



BOARD FINANCE COMMITTEE

EAST BAY REGIONAL PARK DISTRICT
2950 Peralta Oaks Court
Oakland, CA

Tuesday, January 24, 2012
12:45 p.m., Board Room

The following agenda items are listed for Committee consideration. In accordance with the Board Operating Guidelines, no official action of the Board will be taken at this meeting; rather, the Committee's purpose shall be to review the listed items and to consider developing recommendations to the Board of Directors.

AGENDA

<u>STATUS</u>	<u>TIME</u>	<u>ITEM</u>	<u>Page #</u>	<u>STAFF</u>
(D)	12:45 p.m.	1. 2012 Finance Committee Work Plan, 2011 Finance Committee Accomplishments	1-3	Rubaloff
(R)	1:00 p.m.	2. 2012 Internal Audit Plan, 2011 Internal Audit Results	4-10	Sumner
(I)	1:15 p.m.	3. 2012 Finance Department Projects, and 2011 Finance Department Accomplishments	11-14	Rubaloff
(R)	1:30 p.m.	4. 2012 Investment Policy	15-28	Rubaloff
(R)	1:45 p.m.	5. 2012 Update of Fraud Prevention Policy	29-37	Rubaloff
(R)	2:00 p.m.	6. 2012 Renewal of Finance Department Contracts for Services over \$25,000	38-39	Rubaloff
(R)	2:15 p.m.	7. 2011 Disposal of Fixed Assets over \$25,000	40-41	Spaulding
(D)	2:30 p.m.	8. Change November Finance Committee Date	42	Rubaloff
	2:45 p.m.	9. Public Comment		

(R) Recommendation for future Board consideration
(I) Information
(D) Discussion

2012 Meeting Dates (all meetings are on the 4th Tuesday of the month unless otherwise noted):
February 28, March 27, April 24, May 22, June 26, July 24, August 28, September 25, October 23, **November 13** (the 2nd Tuesday of the month)

Board Finance Committee Members:

Ayn Wieskamp-Chair Whitney Dotson, Ted Radke, Doug Siden-alternate

Distribution/Agenda

Yolande Barial
Carol Severin
Afton Crooks
Norm LaForce

Distribution/Packet

Robert Doyle
Tyrone Davis
Deborah Spaulding
Susan Gonzales
Dave Collins
Dave Kalehele
Pam Burnor
Dan Walters

Jim O'Connor
Sharon Corkin
David Sumner

Ted Radosevich
Brenda Wood
Cinde Rubaloff



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – Tuesday January 24, 2012

SUBJECT: 2012 Finance Committee Work Plan and 2011 Finance Committee Accomplishments

Report Prepared by: Cinde Rubaloff, CFO/Controller

ATTACHMENT: 2012 Finance Committee Work Plan

RECOMMENDATION: None. This Item is for Information Only.

DESCRIPTION:

Finance staff welcomes Ayn Wieskamp as the new Chair of the Finance Committee, Whitney Dotson in his continuing role as member of the committee, Ted Radke as a full-fledged member of the committee this year, and Doug Siden as the alternate. The Finance Committee's 2012 Work Plan is attached. It includes the dates, topics and speakers known at this point. Additional items may be added to the Finance Committee's agenda as required.

The 2011 Board Finance Committee held 9 meetings. The Committee reviewed annual items as listed below, and recommended items, when appropriate, for Board consideration:

- 2011 quarterly investment reports
- 2011 quarterly unaudited financial reports
- 2011 quarterly budget to actual reports
- 2010 Annual Comprehensive Annual Financial Statement
- 2011 mid-year budget review and amendments
- 2012 proposed budget and appropriation limit
- EBRPD Retirement Plan actuarial report and valuation analysis
- 2011 internal audit projects
- 2012 Measure CC expenditure plan
- 2011 closure of completed capital projects
- 2011/2012 tax levy amount for general obligation bonds

In addition to the recurring annual items, during 2011 the Finance Committee considered, and recommended for Board approval:

- EBRPD Retirement Plans long-term asset, liability study, revision to the EBRPD Retirement Plans' Investment Policy, and \$3 million extraordinary contribution to stabilize annual contribution from operating funds.

Staff would like to express its appreciation to the 2011 Committee for their guidance, questions, and support of the District's financial business.

ITEM NO. I

**EAST BAY REGIONAL PARK DISTRICT
2012 Finance Committee Work Plan**

Tuesday, January 24, 2012

- 2012 Investment Policy
- Update to Fraud Prevention Policy
- 2012 Finance Committee Work Plan (Rubaloff)
- 2011 Finance Committee Accomplishments (Rubaloff)
- 2012 internal audit plan (Sumner)
- 2011 internal audit results (Sumner)
- Approval to write off 2011 asset disposals over \$25,000 (Spaulding)
- 2012 Finance Department contracts (Rubaloff)
- 2012 Finance Department projects/priorities (Rubaloff)

Tuesday, February 28, 2012

- Investment portfolio performance and 2011 market review (PFM)
- 12/31/11 preliminary budget to actual (unaudited) (Burnor)
- 12/31/11 preliminary unaudited financial statements (Spaulding)
- 12/31/11 quarterly investment report (Rubaloff)
- Property insurance renewal (Moss?)

Tuesday, March 27, 2012

- EBPRD retirement plan annual performance report (Milliman)
- OPEB annual performance report (PARS)
- 12/31/11 write off accounts receivables > \$25,000

Tuesday, April 24, 2012

Currently no agenda items

Tuesday, May 22, 2012

- 2011 draft CAFR (VTD)
- 2011 audit management letter (Rubaloff)
- 2012 completed project closures (Vargas)
- Annual Risk Management Report (Moss)

Tuesday, June 28, 2011

- Investment portfolio performance and 2012 market update (Cutwater)
- 2012 OPEB actuarial report (Bartel)
- 3/31/12 budget to actual report (Burnor)

- 3/31/12 quarterly unaudited financial statements (Spaulding)
- 3/31/12 quarterly investment report (Rubaloff)
- 2013 Measure CC expenditure plan (Collins)
- 2013 Budget Calendar (Burnor)

Tuesday, July 24, 2012

Currently no agenda items

Tuesday, August 28, 2012

- 2012/2013 tax levy amount for general obligation bonds debt service and assessed valuation update (Rubaloff)
- 6/30/12 budget to actual report (Burnor)
- 6/30/12 quarterly unaudited financial statements (Spaulding)
- 6/30/12 quarterly investment report (Rubaloff)
- 2012 mid-year budget report and requested adjustments (Burnor)
- 2012 mid-year update on internal audit projects (Sumner)

Tuesday, September 25, 2012

- Beacons Economic report (Collins)
- District Policies (Rubaloff):
 - Debt Capacity, Issuance and Management Policy
 - Revenue Policy
 - Internal Control Policy
 - Fund Balance Reserve/Stabilization Policy

Tuesday, October 23, 2012

- 2013 preliminary operating budget (Burnor)

Tuesday, November 13, 2012

NOTE DATE CHANGE (not November 27 as listed on 2012 Board Committee Meeting Schedule)

- 2013 proposed budget (Rubaloff/Burnor)
- 2013 appropriation limit approval (Burnor)
- 9/30/12 budget to actual report (Burnor)
- 9/30/12 quarterly unaudited financial statements (Spaulding)
- 9/30/12 quarterly investment report (Rubaloff)

December, 2011

No meeting



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – TUESDAY JANUARY 24, 2012

SUBJECT: 2012 Internal Audit Plan, 2011 Internal Audit Results
Report by: David Sumner, CIA, CFE, CGFM, Audit Manager

ATTACHMENT: 2012 Internal Audit Plan

RECOMMENDATION: Review the information and direct staff to provide the 2012 Internal Audit Plan for acceptance by the Board of Directors.

DESCRIPTION:

Auditing is defined as the systematic accumulation of evidence about information to determine and report on the degree of correspondence between the information and established criteria. The Internal Audit Unit performs an appraisal function that assists management in monitoring whether financial activities are carried out as planned and whether established internal controls are functioning properly. The audit function alerts management of any potential issues that arise so that preventive or remedial actions may be taken.

Internal controls represent the policies, procedures, systems, and practices that District management establishes and enforces to ensure safeguarding of assets and accomplishment of objectives.

Internal Audit staff assists management in design, implementation, and modification of internal controls through monitoring and evaluating the District's system of internal control in conjunction with the audit of the District activities and related operations. Staff reviews financial transactions, cash handling practices, District-funded grants, concession agreements, contracts, RFPs, assists with the development of the District's Comprehensive Annual Financial Report (CAFR), and performs other duties as assigned.

