house. Services contracted out include the landscape corridor maintenance in some areas, aquatic facility maintenance, custodial service for the Administration Office, architectural services, legal services, consultant services and most construction projects. Services performed in-house include park and facility maintenance, soccer field renovation, herbicide spraying, tree planting and some small construction projects.

In the Parks Department, the District recycles wood from pruning projects and uses the mulch in tree wells and shrub beds. It also uses computerized irrigation system for most parks to maximize efficiency and minimize water costs.

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The District has partnered with local community groups such as Boy Scouts, high schools and neighborhood organizations for community service projects. Projects include tree planting, creek clean-up, painting, small construction projects and recreational special events.

In 2005, the District implemented a computerized on-line tee time reservation system at WildHawk Golf Club. In 2006, the District implemented computerized registration for recreation programs and scheduling of facilities. Both programs reduced the amount of staff time required to process registration, improved customer service and automated the cash receipts process.

The District works with SMUD to find ways to reduce energy costs. SMUD has performed energy audits of District facilities and made recommendations for reducing energy costs.

Sacramento Tree Foundation provides trees to the District at little or no cost.

In 2004, the District consolidated senior programs from two locations to one primary location to reduce overhead costs, while continuing to offer services to the community.

In 2002, the District became fiscally independent from the County of Sacramento to provide more efficient financial reporting and prompt payments to vendors and employees' to reduce duplication of recording transactions. The District is able to provide monthly financial reports in a timely basis. The District can take advantage of vendor discounts for prompt payments.

i) Describe any opportunities to reduce duplication of infrastructure.

There is no known duplication of infrastructure.

j) Identify any areas outside agency boundary which could be efficiently served by existing or proposed agency facilities.

Residents of the communities surrounding the District benefit from the District's programs and facilities. They are often not aware that they reside outside of the District boundaries.

Recently, the District has experienced increased use of its programs and facilities since the City of Sacramento has reduced its programs and closed facilities.

k) Identify any areas within agency boundary which could be more efficiently served by another agency.

The District is not aware of any areas within the District, which could be more efficiently served by another agency. The District is more efficient than most

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agencies in the provision of parks and recreation services. There are no facilities bordering the District that could more efficiently serve District residents.

l) Are your service plans compatible with those of other local agencies?

The District collaborates with many public agencies, private entities and non-profit organizations throughout the community. These partnerships provide valuable resources and funds to events and programs that operate on a limited budget. They also increase visibility for Southgate's programs and services, while expanding the reach of our community partners. Through these partnerships the District has combined common interests and developed capital projects and programs.

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5. Accountability for Community Service Needs, including Governmental Structure and Operational Efficiencies

a) Explain the composition of the agency's governing board.

- Number of Directors: 5
- Nature/ Length of Terms: 4 years
- Is governing body landowner or population based? Population
- Are Directors elected or appointed? Elected
- Are elections or appointments at large or by district? By district.

b) Explain compensation and benefits provided to the governing board, including any benefits that continue after term of service.

The Board of Directors receives \$100 compensation per meeting of the Board or designated meeting. There is a \$500 monthly maximum. Payroll is on a bi-weekly schedule. For the Fiscal Year 2012/2013, the Board of Directors approved a 5% reduction in their compensation to help balance the budget.

Board Members participate in the 457 Deferred Compensation Plan in lieu of Social Security. The District contributes 7.5% of the Board Members stipends to the 457 Plan. They are also eligible for District sponsored medical and dental insurance plans. Directors who were first elected to office on or before January 1, 1995 who have completed twenty years of service with the District and have attained the age of 65 years shall be entitled to receive as an additional benefit group medical insurance and hospitalization benefits for the life of such Director, including after service in office.

c) Where and how frequently does the governing board meet?

Board meetings are held twice monthly on the first and third Tuesdays of each month. There are no scheduled recesses.

d) Describe rules, procedures, and programs for public notification of agency operations, meetings, programs, etc.

- How is public participation encouraged?
- Are meetings accessible to the public, i.e., evening meetings, adequate meeting space, etc.?

The District adheres to The Ralph M. Brown Act. The District's Policy Manual outlines public notice procedures for public meetings. Public notices of Board or committees of the Board meetings are available 72 hours prior to the meeting. Notification is provided to the media of general circulation, county elected representatives and other parties that have asked to be placed on the mailing list. Agendas are also posted on the District's website.

Meetings are held in the evening so they are accessible to the public. Community

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groups are often invited to provide presentations to the Board for informational purposes and citizens speak under the Open Forum guidelines.

e) Describe public education/outreach efforts, (i.e., newsletters, bill inserts, website, etc.)

The District produces a biannual newsletter, The Southgator. It is delivered to over 65,000 mailboxes throughout the South Sacramento Area. The newsletter shares District news and programs. Residents state that this newsletter is their preferred source of District news. The District also maintains a website and distributes flyers for programs, special events and community meetings to local schools and/or directly to local residents. The District recently updated its website, implemented the use of social media including Facebook and Twitter, and launched a monthly e-newsletter.

The District makes it a practice to conduct outreach to the community through surveys, questionnaires and workshops to help staff plan, design and prioritize park and recreation offerings.

f) Describe level of public participation, and ways that staff and Directors are accessible to the public.

District information is published in the Southgator, the monthly e-newsletter, social media and on the website. Public participation at District Board Meetings is welcome. Residents' participation is usually geared to their personal items of interest. The Board Members are accessible during public meetings, or via the main office by phone, mail or email. Board Members are prompt when responding to constituent inquiries.

g) Describe ability of public to access information and agency reports.

The public can access reports via a written request or more formally through a Public Records Request. District information is available for viewing as required through the Public Records Act. The District's website has information readily available to the public. Board agendas and minutes, budget, financial reports, community news, activities, job announcements are included on the website.

h) Describe any opportunities to eliminate service islands, peninsulas and other illogical service areas.

There are currently no service islands in the Southgate Recreation & Park District.

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6. Issues, Concerns and Opportunities

Please provide information regarding any issues or concerns related to operations (financial, managerial, legal, organizational, etc.)

- **Compliance with Environmental Justice requirements.**¹

There are no issues or concerns regarding compliance with Environmental Justice requirements.

- **Compliance with regulatory reporting requirements.**

There are no issues or concerns regarding compliance with regulatory reporting requirements.

- **Compliance with regulatory agencies and public health and safety issues.**

There are no issues or concerns regarding compliance with regulatory agencies and public health and safety issues.

1. LAFCo definition of "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

LAFCo Determination

To be completed by LAFCo

Attachments:

Attachment A: Maps

1. Location Map
2. Southgate Parks and Facilities
3. Southgate Planning Areas
4. Southgate Financing Districts

Attachment B: Organization Chart

Attachment C: Park and Facility Guide

Attachment D: Summary of Programs

Attachment E: Assets

1. Equipment
2. Land
3. Structures & Improvements

Attachment F: Schedule of Long Term Debt

Attachment G: Fiscal Year 2012-2013 Final Budget

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