

LIVERMORE AREA RECREATION AND PARK DISTRICT

FINANCE COMMITTEE

DRAFT MINUTES

Monday, January 22, 2024

2:00 p.m.

Robert Livermore Community Center
4444 East Avenue, Livermore, CA 94550-5053
West Wing Conference Room

Committee Members Present: Chair Pierpont, Director Palajac

LARPD Staff Present: Julie Dreher, Fred Haldeman, Jill Kirk
Linda VanBuskirk

Others Present: There were no members of the public present.

1. **Call to Order:** Chair Pierpont called the meeting to order at 2:03 p.m.
2. **Public Comment:** Chair Pierpont opened the public comment period. There were no speakers, and the public comment period was closed.
3. **Approval of the Minutes of the Finance Committee Meeting held on November 20, 2023:**
Action: The minutes of the Finance Committee meeting held on November 20, 2023 were approved unanimously as submitted.
4. **FY 22-23 Audit Review**
Finance Officer (FO) Julie Dreher reported that as of last week the audit has been issued, presenting an unmodified opinion, much cleaner than the prior year when there had to be a restatement of the fixed assets. The process was prolonged but will be presented to the full Board next week, with the goal to finish next year's audit by the end of the calendar year. The auditors found no control deficiencies, significant or material weaknesses, ensuring a clean audit.

Last fiscal year, the District received \$1.2 million in COVID funds earmarked for synthetic turf fields at Robertson Park Fields. Despite causing a negative balance of \$329k in Operating and Capital, the actual outcome was \$1 million better than budgeted. However, the Fund Balance decreased by \$329k as of June '22-23.

The audit team, led by a new member, rigorously reviewed processes and procedures, causing some delay. Legal firm changes during the audit period prompted additional scrutiny. Despite the challenges, FO Dreher assured auditors that the Joint Powers Authority (JPA) CAPRI protects the District from budgeting for litigation settlements.

In summary, the audit was thorough, requesting extensive documentation, but resulting in a clean audit with no restatement and compliance with government standards.

Committee Questions/Comments:

- Director Palajac inquired about the auditors' hiring process. *[FO Dreher explained the Request for Proposal (RFP) is sent out, and the General Manager (GM) then makes the decision. The audit partner ideally changes every 4-5 years.]*
- The Committee members highlighted the importance of changing audit firms periodically, suggesting the issuance of an RFP for audit firms.
- Director Pierpont questioned the significance of the change in legal counsel, which happened during this Fiscal Year, to the audit. *[FO Dreher clarified it is a standard procedure to ensure no legal issues jeopardize the District.]*
- Director Palajac asked about the timeline for receiving the audit report. *[FO Dreher stated that copies would have been available today if not for the legal issue, and they will be delivered next Friday along with the Board Agenda packet.]*
- Director Palajac inquired if the auditors would be present at the Board meeting. *[FO Dreher confirmed they would send a representative.]*
- Director Pierpont expressed satisfaction with the new audit partner and acknowledged the extra effort in the process, considering it a good dry run.

Action: This was a discussion only; no Committee action was taken; however, the following was suggested:

- The Committee recommended sending out an RFP for audit firms.

5. Procurement Policy (Discussion):

Director Palajac raised concerns about the District's outdated Procurement Policy and the need for an update. She mentioned receiving a document dated 2017 from former Parks and Facilities Manager Bruce Aizawa regarding the bidding process, and highlighted changes in dollar amounts since her last committee involvement.

Committee Questions/Comments:

- Director Palajac inquired about the current procurement process. *[FO Dreher handed out a copy of "District Notice 0008 – Delegation of Authority" approved by the Board in 2021 for discussion (see attached to these minutes). Attached to the Delegation of Authority for reference was a copy of the LARPD Purchasing Policy adopted in 2002. At the time the District Notice was provided to the Board, it was noted that "Following closely behind this DN will be another that is specific to Procurement and which will supplant a Policy that was last updated in 2002." An updated policy is pending at this time.]*
- Director Palajac questioned if the procurement system is computerized. *[FO Dreher confirmed and explained the plan to implement a system for issuing purchase orders and requests within Great Plains, the District's accounting system.]*
- Director Palajac asked about the timeline for the procurement system. *[FO Dreher discussed ongoing projects and a review of the Finance Goals & Objectives, aiming to have the Chart of Accounts updated in the next couple of weeks and the procurement module within Great Plains operational by the end of April.]*
- Director Pierpont inquired about the suitability of the current system. *[FO Dreher expressed satisfaction with Great Plains, noting its capabilities and ongoing efforts to improve efficiency.]*