The Internal Audit Unit is comprised of an Audit Manager and one Accountant. The Accountant position that was vacant since August 13, 2010 was filled on June 13, 2011.

2011 Internal Audit Plan Projects' Results

1. **Review of Point Pinole Land Acquisition- Breuner Property.** The District's records were reviewed to assess propriety of accounting transactions and functionality of internal controls.

We concluded that acquisition of the Breuner property was properly accounted for, and internal controls were adequate and functional.

Draft report was issued December 28, 2011.

2. **Review of Tilden Cash Handling Procedures.** The audit examined safeguarding of assets, compliance with administrative requirements, functionality and adequacy of internal controls throughout Tilden Park.

We concluded that overall petty cash and starting change funds were properly accounted for, but controls were not functioning as envisioned, and compliance with administrative requirements relating to financial matters at Lake Anza was deemed inadequate.

We suggested more finance-related training for the Park Supervisor and staff, maintaining separate accountability for cashiers, supervisory approval of refunds, issuing receipts to Lake Anza patrons, and scrutiny of Daily Revenue Reports to ensure their accuracy and agreement with deposited amount to the bank.

Audit recommendations have been accepted and are being implemented through collaborative effort of Operations Division and Finance Department staff.

Draft report was issued November 8, 2011.

3. **Review of Del Valle Cash Handling Procedures.** The audit examined safeguarding of assets, compliance with administrative requirements, functionality and adequacy of internal controls in Del Valle Regional Park.

We concluded that starting change and daily collections were properly accounted for and safeguarded. Internal controls were adequate and functional, and staff was generally compliant with administrative requirements.

Our suggestions included enhancing security over transportation of funds, improving controls over vending machines and Iron Ranger cash collection devices, pick-up of cash bags on schedule, and supervisory approval for refunds.

Audit recommendations have been accepted and are being implemented.

Draft report was issued

4. **Review of Shadow Cliffs Concession.** The audit examined the Concessionaire's compliance with financial aspects of their agreement with the District. The Concessionaire pays approximately \$13,000 to the District annually.

The Concessionaire was not adequately compliant with the terms of their agreement with the District, and had underpaid a total of \$1,419.36 in concession fees and late charges during the three years that were reviewed. Reservations for 16 special events were made on Holidays despite contractual ban, and the Concessionaire did not

ITEM NO. 2

generate end-of-the-day transaction reports (commonly known as Z report) to substantiate their daily revenue reports after they changed their cash register.

We recommended collection of funds due, and requiring Z tapes and greater compliance from the Concessionaire. Although Operations Division staff has not formally responded to this audit report as yet, they have orally concurred with audit recommendations and plan to issue an RFP for this location in 2012.

Draft report was issued August 11, 2011.

5. **Purchase Cards Audit Follow-up.** The original audit of Purchase Cards was performed in 2004, and this follow-up review focused on assessing whether prior audit recommendations were implemented, as well as identifying control weaknesses that should be rectified to ensure continued safeguarding of the District's assets and compliance with established financial policies and procedures.

The majority of the prior audit recommendations were implemented, and improvements and procedural modifications were made to nullify most of the control weaknesses that were identified in the past audit report. Incidents of noncompliance with the established procedures were identified in current follow-up review and remaining weaknesses were suggested to be rectified. We also recommended proper and consistent application of use/sales tax, as a new finding.

Draft report was issued November 23, 2011.

6. **Review of Measure WW Grants:** During the year, 26 pre-approved projects funded by Measure WW grants were reported to have been completed. Pursuant to the grants' terms, grantees' records of those projects were subjected to an audit to ensure compliance with the EBRPD requirements and satisfactory completion of the projects, prior to approving their final payment request.

We found that grantees were generally compliant and approved their final payment requests in accordance with the established procedure.

City of Lafayette Land Acquisition Acalanes Ridge (joint venture with City of Walnut Creek, Muir Heritage Land Trust, and EBRPD) District disbursed a total of \$391,650.00.

City of Lafayette Burton Ridge Trail Connector District disbursed a total of \$300,000.00.

City of Albany After-School Recreation Expansion & Renovation District disbursed a total of \$117,982.00.

City of Albany Ocean View Park Community Playground Rubber Resurfacing District disbursed a total of \$18,176.00.

City of Concord Installation of Shade Structure at Hillcrest Park District disbursed a total of \$109,500.00.

City of Concord Replacement of Playground Equipment at Cambridge and Ygnacio Valley Parks District disbursed a total of \$309,000.00.

City of Concord Resurfacing of Tennis Courts at Three Park District disbursed a total of \$90,916.85

City of Concord Willow Park Sports Field Improvements District disbursed a total of \$118,930.69.

Hayward Area Recreation and Park District (HARD) Fairmont Terrace/Manchester Property Acquisition District disbursed a total of \$319,621.48

City of Walnut Creek Land Acquisition Acalanes Ridge (joint venture with City of Lafayette, Muir Heritage Land Trust, and EBRPD) District disbursed a total of \$391,650.00.

City of Dublin Fallon Park Synthetic Turf District disbursed a total of \$1,123,610.00.

City of San Leandro All Parks A/C Walkway Rehabilitation District disbursed a total of \$591,268.91.

City of San Ramon Olympic Pool Re-plastering District disbursed a total of \$295,190.87.

City of Antioch Deerfield Park Playground Equipment Replacement District disbursed a total of \$73,984.54.

City of Alameda Boys and Girls Club Youth Development Center District disbursed a total of \$1,000,000.00

City of San Ramon Park Restroom Renovation District disbursed a total of \$133,944.30.

City of Antioch Eagleridge Park Playground Equipment Replacement District disbursed a total of \$82,808.27.

City of San Leandro Toyon Park Play Equipment District disbursed a total of \$79,633.48.

City of Berkeley Tom Bates Regional Sports Complex Phase 2A District disbursed a total of \$138,192.00.

City of Pittsburg Central Park All Weather Soccer Field District disbursed a total of \$919,058.06.

City of Pinole Senior Fitness Trail District disbursed a total of \$35,454.70.

City of Dublin Sports Grounds Phase IV District disbursed a total of \$864,958.52.

City of Albany Dartmouth Tot Lot Rubber Resurface District disbursed a total of \$22,660.69.

City of Albany Jewel Terrace Park Rubber Resurface District disbursed a total of \$12,917.05.

City of Antioch Prewett Park Eastern Parking Lot Landscape Rehabilitation District disbursed a total of \$357,378.89.

Hayward Area Recreation and Park District (HARD) Meek Park West Terrace District disbursed a total of \$661,000.00

Hayward Area Recreation and Park District (HARD) Holland Park Development District disbursed a total of \$900,000.00

Crockett Pool Plumbing Replacement District disbursed a total of \$41,428.80.

Result of Internal Audit Project Completed on Request (not included on 2011 Internal Audit Plan)

- 1. Review of Contra Costa County Work Alternative Program Petty Cash** The audit examined disbursement records that reportedly were located after the petty cash custodian was terminated. Petty cash custodian was non-compliant with the District financial policies and procedures, and \$96.74 cash was missing. Expenses were not recorded timely either.

Audit recommended Finance Department to write-off \$96.74 and record \$53.26 as expense. A new custodian was appointed and trained about cash handling procedures and is required to obtain supervisory approval for all disbursements.

2011 External Audit Projects Results

In addition to the annual independent audit of the District's financial records by a CPA firm, which resulted in an unqualified (clean) audit opinion, the Port of Oakland auditors reviewed

the Middle Harbor Shoreline Park revenues and expenses. The District has agreed to refund \$127,931 that was prepaid by the Port for expenses that will not be incurred due to the termination of the agreement with the District by the Port.

2012 Internal Audit Plan

Internal audit projects were selected based on level of financial risk, which is defined as a set of circumstances that hinder achievement of objectives. The financial risk assessment was first completed in 2009 and is updated annually for audit planning. A risk-based auditing approach helps define the areas with the greatest financial impact and the greatest financial risk for the District. The risk assessment process involves understanding the entity and its environment including internal controls, performing analytical procedures, observation and inspection, and eventually establishing a risk scoring system that is used for developing the annual internal audit plan.

The top priority of the internal audit function is to examine a high risk revenue area, and a high risk expenditure area, every year. The risk areas are reassessed annually and projects rotated, so all are examined on a regular basis. Planned audit projects include formal review of a prior year audit project findings and recommendations, and assessing their implementation and impact on improving internal controls. If time permits, audit staff will also review personnel's compliance with an established District policy.

The annual internal audit plan is approved by the General Manager and reviewed with the Board Finance Committee. The results of the audit projects are reviewed with District Management and Finance Committee. The desired goal of the internal audit function is to help management effectively discharge their duties by enhancing and maintaining effective controls throughout the District.

RECOMMENDATION

Review the information and direct staff to provide the 2012 Internal Audit Plan for acceptance by the Board of Directors.

**EAST BAY REGIONAL PARK DISTRICT
FINANCE DEPARTMENT
2012 INTERNAL AUDIT PLAN**

Selected Projects

Review of Don Castro Swim Lagoon Upgrade, Capital Project No. 130600

Verify compliance with administrative requirements, functionality of controls, and safeguarding of assets.

Review of Chabot Gun Club

Verify concessionaire's compliance with the contract terms.

Review of Cull Canyon Cash Handling Procedures

Verify adequacy and reliability of internal controls, safeguarding of assets, and compliance with administrative requirements.

Review of Anthony Chabot Cash Handling Procedures

Verify adequacy and reliability of internal controls, safeguarding of assets, and compliance with administrative requirements.

Review of Little Hills Facility at Las Trampas

Verify concessionaire's compliance with the contract terms.

Requested by: Jim O'Connor, , AGM Operations.

Review of YMCA Camp Arroyo Concession

Verify concessionaire's compliance with the contract terms.

Fleet Credit Cards Audit Follow-up

Review and report on the status of prior audit recommendations.

Requested by: Cinde Rubaloff, CFO/Controller.

Review of Tilden Golf Course *

Verify concessionaire's compliance with the contract terms.

Search for Phantom Vendors Accounts Payable**

Requested by: Cinde Rubaloff, CFO/Controller.

Routine Projects

Review of Contracts and RFPs

Review, revise and refine text of the proposed contracts & RFPs. Perform financial review, protect the District's best interest and assist with vendor selection.

Requested by: Management and staff.

Review of Measure AA and Measure WW Local Grant Projects

Verify propriety of payment requests submitted to the District's Grants Department.

Requested by: Jeff Rasmussen, Grants Manager

* Project field work was completed in 2011 , audit report will be issued in 2012.

**Engagement letter signed 2011, work to commence 2012.



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – Tuesday, January 24, 2012

SUBJECT: 2012 Finance Department Projects and 2011 Finance Department Accomplishments
Prepared by: Cinde Rubaloff CFO/Controller

ATTACHMENT: 2012 Finance Department Projects

RECOMMENDATION: None. This is an information item only.

DESCRIPTION:

The Finance Department's progress towards achieving goals set in 2011 is discussed below. Additionally, the list of special projects and priorities the Finance Department will focus upon during 2012 is attached.

The Finance Department staff accomplishes not only the required:

- daily tasks, (such as paying employees, issuing checks to vendors, recording financial activities of the District),
- quarterly tasks, (including reporting financial activity to management and the Board. filing tax returns, and monitoring budget to actual), and
- annual tasks (such as audit and financial statement preparation, and budget preparation),

but they also undertake special projects. The special projects are intended to improve our efficiency, continually strengthen our internal controls, enhance the quality of our products, and persistently improve our services to customers.

Major projects undertaken in 2011 included:

- Successful roll out of Time Card on Line, which is the electronic reporting of bi-weekly work hours for staff. The employee's time worked is put into the accounting system on the last day of the pay period, is automatically routed for approval, and reaches payroll in a timely manner for processing. This replaces the paper process which was completed before the end of the pay period and required an estimate of time to be worked, physical routing of paper for approval, physical transportation of paper to payroll for processing, and extensive amended time cards to account for corrections. This project has been rumored to begin since before 2008. It actually occurred in 2011 with a thoughtful, well planned execution, including thorough training, resolutions of issues as encountered, and implementation on a division by division basis. At the end of 2011 Finance and Management Services, Public Affairs, Human Resources and Legal had completed the transition. Public Safety is the first division to go live in 2012 and will be followed by Operations which will go live over several months during the year. Project-

ITEM NO. 3

heavy Divisions, e.g.: Design and Construction and Land Acquisition will complete the conversion in late 2012 and 2013.

- The Budget Brief document was produced for the first time in 2011 for the 2010 budget, at the request of a Finance Committee member. This 16 page document includes highlights of the 500 page, two volume budget document and includes graphs and charts for easy comprehension.
- Completion of the RFP process and engagement of a new special assessment engineer. This necessitated in-depth review of benefit district formation documents, determination of parcels subject to levy, and planning for use of excess fund balance which exists in some districts.
- An intensive review of Major Equipment Replacement Fund, including development of process for future annual review.
- An in depth Asset Liability Study for EBRPD Retirement Plans was completed. This resulted in the recommendation for, and the Board authorization of, an extraordinary contribution of \$3 million and redistribution of plan assets in accordance with updated asset mix.
- 2011 staff meeting/field trips for the department included a very rainy, but interesting visit to the Botanic Garden with a tour by the Director, as well as a visit to Temescal, which included a walk around the lake guided by the Park Supervisor.
- The annual State Controller's Report was done for the first time in house in 2011, as well as the newly required State Controller's Report on Compensation and Benefits.
- Enhanced customer service was addressed in 2011, which was the second year of the division's customer service survey. The Finance Department provided information on the improvements, which were the results of comments received on the first survey, such as the IFAS report cleanup and guide, continued updating of Finance Procedures, and facts about department performance. Additionally in 2011, Finance managers created a cross-divisional IFAS User Group to facilitate communication and include stakeholders in transition to IFAS advanced technologies.

Major initiative for 2012 are detailed on the attachment and include:

- Internal Audit peer review
- Selection of OPEB and EBRPD Retirement Plan Administrators
- Continued rollout of Time Card On Line
- Implementation of major accounts payable process changes, which will provide increased productivity, efficiency and full utilization of technology
- Joint project with Information Services to convert IFAS to One Solution, including data migration to new platform

ITEM NO. 3

- IFAS Report Guide completion and distribution
- Institution of Major Infrastructure Replacement Fund

The daily accomplishments and special projects completed by the Finance Department could not be possible without the hard work and dedication of the Finance Department staff. Also the implementation of IFAS technologies could not be possible without the tireless efforts and support of Jim Tallerico, Information Services Manager.

RECOMMENDATION

None is required. Information item only.

Finance Department
2012 Major Project List

1/31	2/28	3/31	4/30	5/31	6/30	7/31	8/31	9/30	10/31	11/30	12/31
Improve clarity of budget transfer procedures											
	Budget manager work with IFAS to develop budget transfer webform Budget manager finalize draft of still outstanding budget procedures	Budget manager draft recommended changes to Board Operating Guideline budget transfer clarity/simplification.	Once budget transfer webform received from Sungard, Budget manager test and develop training material for use								
Enhance Annual Project Budget Book											
Budget staff draft naming convention model to recommend to Cap Proj Group contact custom report writer to include project name on report used for budget book	Budget manager meet with Capital Project Group to determine project naming convention	Naming convention submitted to AGM for review and approval	Budget staff solicit information for enhanced project descriptions	Test revised custom report which includes project names to ensure proper formatting for 2013 Project Budget book			Budget staff to update project names in IFAS to comply with new convention				
Reconcilate 333 and 336 fund balances by project with project ledger balances											
	Budget staff develop list of all current projects and their 12/31/10 individual balances		Budget staff determine the unreconciled difference between current projects and total 12/31/10 fund balance				Budget staff update of 12/31/10 information to 12/31/11 balances				
Implement Time Card on Line											
Public Safety training/go live	Reservation training/go live Demonstrate to Operations Division supervisor forum and find field staff volunteers to implement	Develop project webforms					Plan/Steward/Develop Division		Land Division		
GM training/go live											
Implement new AP processing system (NIN)											
AFO and IS project planning and setup and workflow testing	Project manager drafts procedures Project manager develops training	Project manager trains AP staff, who implement new procedures in Finance processing	Train field staff				tentative go live field staff and workflow				
Customer Service											
							Review progress on action plan to address 2011 customer survey comments			annual survey at safety fair	
OPEB/Retirement Plan Administrator RFP											
CFO completion of draft RFP document	RFP review by District staff and HR counsel	CFO distribution of RFP to vendors	CFO/HR selection of administrators								
IFAS Report Guide/Cleanup											
Conf secretary complete draft 2 of guide AFO conducted meeting to clean up IFAS reports (not in "user" folder)	IS sets up report folders by Finance staff's names	AFO submits draft Report Guide to IFAS User Group		AFO confirm "dashboard" and "User" report folder consistent with Report Guide Finance staff completes cleanup of non "user" folder reports			IFAS Report Guide finalized and made available to District staff				
Finance Policies											
2012 Investment Policy Updated Fraud Prevention Policy							Revenue, Internal Control, Debt, Fund Balances Policies				
Finance Procedures											
				Budget adjustment procedures to Ops, Money Meeting, etc.		Vendor Payment based upon new AP processing model	Sales and Use Tax Capital Asset related procedures				Payroll related procedures based upon TO processes
					PCI Compliance		Cosco Card				
Internal Audit Peer Review											
Auditor submit audit reports for review			Receipt of peer review report								
IFAS conversion to One Solution											
AFO and IS plan project	IS data migration	Finance/HR/Central Stores staff data conversion testing	Finance/HR/Central Stores staff data conversion testing	Finance/HR/Central Stores staff data conversion testing	Finance/HR/Central Stores staff data conversion testing	Finance/HR/Central Stores staff data conversion testing	Finance/HR/Central Stores staff data conversion testing	Finance/HR/Central Stores staff test One Solution module functionality	Finance/HR/Central Stores staff test One Solution module functionality		Run PR parallel
Major Infrastructure Replacement Fund											
				determine guidelines for items to be included on replacement list	14	CFO solicit information about items fitting inclusion criteria	Include fund in 2013 budget		Discuss 2013 funding level w/ management		