Action: This was a discussion only; no Committee action was taken; however, the following was suggested:

- The Committee emphasized the need for ongoing discussion and vigilance on the procurement policy, and suggested it be a standing item on future agendas.
- The Committee also requested updates on milestones, particularly the Chart of Accounts, for the next meeting agenda.
- [*FO Dreher confirmed a comprehensive list of ongoing Finance projects will be brought to the next Finance Committee meeting, proposing to add it as a standing item – “Update on Finance Goals & Objectives.”*]

6. Directors’/General Manager’s Reports and Announcements:

- FO Dreher explained the absence of preliminary December financials on the agenda, citing delays in obtaining crucial information on big ticket items. Despite this, she assured the committee that a report would be prepared and included in the General Manager’s Monthly Update to the Board on Issues and Projects and included in the Board agenda packet.
- Director Palajac reiterated that there will be a Board Budget Workshop on March 13th at 3:00 p.m.

7. Adjournment: The meeting was adjourned at 2:48 p.m.

/Lvb

Livermore Area Recreation and Park District Staff Report

TO: Chair Pierpont and Board of Directors

FROM: Mat Fuzie, General Manager

PREPARED BY: Jeffrey Schneider, Business Services Manager

DATE: September 29, 2021

SUBJECT: Proposed District Notice 0008 – Delegation of Authority

**Committees: Presented to Finance Committee 08/16/21 – input reflected
Presented to Facilities Committee 09/02/21 – input reflected
Presented to Personnel Committee 09/14/21 – input reflected**

Recommendation: Staff recommends that the Board of Directors approve the proposed District Notice 0008 – Delegation of Authority.

Background: The attached, proposed, District Notice (DN) is intended to document District-wide delegation of authority to address the question, “who can approve what?” The scope of the DN is broad and encompasses all District departments and processes that involve the commitment and/or management of District resources, human and capital. As such, this DN has been reviewed by the Finance, Facilities, and Personnel Committees prior to this presentation to the Board of Directors for final approval, and the input of those committees (and in the process, every Board member) is reflected in it.

Note: Following closely behind this DN will be another that is specific to Procurement and which will supplant a Policy that was last updated in 2002. The existing Procurement Policy is attached for your information and needs to be updated to reference this proposed DN once it is approved, among other things. The Procurement DN will provide specific guidance related to purchasing processes that are impacted by this DN; for example: When is a bid process required? What types of purchases should be accomplished with a Purchase Order (PO) or a Cal Card, or simply via an expense reimbursement?

Attachments:

- A. Proposed District Notice 0008 – Delegation of Authority
- B. For Reference Only: Existing Purchasing Policy

Attachment A – Proposed District Notice 0008 – Delegation of Authority

TO: All Staff

FROM: Mathew Fuzie, General Manager

DATE: September 29, 2021

SUBJECT: District Notice 0008 – Delegation of Authority

Purpose: To document District-wide Delegation of Authority by establishing approval requirements for all District processes that involve the commitment and/or management of District resources, human and capital. This District Notice (DN) supersedes existing policy statements that address approval requirements for items that are documented herein.

Scope: Attachment A, Delegation of Authority Matrix, lists the items for which approvals are required, categorizes them based on their function within the District, and identifies the level of staff within the District whose approval must be obtained before a request to commit District resources can be acted upon. Though this DN is comprehensive in scope, the Delegation of Authority Matrix will be updated annually, or as the need arises, whichever is more frequent, to add/delete items from the list and/or to modify item descriptions (in particular, dollar thresholds) as the need to do so becomes apparent. If an item is not explicitly addressed within the then-current version of this document, approvals should be obtained from the Manager of the staff member who has submitted the request, and that Manager will exercise discretion in determining if the matter merits the General Manager’s review.

Related Processes: While this DN outlines the District’s Delegation of Authority, there are processes related to the items listed here that are described in separate documentation. An example is Procurement and Contract Administration, which outlines how various types of commitments can be effected (what requires a purchase order?, what can be purchased via credit card?, what are the District’s guidelines for expense reimbursement?, when is a competitive bid required?, etc...), all of which are subject to the approval requirements that are outlined in Exhibit A.

The Delegation of Authority Matrix is structured as follows:

1. “Items” that are related to resource commitments and/or management are categorized based upon District functions (Capital Improvement Projects, Human Resources, Programs, Finance, etc...).
2. “Approvers” are meant to align with the requestor’s organization.

3. “Technical Review” is meant to ensure that staff who focus on particular technical functions within the District, including Finance, Legal, Human Resources, Information Technology, and Facilities/Park Maintenance, are involved in decisions that will benefit from their expertise. As well, in some cases, these groups (IT and Facilities/Park Maintenance in particular), will be required to support/maintain assets that are requested and thus should be involved in the decision-making process.