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE –Tuesday January 24, 2012

- SUBJECT:** District’s 2012 Investment Policy
Report Prepared by: Cinde Rubaloff, CFO/Controller
- ATTACHMENT:** 2012 Investment Policy, redlined version
- RECOMMENDATION:** Review the 2012 Investment Policy, and direct staff to prepare the information for acceptance by the Board of Directors.

DESCRIPTION:

Annually the East Bay Regional Park District Board of Directors approves the District’s Investment Policy for District funds. Finance staff reviews and updates the policy as required each year before it is presented to the Finance Committee. Finance staff also requested that both of the District’s investment managers, PFM and Cutwater, review the 2011 policy and recommend changes. The policy is in compliance with California Government Code statutes regulating the investment of public funds. The minor revisions incorporate the latest industry standards and include:

- Page 2 clarification on how risk will be mitigated.
- Page 2 clarification on objectives.
- Page 4 clarification in event of an investment downgrade
- Page 4 and 6 clarification on unlimited ability to invest in certain areas.
- Page 7 clarification on type of money market funds which can be held in portfolio
- Throughout document change of term for “purchase” to “trade settlement”.

RECOMMENDATION

Staff requests that the Finance Committee recommend to the full Board approval of the 2012 Investment Policy for District funds.

EAST BAY REGIONAL PARK DISTRICT
2012~~4~~ INVESTMENT POLICY

1. PURPOSE & POLICY

1.1 The purpose of this Investment Policy for the East Bay Regional Park District (the District) is to provide guidance and direction for the prudent investment of District funds, and to foster the creation of a systematic and controlled investment process. The ultimate goal is to maximize the efficiency of the District's cash management system, and to enhance the economic status of the District while protecting its pooled cash. The initial step toward a prudent investment policy is to set out a clear statement of fundamental investment direction.

1.2 The District policy is to invest public funds in a prudent manner, providing the highest yield with the maximum security of principal invested, while also meeting the daily cash flow requirements of the District. Also, the District's policy is to conform to all applicable federal, state and local statutes governing the investment of public funds.

2. SCOPE

This Investment Policy applies to all financial assets of the District excluding: (a) retirement funds held by trustees, but accounted for in the District's general ledger as a trust fund; (b) OPEB funds held by trustees, but accounted for in the District's general ledger as a trust fund, (c) employee deferred compensation funds held in a trust and not considered financial assets of the District, and ; (d) bond proceeds, the investment of which shall be governed by the provisions of the related bond indentures or resolutions. Financial assets are reported in the District's Comprehensive Annual Financial Report, and are accounted for in the following funds:

- General Fund
 - Special Revenue Funds
 - Capital Project Funds
 - Debt Service Funds
 - Internal Service Funds
 - Permanent Funds
- Any new fund created by the District unless specifically exempted.

3. PRUDENCE

The standard of prudence to be used for managing the District's investment program is California Government Code Section 53600.3, the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like

character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”

Investment officers acting in accordance with written procedures and this Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market risk, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4. RISK TOLERANCE

The District recognizes that investment risks can result from issuer defaults, or various technical complications leading to temporary illiquidity.

4.1 Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in high grade securities and diversification.

4.2 Market risk, defined as market value fluctuations due to overall changes in market price and rate, shall be mitigated by maintaining appropriate diversification of assets, ~~eliminating the need to sell securities prior to maturity and avoiding the purchase of long-term securities for the sole purpose of short term speculation.~~

5. OBJECTIVES

The District strives to maintain in its investment portfolio 100% of all idle funds, given daily and projected cash flow needs. The District’s funds shall be invested in accordance with all applicable District policies, State statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:~~The criteria for investing and managing the District’s public funds are as follows:~~

5.1 SAFETY. The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of those amounts. Safety of principal is the foremost objective of the District’s investment program, followed by liquidity and yield. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The District only operates in those investments that are considered very safe. Also, safety is ensured by diversification, which is required in order that potential losses on individual securities do not exceed income from the remainder of the portfolio.

5.2 LIQUIDITY. Liquidity refers to the ability to sell an investment at any given moment with a minimal chance of losing some portion of principal or interest. The District’s investment portfolio shall remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated. The District will maintain an adequate percentage of the portfolio in liquid short-term securities that can be converted to cash, if necessary, to meet disbursement requirements. This need for investment liquidity may be tempered to the extent the District is able to issue short-term notes to meet its operating requirements. However, in the absence of

a Debt Issuance Policy approved by the Board of Director's there should not be a reliance on short-term borrowing to provide liquidity.

- 5.3 YIELD. The portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio, and state and local laws, regulations and resolutions that restrict the placement of short term funds.
- 5.4 ENVIRONMENTAL RESPONSIBILITY. The District will not knowingly invest in firms that engage in activities deleterious to the environment.
- 5.5 PUBLIC TRUST. All participants in the investment process shall act reasonably as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject and open to public scrutiny and evaluation. The overall program shall be designed and managed with the degree of professionalism required to be worthy of the public trust.

6. DELEGATION OF AUTHORITY

Management responsibility for the District's investment program is delegated annually by the District's Board of Directors to the Chief Financial Officer/Controller, who shall establish procedures for the operation of the investment program, consistent with this Investment Policy. Such procedures will include appropriate delegation of authority to persons responsible for investment transactions. No person may engage in investment transactions except as provided under the terms of this Investment Policy, and the procedures established by the Chief Financial Officer/Controller. The Chief Financial Officer/Controller is hereby delegated the authority from the Board of Directors to:

- 6.1 Enter into agreements with the District's depository in order to enable the Chief Financial Officer/Controller, or his/her designee to execute investment transactions that will involve charges and credits to the District's bank accounts.
- 6.2 Enter into banking arrangements with a third party bank trust department to facilitate the third-party safekeeping of District investments.
- 6.3 Establish operating procedures as deemed appropriate to operate an investment program consistent with this Investment Policy.

Upon the recommendation of the Chief Financial Officer/Controller, the Board of Directors may engage the support services of outside investment advisors with respect to the District's investment program, so long as it can be demonstrated that these services produce a net financial advantage or necessary financial protection of the District's financial resources.

7. ETHICS AND CONFLICT OF INTEREST

- 7.1 The Chief Financial Officer/Controller and all personnel responsible for authorizing the purchase of investments shall refrain from personal business activities that could conflict with proper execution of the investment program and/or which could impair their ability to make impartial investment decisions.

The Chief Financial Officer/Controller and all responsible personnel shall disclose to the Board of Directors and the General Manager any material financial interests in any financial institutions that conduct business with the District that could be related in a conflicting manner to the performance of the District's investment portfolio.

- 7.2 The Chief Financial Officer/Controller and all investment personnel, designated by the Chief Financial Officer/Controller shall file a Statement of Economic Interests each year as required by California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

8. AUTHORIZED BROKER/DEALERS

- 8.1 The Chief Financial Officer/Controller shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the City to purchase securities only from those brokers and the firms they represent. Each approved broker/dealer must possess an authorizing certificate from the California Commissioner of Corporations as required by Section 25210 of the California Corporations Code. The firms they represent must:
- a. be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a primary dealer within its holding company structure, or
 - b. report voluntarily to the Federal Reserve Bank of New York, or
 - c. qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).
- 8.2 When purchasing investments, broker/dealers located in Alameda and Contra Costa Counties will be considered when possible provided that their offerings are competitive and meet the criteria established by this Investment Policy.
- 8.3 Each authorized broker/dealer shall be required to submit and annually update a District approved Broker/Dealer Information Request form that includes the firm's most recent audited financial statements. The registration status and standing of all brokers/dealers shall be verified with the Financial Industry Regulatory Authority (FINRA) or other applicable regulatory organizations.

9. AUTHORIZED AND SUITABLE INVESTMENTS

All investments and deposits of the District shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686. Any revisions or extensions of these code sections will be assumed to be part of this Investment Policy immediately upon being enacted. Although the following includes authorized investments, the Chief Financial Officer/Controller shall determine the extent to which they are suitable based upon this Investment Policy and the resources used by the Chief Financial Officer/Controller in implementing it.

Limitations identified in the following sections shall be adhered to and the percentage limits and credit criteria shall be measured against portfolio value on the date the investment is purchased. In the event of a credit downgrade below the minimum

acceptable credit rating, the District shall require investment advisors engaged in the investing of District funds to notify District staff of the downgrade, and provide a plan of action to address the downgrade:

9.1.a. United States Treasury bills, notes, bonds, or strips with a final maturity not exceeding five years from the date of trade settlement. There is no limit on the percentage of U.S. Treasury obligations that may be held in the District's portfolio.

9.1.b. Federal Agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or U.S. government-sponsored enterprises, with maturities not exceeding five years from the date of trade settlement. The aggregate investment in securities authorized in this section shall not exceed 75% of the District's portfolio. ~~debentures and mortgage-backed securities with a final maturity not exceeding five years from the date of trade settlement issued by the Government National Mortgage Association (GNMA). The aggregate investment in Federal Agency obligations shall not exceed 75% of the District's total portfolio.~~

Formatted: Not Highlight

9.1.c. Federal instrumentality (government sponsored enterprise) debentures, discount notes, callable securities and step-up securities with a final maturity not exceeding five years from the date of trade settlement, issued by the following only: Federal Home Loan Banks (FHLB), Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB) and Federal Home Loan Mortgage Corporation (FHLMC). ~~The aggregate investment in Federal Instrumentality obligations shall not exceed 75% of the District's total portfolio.~~

Formatted: Not Highlight

9.2 Eligible Banker's Acceptances with a maturity not exceeding 180 days from the date of trade settlement~~purchase~~, drawn on or accepted by a FDIC insured commercial bank with combined capital and surplus of at least \$250 million, rated at least A-1 or the equivalent by a nationally recognized statistical rating organization (NRSRO) at the time of purchase and whose senior long-term debt is rated at least A or the equivalent by a NRSRO at the time of purchase. No more than 30% of the District's total portfolio shall be invested in banker's acceptances of any one issuer, and the aggregate investment in banker's acceptances shall not exceed 40% of the District's total portfolio.

9.3 Prime Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement~~purchase~~ with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:

A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500,000,000 and (3) have debt other than commercial paper, if any, that is rated A or higher by a NRSRO.

B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letters of credit

or surety bond and (3) have commercial paper that is rated at least A-1 or the equivalent, by a NRSRO.

No more than 10% of the District's total portfolio shall be invested in the commercial paper of any one issuer, and the aggregate investment in commercial paper shall not exceed 25% of the District's ~~total~~ portfolio.

- 9.4 Non-negotiable Certificates of Deposit (deposits) with a maturity not exceeding two years from the date of ~~trade settlement~~~~purchase~~, in FDIC insured state or nationally chartered banks or savings banks, subject to the limitations of California Government Code Section 53638. Amounts in excess of FDIC insurance coverage shall be secured in accordance with California Government Code Section 53652. Certificates of Deposits may be purchased only from financial institutions that meet the criteria set forth in the section of this Investment Policy, "Selection of Depositories." The aggregate investment in Certificates of Deposit, negotiable and non-negotiable, shall not exceed 30% of the District's total portfolio.
- 9.5 Negotiable Certificates of Deposit (~~investments~~) with a maturity not exceeding two years from the date of purchase,~~in~~ FDIC insured state or nationally chartered banks that are rated at least A or the equivalent, by a NRSRO ~~subject to the limitations of California Government Code Section 53601.~~ The aggregate investment in Certificates of Deposit, negotiable and non-negotiable, shall not exceed 30% of the District's total portfolio.
- 9.6 Repurchase Agreements with a final termination date not exceeding 30 days collateralized by U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed in Section 9.1 above with the maturity of the collateral not exceeding ten years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the District's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in the District's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements shall be entered into only with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York or with firms that have a primary dealer within their holding company structure. Primary Dealers approved as Repurchase Agreement counterparties shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent by a NRSRO. Repurchase agreement counterparties shall execute a District approved Master Repurchase Agreement with the District. The Chief Financial Officer/Controller shall maintain a copy of the District's approved Master Repurchase Agreement along with a list of the broker/dealers who have executed same.

- 9.7 State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1. [There is no limit on the percentage of LAIF that may be held in the District's portfolio.](#)

- 9.8 California Asset Management Trust ([CAMP](#)), as long as the portfolio is rated among the top two rating categories by one of the nationally recognized rating agencies. [There is no limit on the percentage of CAMP that may be held in the District's portfolio](#)
- 9.9 Medium Term Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States with a final maturity not exceeding five years from the date of [trade settlement](#)~~purchase~~. These notes must have a rating of at least A or the equivalent, by a NRSRO. No more than 5% of the District's total portfolio shall be invested in medium term notes of any one issuer, and the aggregate investment in medium term notes shall not exceed 15% of the District's total portfolio.
- 9.10 Money Market Funds registered under the Investment Company Act of 1940 that (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant net asset value per share of \$1.00; (3) invest only in the securities and obligations authorized by state statute and (4) have attained the highest ranking or the highest letter and numerical rating provided by at least two NRSROs, [or retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five year's experience managing money market mutual funds with assets under management in excess of \\$500 million odllars.](#). No more than 10% of the District's total portfolio shall be invested in money market funds of any one issuer, and the aggregate investment in money market funds shall not exceed 20% of the District's total portfolio.
- 9.11 Obligations of the State of California and any local agency within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency with a final maturity not exceeding two years from the date of [trade settlement](#)~~purchase~~, and rated at least A by a NRSRO. The aggregate investment in State of California and local agency obligations shall not exceed 15% of the District's total portfolio.

10. PROHIBITED INVESTMENTS

In accordance with Section 5301.6 of the California Government Code, the District shall not invest any funds in inverse floaters, range notes or interest-only strips that are derived from a pool of mortgages (Collateralized Mortgage Obligations) or in any security that could result in zero-interest accrual if held to maturity.

11. INVESTMENT POOLS

The District allows investments in two public agency investment pools: LAIF and CAMP ([per sections 9.7 and 9.8](#))~~See authorized investments above.~~ Although these pools are long-standing, the Chief Financial Officer/Controller will periodically require from each pool, information which will demonstrate operating information and may include the following information:

- A written statement of investment policies and objectives.
- A description of interest calculations, how they are distributed, and how gains and losses are treated.
- A description of how securities are safeguarded (including the settlement process), and how often the securities are priced and the program audited.
- A schedule for receiving statements and portfolio listings.
- A statement regarding whether and how reserves or retained earnings are used by the pool.
- A description of who may invest in the program, how often, and what are the sizes and timing of deposits and withdrawals.
- A fee schedule and how and when fees are assessed.
- A statement of whether the pool is available for bond proceeds, and will it accept such proceeds.

12. MATURITY

The District will not invest in instruments whose maturities exceed five years at the time of [trade settlement purchase](#). Instruments with maturities greater than two years will be limited to United States Treasury, Federal Agency and Federal Instrumentality obligations and medium term notes. The Chief Financial Officer/Controller shall be responsible for determining and monitoring an average maturity which meets the District projected cash flow requirements and shall be reported to the Board of Directors as required under State Law.

13. SELECTION OF DEPOSITORIES

The Chief Financial Officer/Controller shall maintain a list of FDIC insured banks approved to provide depository and other banking services for the District. To be eligible, a bank must qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and shall secure deposits in excess of FDIC insurance coverage in accordance with California Government Code Section 53652.