Maintenance of the Delegation of Authority Matrix: The Matrix will be updated annually in conjunction with the annual Budget Process, or as the need arises, whichever is more frequent, and will be subject to the approval of the Board of Directors.

Communication of Staff-level Authority: upon the approval of the initial Delegation of Authority Matrix and each subsequent update, each Staff member will receive, and be asked to acknowledge, his/her specific authority levels.

Exhibit A - Delegation of Authority Matrix

Livermore Area Recreation and Park District (LARPD)

Exhibit A - Delegation of Authority Matrix

As adopted by the Board of Directors via Resolution 2722 on 9/29/21, and AS REVISED on 11/10/21

| Category | Item | Approval Level | Technical Review | | | | |
|--|---|----------------|------------------|---------------|---------------|-------|--------------------|
| | | | Finance | Legal Counsel | HR | IT | Facil/Park Maint |
| Admin | Public Records request | Admin to GM | | X | | | |
| Programs | Customer Contract - special event | Dept Mgr | | | | | |
| | Customer Contract - rental - one time | Dept Mgr | | | | | |
| | Customer Contract - rental - on-going | GM | X | | | | |
| | Pricing new/changes | GM | X | | | | |
| | New program Offerings | GM | X | | | | |
| | Service Provider Agrmt - initial <\$5,000 | Supervisor | | | | | |
| | Service Provider Agrmt - initial \$5,000-\$24,999 | Dept Mgr | X | | | | |
| | Service Provider Agrmt - initial > \$25,000 | GM | X | | | | |
| Service Provider Agreements - renewals | Dept Mgr | | | | | | |
| Electronic Media | Posts to Social Media | Dept Mgr | | | | | |
| | Revisions to Web-Site | GM | | | | | |
| Finance | Purchase Request (a) < \$5,000 | Supervisor | | | if Prof Svcs | if IT | if fleet/facil/CIP |
| | Purchase Request (a) - \$5,000 - \$24,999 | Dept Mgr | | | | | |
| | Purchase Request (a) - \$25,000 - \$149,999 | GM | X | | | | |
| | Purchase Request (a) - \$150,000 + | Board | X | | | | |
| | Vendor/Partner Contract (a) < \$5,000 | Supervisor | | | | | |
| | Vendor/Partner Contract (a) \$5,000 - \$24,999 | Dept Mgr | X | | | | |
| | Vendor/Partner Contract (a) \$25,000 - \$149,999 | GM | X | | | | |
| | Vendor/Partner Contract (a) > \$150,000 | Board | X | | | | |
| | Procurement Card application | Dept Mgr | X | | | | |
| | Procurement Card statement Review | Supervisor | X | | | | |
| | Request for Qualification (RFQ) | GM | | | If HR Related | If IT | if fleet/facil/CIP |
| | Request for Proposal (RFP) - Cost Estimate < \$150,000 | GM | X | | | | |
| | Request for Proposal (RFP) - Cost Estimate >= \$150,000 | Board | X | | | | |
| | District provision of mobile device (phone/tablet) | Dept Mgr | | | | | |
| | Mobile Device Reimbursement | Dept Mgr | | | | | |
| | Travel Request | Dept Mgr | | | | | |
| | Conferences | Dept Mgr | | | | | |
| | Expense Reimbursement <\$500 (Pre-approval) | Supervisor | | | | | |
| | Expense Reimbursement \$500 - \$999 (Pre-approval) | Dept Mgr | | | | | |
| | Expense Reimbursement >= \$1,000 (Pre-approval) | GM | | | | | |
| | Sale of Assets - FMV < \$10,000 | Dept Mgr | X | | | if IT | if fleet/facil/CIP |
| | Sale of Assets - FMV \$10,000 - \$24,999 | GM | X | | | | |
| | Sale of Assets - FMV \$25,000 + | Board | X | | | | |
| | Reserve Structure | Board | X | | | | |
| | Addition of funds to reserves | Board | X | | | | |
| | use of committed reserves | Board | X | | | | |
| Banking RFP | GM | X | | | | | |
| Legal/Audit RFP | Board | | | | | | |
| Equipment Financing | GM | X | | | | | |
| Debt Issuance (excl operating leases) | Board | X | | | | | |

(a) purchase amount is defined as total year 1 commitments (capital, one-time operating, and on-going operating expense)

Livermore Area Recreation and Park District (LARPDP)