14. SAFEKEEPING & CUSTODY

The Chief Financial Officer/Controller shall select one or more banks to provide third party safekeeping and custodial services for the District, in accordance with the provisions of Section 53608 of the California Government Code. A Safekeeping Agreement approved by the District shall be executed with each custodian bank prior to utilizing that bank's safekeeping services. Custodian banks will be selected on the basis of their ability to provide services for the District's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the District. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities, except Non-negotiable Certificates of Deposit, Money Market

Funds, LAIF and CAMP, purchased by the District will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by a District approved custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

All Fed wireable book entry securities owned by the District shall be held in the Federal Reserve System in a customer account for the custodian bank which will name the District as "customer."

All DTC eligible securities shall be held in the custodian bank's DTC participant account and the custodian bank shall provide evidence that the securities are held for the District as "customer." All non-book entry (physical delivery) securities shall be held by the custodian bank or its correspondent bank and the custodian bank shall provide evidence that the securities are held by the bank for the District as "customer."

15. DIVERSIFICATION

The District shall diversify its investments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the portfolio should be flexible depending upon the outlook for the economy, the securities markets, and the District's anticipated cash flow needs.

16. REPORTING

Quarterly, the Chief Financial Officer/Controller shall submit to the Board of Directors, the General Manager and the District's Internal Auditor a report of the investment earnings and performance results of the District's investment portfolio. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the District;
2. A description of the funds, investments and programs;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. Current period earnings and rates of return for short-term and mid-term investments, including comparison to established benchmarks.
5. A statement of compliance with this Investment Policy or an explanation for non-compliance; and
6. A statement of the District's ability to meet expenditure requirements for six months, and an explanation of why money will not be available if that is the case.

17. INTERNAL CONTROLS

The Chief Financial Officer/Controller shall establish a system of internal controls, which shall be documented in writing. The controls shall be designed to prevent loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of the District. Controls deemed most important include: control of collusion, segregation of duties, separating transaction authority from accounting and record

keeping, custodial safekeeping, clear delegation of authority, written confirmation of telephone transactions, documentation of transactions and strategies and code of ethical standards. These controls will be reviewed on an annual basis by the General Manager.

18. PERFORMANCE STANDARDS

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the District's investments shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the portfolio's weighted average effective maturity. When comparing the performance of the District's portfolio, its rate of return will be computed net of all fees and expenses.

19. REVIEW, ADOPTION & AMENDMENTS

This Investment Policy shall be reviewed and adopted annually by resolution of the Board of Directors. It may not be altered, amended or changed in any particular way, except by formal resolution of the Board of Directors.

GLOSSARY OF INVESTMENT TERMS AND INSTRUMENTS

Term	Description
Banker's Acceptance	Normally, a short-term bill of exchange that is accepted as payment by banks engaged in financing trade of physical assets or merchandise.
Benchmark	A passive index used to compare the performance, relative to risk and return, of an investor's portfolio.
Bond	A debt obligation of a firm or public entity. A bond represents the agreement to repay the debt in principal and, typically, in interest on the principal.
CAMP	<p>California Asset Management Program (CAMP) provides California public agencies, together with any bond trustee acting on behalf of such public agency, assistance with the investment of and accounting for bond proceeds and surplus funds. For bond proceeds, the objective of CAMP is to invest and account of such proceeds in compliance with arbitrage management and rebate requirements of the Internal Revenue Service.</p> <p>The program includes the California Asset Management Trust, a California common law trust organized in 1989. The Trust currently offers a professionally managed money market investment portfolio, the Cash Reserve Portfolio, to provide public agencies with a convenient method of pooling funds for temporary investment pending their expenditure. The Trust also provides record keeping, custodial and arbitrage rebate calculation services for bond proceeds. As part of the program, public agencies may also establish individual, professionally managed investment accounts.</p> <p>The Pool seeks to attain as high a level of current income as is consistent with the preservation of principal. The Pool purchases only investments of the type in which public agencies are permitted by statute to invest surplus funds and proceeds of their own bonds.</p>
Cash Flow	A comparison of cash receipts (revenues) to required payments (debt service, operating expenses, etc.).
Certificate of Deposit	A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period. Certificates of Deposits (CDs) differ in terms of collateralization and marketability. Those appropriate to public agency investing include: Negotiable Certificates of Deposit, Non-Negotiable Certificates of Deposit.
Commercial Paper	A short-term, unsecured promissory note issued by a large corporation.
Corporate Notes & Bonds	Debt instruments, typically unsecured, issued by corporations, with original maturities in most cases greater than one year and less than ten years.
Credit Risk	The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market's perception of

Term	Description
	a corporation's credit will cause the market value of a security to fall, even if default is not expected.
Credit Rating	Various alphabetical and numerical designations used by institutional investors, Wall Street underwriters, and commercial rating companies to give relative indications of bond and note creditworthiness. Standard & Poor's and Fitch Ratings use the same system, starting with their highest of "AAA, AA, A, BBB, BB, B, CCC, CC, C, and D" for default. Moody's Investor Services uses "Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C, and D". Each of the services use pluses (+), minuses (-), or numerical modifiers to indicate steps within each category. The top four letter categories are considered investment grade ratings.
Federal Agency and Instrumentality Obligations	Obligations issued by a government sponsored entity or a federally regulated institution.
LAIF	<p>The Local Agency Investment Fund (LAIF), a voluntary program created by statute, began in 1977 as an investment alternative for California's local governments and special districts and continues today under the State of California Treasurer's office. The enabling legislation for the LAIF is Section 16429.1,2,3 of the California Government Code.</p> <p>This program offers participating agencies the opportunity to participate in a major portfolio which daily invests hundreds of millions of dollars, using the investment expertise of the Treasurer's Office Investment staff at no additional cost to the taxpayer.</p> <p>All securities are purchased under the authority of the Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market, and market valuation is conducted monthly.</p> <p>It has been determined that the State of California cannot declare bankruptcy under Federal regulations, thereby allowing the Government Code Section 16429.3 to stand. This Section states "money placed with the State Treasurer for deposit in the LAIF shall not be subject to impoundment or seizure by any State official or State agency."</p> <p>There is a limitation of \$50 million per legal entity within an agency.</p>
Liquidity	The ease with which an investment may be converted to cash, either by selling it in the secondary market or by demanding its repurchase pursuant to a put or other prearranged agreement with the issuer or another party.
Market Risk	The chance that the value of a security will decline as interest

Term	Description
	rates rise. In general, as interest rates fall, prices of fixed income securities rise. Similarly, as interest rates rise, prices fall. Market risk also is referred to as systematic risk or risk that affects all securities within an asset class similarly.
Maturity	The stated date on which all or a stated portion of the principal amount of a security becomes due and payable.
Notes	Debt obligations of a firm or public entity, usually maturing in less than ten years.
Portfolio	The combined holdings of all investment assets held by an investor.
Repurchase Agreement	From the perspective of a local agency, the short-term, often overnight, purchase of securities with an agreement to resell the securities at an agreed upon price.
Return	The principal plus interest on an investment or portfolio of investments. In certain unfavorable market environments or due to risk factors, income derived from principal and interest may be less than the original amount invested.
Reverse Repurchase	Differs from a repurchase agreement in the sense that a reverse repurchase agreement is an agreement to sell securities in return for cash with an agreement to repurchase the securities at an agreed upon price.
Risk	The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.
State & Local Investment Pools	The combined deposits of state and local agencies organized and operated by the state treasurer or a Joint Powers Agreement between local agencies. Deposits of various participating local agencies are pooled and invested. Each agency's returns are based upon their share of the amount invested in the pool. This increases investment efficiencies, decreases costs, provides liquidity, and utilizes investment expertise of the pool managers.
Yield	For the purposes of this publication, return and yield are synonymous.



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE –Tuesday January 24, 2012

SUBJECT: 2012 Update to the Fraud Prevention Policy

Report Prepared by: Cinde Rubaloff, CFO/Controller

ATTACHMENT: 2012 Fraud Prevention Policy, redlined version

RECOMMENDATION: Review the 2012 Update to the Fraud Prevention Policy, and direct staff to prepare the information for acceptance by the Board of Directors.

DESCRIPTION:

In 2006 the District formally adopted the Fraud Policy. The District is committed to the proper use of public funds, safeguarding of public assets entrusted to it, and conducting its business by adhering to the highest ethical standards and complying with all applicable laws and regulations. It is therefore the policy of the District to establish controls that promote ethical conduct, provide for safeguarding of assets, and help deter and detect fraud and other irregularities.

A red-lined version of the 2006 policy is attached so alterations can be noted. The following changes have been incorporated:

- The policy has been renamed to Fraud Prevention Policy.
- Clarification about individuals covered under this policy has been added.
- A policy statement has been added.
- Responsibilities and allocation of those responsibilities to various departments and employees has been added to the policy.
- The definition section has been clarified and examples included.
- The section which duplicated the Fraud Reporting Procedure, update July 1, 2010, has been removed
- The Corrective Action section has been expanded to include termination of business relationship.

Also attached is a “clean” version (not red-lined) of the updated policy for increased ease in comprehension.

RECOMMENDATION:

Staff requests that the Finance Committee recommend to the full Board approval of the 2012 Update of the Fraud Prevention Policy.

ITEM NO. 5



Policy 3.0 Fraud Prevention Policy

EFFECTIVE [April 18, 2006](#) [UPDATED FEBRUARY, 2012](#)

ADOPTED [April 18, 2006](#) [April 18, 2006](#)

RESOLUTIONS [No. 2009-9-256](#) [2009-9-256, 2012-2-](#)

RELATED POLICIES [Policy 14.0, Internal Control Policy](#)
Board Operating Guidelines

RELATED PROCEDURES 3.1, Fraud Reporting Procedure

SUMMARY STATEMENT

~~The East Bay Regional Park District-~~The District is committed to protecting its assets, ensuring ~~their~~ committed to the proper use of public funds, safeguarding of public assets, compliance with all applicable laws and regulations, and ethical business conduct of District officials, employees, vendors and individual/entities doing business with the District/or in any other relationship with the District. entrusted to it, and conducting its business by adhering to the highest ethical standards and complying with all applicable laws and regulations. It is therefore the policy of the District to establish controls that promote ethical conduct, provide for safeguarding of assets, and help deter and detect fraud, ~~and other irregularities.~~

The District's Fraud Prevention Policy formalizes the expectation of personal honesty and integrity required of District officials, employees, vendors, and individuals/entities doing business with the District/or in any other relationship with the District. This policy:

- prohibits fraud or misuse of the District's assets. This policy
- sets specific guidelines regarding fraud prevention,
- requires reporting of suspected fraud,
- specifies that a confidential investigation is required when suspected fraud is reported,
- and lists the potential corrective actions following an investigation, and actions that must be followed for the investigation of suspected fraud, and other similar irregularities.

Formatted: Bulleted + Level: 1 + Aligned at: 0.25" + Indent at: 0.5"

POLICY

The East Bay Regional Park District has adopted a zero tolerance policy regarding fraud. No District official, employee or individual/entity doing business/or in any other relationship with the District shall misuse or misappropriate District assets.



Financial Policies and Procedures Guide

The District will establish and maintain an effective internal control structure.

Finance Department will provide procedures which detail requirements of the internal control system.

Internal audit function will conduct regular review of the adequacy of/ compliance with the District' internal controls.

Human Resources Division will conduct background checks for all employees. Human Resources will include this policy in orientation material provided to all new District employees.

Each department shall maintain an internal control environment which aids in the protection/proper use of District assets. Supervisors and managers are expected to be familiar with types of fraud, and be alert for indications of fraudulent activity.

Suspected fraud must be reported as detailed in the Fraud Reporting Procedure.

Investigation and corrective action as outlined in this policy will result.

Failure to comply with this policy subjects an employee to disciplinary action, and individuals/entities doing business with the District to termination of the business relationship.

DEFINITIONS

Fraud is defined as misuse or misapplication of District resources/assets, or intentional misrepresentation/omission of facts, with the intent of personal gain.

Examples of fraud include, but aren't limited to:

- embezzlement,
- theft, destruction or removal of District property,
- misappropriation (making use of District asset/equipment without authority, such as District equipment or vehicles),
- alteration or falsification of documents (such as check forgery, purchase card reports),
- diversion of District revenue,
- filing false claims (such as expense reimbursement reports),
- authorizing or receiving compensation for hours not worked,
- impropriety in handling or reporting financial transactions,
- sharing of confidential information,
- misrepresentation or concealment of material fact,
- breach of fiduciary duty,
- bribery or receiving illegal gratuities.

Formatted: Bulleted + Level: 1 + Aligned at: 0.25" + Indent at: 0.5"



- exerting undue influence.
- undisclosed conflict of interest.

Assets include physical assets, such as cash, inventory, equipment and vehicles. Assets also include intangible assets, such as licensed software, and confidential information.

Occupational fraud, as defined by the Association of Certified Fraud Examiners, is the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets. There are three major categories of occupational fraud as follows:

- ~~**ASSET MISAPPROPRIATION.** Theft and misuse of District assets; collecting cash through false claims; skimming, embezzling or other cash larceny; or diverting and misuse of inventory, supplies, information, vehicles, computers, etc. for other than official business.~~
- ~~**CORRUPTION.** Exerting undue influence in a business transaction for personal gain, through undisclosed conflict of interest, bribery, extortion, or asking for or accepting illegal gratuities.~~
- ~~**FRAUDULENT FINANCIAL REPORTING.** Falsification, alteration or forgery of financial records, including statements, reports, contracts, invoices, computer data, checks, purchase orders, timecards, vehicle usage reports, purchase card statements and any other official District document.~~

~~In addition to the above, other similar irregularities that can constitute occupation fraud include questionable behavior or business dealings by District employees with members of the public, concessionaires, contractors, vendors or other public agencies that could put at risk or result in the misuse, loss or abuse of District revenue, grants, property, information or other assets. District managers are expected to be familiar with the types of irregularities that might occur within their areas of responsibility and be alert for indications of fraud, abuse or illegal activity.~~

FRAUD REPORTING PROCEDURE

~~Any District employee that has knowledge of or suspects fraud is expected to report this concern immediately. District employees, when contacted by members of the public about fraud by other District employees, must also report such concerns using this procedure. It is of vital importance to the District to protect the confidentiality of the employee or public reporting an incident of fraud. Care and judgment should be taken in reporting suspected fraud so as to avoid mistaken accusations. The procedure for reporting fraud is as follows:~~

- ~~An employee who discovers or suspects fraudulent activity is expected to report such activity either to their immediate~~

Formatted: Heading 2



Financial Policies and Procedures Guide

~~supervisor, the next level of supervision, or the Human Resources Division. The person receiving the report should obtain a written statement of the suspected fraudulent activity and notify the Internal Audit Manager of the Finance Division without delay.~~

- ~~• The Internal Audit Manager is to notify the General Manager, the Chief Financial Officer and other managers of interest that a report of fraud has been received. The Police Department may also be notified depending upon the nature and circumstances of the report of fraud. The General Manager will determine, based upon the severity and circumstances of a report of fraud, to inform the Board of Directors.~~
- ~~• An investigation of the fraud report will be directed by the Internal Audit Manager, the Police Department or other manager as appropriate to the circumstances. The findings of the investigation are to be reported in writing to the General Manager.~~

~~Investigation results will not be disclosed to anyone other than those that have a legitimate reason to know. This is to avoid damaging the reputation of persons suspected but subsequently found innocent of wrongdoing. The Investigations Unit of the Police Department has primary responsibility to investigate reports of criminal fraud and will coordinate all investigations with the District Attorney's Office and other interested parties as necessary.~~

SUSPECTED FRAUD REPORTING

Suspected fraud is required to be reported under this policy. The Fraud Reporting Procedure details the process for fraud reporting. The name of the person reporting suspected fraud will be confidential insofar as reasonably possible.

False allegations of suspected fraud, with the intent to disrupt or cause harm to another, will be subject to disciplinary action.

FRAUD INVESTIGATION

The investigation of a reported incident of suspected fraud will be directed by the Audit Manager, the Police Department, or another member of management as deemed appropriate. All investigations will be conducted in confidence insofar as reasonably possible.

Investigation results will be reported in writing to the General Manager. Investigation results will remain confidential, and disclosed only to those who have a legitimate reason to know.



Financial Policies and Procedures Guide

CORRECTIVE REMEDIAL ACTIONS

If a fraud investigation substantiates that a violation of this policy has occurred, the District shall take the following ~~corrective~~remedial actions, as appropriate.:

DISCIPLINARY ACTION. Employees who are found to be lacking in compliance with the requirements of this policy, have committed or participated in fraudulent activities, have hindered or obstructed the reporting/investigation of fraud, will be subject to disciplinary action up to and including termination.