Exhibit A - Delegation of Authority Matrix

As adopted by the Board of Directors via Resolution 2722 on 9/29/21, and AS REVISED on 11/10/21

| Category | Item | Approval Level | Technical Review | | | | |
|---|---|----------------|------------------|---------------|----|-------|--------------------|
| | | | Finance | Legal Counsel | HR | IT | Facil/Park Maint |
| Human Resources | Work Remotely - short term (< 1 mo) | Dept Mgr | | | X | X | |
| | Work Remotely - long term (>= 1 mo) | GM | | | | | |
| | Flexible Schedule - short term (<1 mo) | Dept Mgr | | | X | | |
| | Flexible Schedule - long term (>=1 mo) | GM | | | | | |
| | Office/workspace location - new/moves | GM/BSM | | | X | X | |
| | Overtime | Dept Mgr | | | | | |
| | Leave of Absence - FMLA, etc.. | Dept Mgr | | | X | | |
| | Education Reimbursements (Pre-approval) | Dept Mgr | | | X | | |
| | Personnel Requisition - benefitted positions | GM | X | | X | | |
| | Personnel Requisition - Casual | Dept Mgr | | | X | | |
| | Job posting form (post requisition) | Supervisor | | | X | | |
| | Hire - offer review/approval | Dept Mgr | X | | X | | |
| | New Job Classification | Board | X | | X | | |
| | Revised Job Classification | GM | | | X | | |
| | Salary and Benefit Plans - District-wide | Board | X | | X | | |
| | Salary Range - modifications to existing classification | GM | X | | X | | |
| | Disciplinary action - up to termination | GM | | | X | | |
| | Performance Improvement Plan | Dept Mgr | | | X | | |
| | Termination - cause | GM | | | X | | |
| Professional Development - external | Dept Mgr | | | X | | | |
| Parks and Facilities | Lease, LARPDP as Lessee/Lessor (b) < \$5,000 | Supervisor | X | | | | X |
| | Lease, LARPDP as Lessee/Lessor (b) \$5,000 - \$24,999 | Dept Mgr | X | | | | X |
| | Lease, LARPDP as Lessee/Lessor (b) \$25,000 - \$149,999 | GM | X | | | | X |
| | Lease, LARPDP as Lessee/Lessor (b) > \$150,000 | Board | X | | | | X |
| <i>(b) \$ amounts are based on the total of commitments over the proposed lease term</i> | | | | | | | |
| Capital Improvement Projects | Bid documents | Dept Mgr | X | X | | if IT | X (excl IT) |
| | Bid review / Recommendation | Dept Mgr | X | | | if IT | X (excl IT) |
| | Bid award | GM | X | X | | if IT | X (excl IT) |
| | Change Orders (c) - <\$5,000; 25 calendar days | Supervisor | | | | | if fleet/facil/CIP |
| | Change Orders (c) - \$5,000 - \$25,000; < 50 cal days | Dept Mgr | X | | | | if fleet/facil/CIP |
| | Change Orders (c) - \$25,000-\$149,999; < 100 cal days | GM | X | | | | if fleet/facil/CIP |
| | Change Orders (c) - > \$150,000; > 100 calendar days | Board | X | | | | if fleet/facil/CIP |
| | Notice of Completion | GM | X | | | | X |
| | Certificate of Substantial Completion | GM | X | | | | X |
| | Certificate of Occupancy | Dept Mgr | X | | | | X |
| Grants of Easement | GM | X | | | | X | |
| <i>(c) Change orders are considered on a cumulative basis, not on an individual basis</i> | | | | | | | |

Attachment B - For Reference: Existing Purchasing Policy

**LIVERMORE AREA RECREATION AND PARK DISTRICT
PURCHASING POLICY**

The board of directors adopts the Livermore Area Recreation and Park District Purchasing Policy in compliance with the Public Resources Code 5786.15, pursuant to Article & (commencing with Section 54201) of Chapter 5 of Division 2 of Title 5 of the Government Code and Sections 22030-22045 of the Public Contract Code as follows:

- I. The district may request the Department of General Services of the State of California to make purchases of materials, equipment, or supplies on its behalf pursuant to Section 10324 of the Public Contract Code.

- II. The district may request the purchasing agent of the County of Alameda to make purchases of materials, equipment or supplies on its behalf or to contract with persons to provide recreation facilities and programs of community recreation, pursuant to Article 7 (commencing with Section 25500 of Chapter 5 of Division 2 of Title 3 of the Government Code. The district shall be responsible for and maintain control over contracted facilities and programs.

- III. The district may lease or rent private vehicles or equipment owned by district employees.

- IV. The district having previously elected to become subject to the uniform construction cost accounting procedures will comply with the Public Contract Code, Sections 22030- 22045.

- V. The district shall conduct bids as required in Article 53.5, (commencing with Section 20815), Chapter 1 of Part 3 of the Public Contract Code.

The Board appoints the General Manager as "purchasing agent" to administer purchases in accordance with this policy.

Adopted: February 13, 2002, by Resolution No. 1765

LIVERMORE AREA RECREATION AND PARK DISTRICT
PURCHASING PROCEDURES
Effective 2/1/02

1. Introduction

This policy is intended to provide an overview of the District's purchasing policies and procedures. Information and instruction is provided for those staff who are involved with the paper-flow of the purchasing function. It also contains a code of ethics under which the District conducts its purchasing business.

2. Procedures

A. Formal bid procedures.

Formal bid procedures must be followed under the following conditions:

- (1) Purchases over \$25,000 for furnishing equipment, materials or supplies not related to new construction.
- (2) Purchases over \$100,000 of equipment, materials, supplies, and labor for projects for alterations, maintenance, or repairs.

Formal bid procedures require the preparation of a formal bid package for approval by the Board of Directors. Bid packages are sent to prospective vendors; bids are returned to the District where they are formally opened on the day and time specified; bid is awarded by the Board of Directors; the successful bidder receives a formal contract.

B. Informal Bid Procedures

Purchases over \$500 per item, \$500 - \$25,000 total for equipment and between \$5,000 and \$100,000 for construction projects require the buyer to obtain three or more informal bids, preferably in writing. Prospective suppliers should be given sufficient time to prepare and submit appropriate bids. An Informal Bid Form and any written bids received must accompany the Check Request, invoice or credit card receipt. Justification for "Sole Source" purchases must accompany Informal Bid Forms. Informal Bid Forms may be initiated by any employee, but must be reviewed and initialed by a supervisor and forwarded to the Administrative Assistant for Accounting review.

C. Purchasing Processes.

- (1) Purchase Orders.

Purchase orders will be prepared only at the request of a vendor. Purchase orders may be initiated by any employee. Purchase order numbers will only be authorized by accounting

The District maintains "open" Purchase Orders at various vendors. These allow specific employees to make purchases up to Specified amounts without processing individual purchase orders. Requests for "Open" Purchase Orders must be reviewed by accounting and approved by the General Manager.

Receipts for all purchases made under "Open" Purchase Orders must be initialed by a supervisor and forwarded immediately to accounting.

(2) Check Requests.

Check Request forms are submitted by the buyer to accounting for payment for goods and/or services ordered or received. All backup material (Informal Bid forms, receipts, statements, etc.) must accompany the form. Check Request forms must be approved by a Supervisor.

(3) Vendor Charge Accounts.

The District maintains charge accounts with selected vendors which allow specified employees to make purchases up to specified amounts. Vendors may issue individual employee charge cards or District charge cards which allow District employee use at a specific vendor. Additionally, charge accounts are maintained at vendors which do not require charge cards. Receipts for purchases made under vendor charge accounts must be initialed by a Supervisor and forwarded immediately to accounting.

(4) Cal-Card (Visa)

At the request of an approving official, designated by the General Manager, an individual (Visa) Cal-Card may be issued to a District employee. The approving official must set a single transaction and 30-day credit limit with the request to the Cal-Card Coordinator. The approving official may also restrict type of merchant where the card may be used. (Detailed procedmes are included in Instructions for Approving Officials and Procedmes for Credit Card Use.)

(5) District VISA accounts

The District maintains VISA accounts which may be used under special conditions. Supervisors must approve use of the District VISA accounts prior to use. If approval is given, VISA receipts must be forwarded immediately to accounting along with a completed VISA Payment Request.

3. General Standards of Ethical Conduct

All purchases made by an employee using any of the above means are restricted to official business of the Livermore Area Recreation and Park District. Purchases made for personal use are prohibited.

It is a breach of ethical standards for any employee to participate directly or indirectly in a purchase agreement when the employee knows that:

- A the employee or any member of the employee's immediate family has a financial interest pertaining to the purchase.
- B a business or organization in which the employee, or any member of the employee's immediate family, had a financial interest pertaining to the purchase; or
- C any other person, business, or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the purchase.

It is a breach of ethical standards for any employee to solicit, demand, accept, or agree to accept any payment, gratuity or kickback in connection with any purchasing activity.

It is a breach of ethical standards for any employee knowingly to use confidential information connected to the purchasing process for actual or anticipated personal gain.

Employees found to be in violation of the ethical standards of this purchasing policy are subject to disciplinary and corrective action as described in the District's Personnel Rules and Regulations.