Formatted: No bullets or numbering

TERMINATION OF BUSINESS RELATIONSHIP. Vendors, contractors, consultants and other individuals/entities doing business with the District who are found to be lacking in compliance with the requirements of this policy, are found to have committed or participated in fraudulent activities, have hindered or obstructed the reporting of fraud or an investigation will have their business relationship with the District terminated..

Formatted: Not Highlight

• **RECOVERY OF LOSSES.** Appropriate action shall be taken to recover assets lost as a result of an act of fraud. ~~Full recovery will constitute the value of benefits gained by the perpetrator of the fraud, and if appropriate, the costs incurred by the District to recover or investigate the loss.~~

• **LEGAL ACTION.** The District has the right to initiate court proceedings or to refer to the District Attorney's Office to recover losses, prosecute or other remedies as may be legally available.

• ~~**DISCIPLINARY ACTION.** Employees found to have committed or participated in fraudulent activities, or any employee who hindered or obstructed the reporting of fraud may be subject to disciplinary action, up to and including termination as the case may be in accordance with the District's Personnel Administrative Manual or memorandum of understanding.~~

Formatted: Indent: Left: 0.5"

OTHER PROVISIONS

Media Inquiries:

• ~~Any employee of the District that is contacted by the media regarding a fraud investigation should refer such inquiries to the District's Public Affairs Division.~~

Disclosure to External Auditors:

• ~~The Chief Financial Officer of the District shall report incidences of fraud to the District's external auditor on an annual basis.~~

New Employee Orientation:

• ~~New employees hired by the District shall receive a copy of this policy as a part of their orientation.~~

Formatted: Left, Bulleted + Level: 1 + Aligned at: 0.25" + Tab after: 0.5" + Indent at: 0.5"



Policy 3.0 Fraud Prevention Policy

EFFECTIVE ADOPTED	UPDATED FEBRUARY, 2012 April 18,2006
RESOLUTIONS	2009-9-256, 2012-2-
RELATED POLICIES	Board Operating Guidelines
RELATED PROCEDURES	3.1, Fraud Reporting Procedure
SUMMARY STATEMENT	<p>The District is committed to protecting its assets, ensuring the proper use of public funds, safeguarding of public assets, compliance with all applicable laws and regulations, and ethical business conduct of District officials, employees, vendors and individual/entities doing business with the District/or in any other relationship with the District. It is therefore the policy of the District to establish controls that promote ethical conduct, provide for safeguarding of assets, and help deter and detect fraud.</p> <p>The District's Fraud Prevention Policy formalizes the expectation of personal honesty and integrity required of District officials, employees, vendors, and individuals/entities doing business with the District/or in any other relationship with the District. This policy:</p> <ul style="list-style-type: none">• prohibits fraud or misuse of the District's assets,• sets guidelines regarding fraud prevention,• requires reporting of suspected fraud,• specifies that a confidential investigation is required when suspected fraud is reported,• and lists the potential corrective actions following an investigation.
POLICY	<p>The East Bay Regional Park District has adopted a zero tolerance policy regarding fraud. No District official, employee or individual/entity doing business/or in any other relationship with the District shall misuse or misappropriate District assets.</p> <p>The District will establish and maintain an effective internal control structure.</p> <p>Finance Department will provide procedures which detail requirements of the internal control system.</p>



Internal audit function will conduct regular review of the adequacy of/ compliance with the District' internal controls.

Human Resources Division will initiate background checks for all new employees. Human Resources will include this policy in orientation material provided to all new District employees.

Each department shall maintain an internal control environment which aids in the protection/proper use of District assets. Supervisors and managers are expected to be familiar with types of fraud, and be alert for indications of fraudulent activity.

Suspected fraud must be reported as detailed in the Fraud Reporting Procedure. Investigation and corrective action as outlined in this policy will result.

Failure to comply with this policy subjects an employee to disciplinary action, and individuals/entities doing business with the District to termination of the business relationship.

DEFINITIONS

Fraud is defined as the intentional misuse or misapplication of District resources/assets, or the intentional misrepresentation/omission of facts, with the intent to seek personal gain or cause harm.

Examples of fraud include, but aren't limited to:

- embezzlement,
- theft, destruction or removal of District property,
- misappropriation (making use of District asset/equipment without authority, such as District equipment or vehicles),
- alteration or falsification of documents (such as check forgery, purchase card reports),
- diversion of District revenue,
- filing false claims (such as expense reimbursement reports),
- authorizing or receiving compensation for hours not worked,
- impropriety in handling or reporting financial transactions,
- sharing of confidential information,
- misrepresentation or concealment of material fact,
- breach of fiduciary duty,
- bribery or receiving illegal gratuities,
- exerting undue influence,
- undisclosed conflict of interest.

Assets include physical assets, such as cash, inventory, equipment and vehicles. Assets also include intangible assets, such as licensed software, and confidential information,



SUSPECTED FRAUD REPORTING

Suspected fraud is required to be reported under this policy. The Fraud Reporting Procedure details the process for fraud reporting. The name of the person reporting suspected fraud will be confidential insofar as reasonably possible.

False allegations of suspected fraud, with the intent to disrupt or cause harm to another, will be subject to disciplinary action.

FRAUD INVESTIGATION

The investigation of a reported incident of suspected fraud will be directed by the Audit Manager, the Police Department, independent third party selected by the District, or another member of management as deemed appropriate. All investigations will be conducted in confidence insofar as reasonably possible.

Investigation results will be reported in writing to the General Manager. Investigation results will remain confidential, and disclosed only to those who have a legitimate reason to know.

CORRECTIVE ACTIONS

If a fraud investigation substantiates that a violation of this policy has occurred, the District shall take the following corrective actions, as appropriate.

DISCIPLINARY ACTION. Employees who are found to:

- be lacking in compliance with the requirements of this policy,
- have committed or participated in fraudulent activities,
- have hindered or obstructed the reporting/investigation of fraud,

will be subject to disciplinary action up to and including termination.

TERMINATION OF BUSINESS RELATIONSHIP. Vendors, contractors, consultants and other individuals/entities doing business with the District who are found to:

- be lacking in compliance with the requirements of this policy,
- are found to have committed or participated in fraudulent activities,
- have hindered or obstructed the reporting of fraud or an investigation,

will have their business relationship with the District terminated..

RECOVERY OF LOSSES. Appropriate action shall be taken to recover assets lost as a result of an act of fraud.

LEGAL ACTION. The District has the right to initiate court proceedings or to refer to the District Attorney's Office to recover losses, prosecute or other remedies as may be legally available.



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – Tuesday, January 24, 2012

SUBJECT: 2012 Renewal of Finance Department Contracts for Services over \$25,000
Report Prepared by: Cinde Rubaloff, CFO/Controller

ATTACHMENT: none

RECOMMENDATION: Recommend to the Board of Directors approval for the 2012 renewal of Finance Department contracts for services over \$25,000.

DESCRIPTION:

Each year the Finance Department enters into various contracts for services. In compliance with Board Operating Guidelines, when the contract exceeds \$25,000, Board approval is required. In 2012 the Finance Department is presenting these contracts to the Finance Committee to seek a recommendation prior to inclusion as the Board of Director's consent item on the February 21 meeting.

Bartel Associates, LLC: The District has contracted with Bartel Associates, LLC since 2004 for actuarial services related to the Other Post Employee Benefit (OPEB) Plan, the East Bay Regional Park District Retirement Plans (EBRPD Retirement Plans) and the District's Safety and Miscellaneous CalPERS Retirement Plans. The District is required by Governmental Accounting Standard Board to have a bi-annual actuarial study completed for both the sole employer OPEB and the EBRPD Retirement Plans. The information produced is utilized to determine plan liability amounts and appropriate contribution rates. Additionally the actuarial reports provide information required for financial statement reporting and disclosures. The District has also relied upon Bartel to provide annual updates on the CalPERS retirement plans, and has implemented past recommendations such as paying off the public safety side fund early and requesting fresh start to stabilize contribution rates. This contract renewal is for two years, 2012 and 2013, with the option to extend for an additional two years. The OPEB and EBRPD Retirement Plan actuary services are paid by the plan trustees out of trust assets. The CalPERS work is paid directly by the District.

Milliman, Inc.: The District has contracted with Milliman, Inc. since 1999, when it was Dorn, Helliesen & Cottle, Inc. for investment advisor services related to the EBRPD Retirement Plans. Since this is a sole employer plan, the District has the fiduciary responsibility to manage retirement plan assets. Milliman provides quarterly reports on asset portfolio performance, annual realignment of assets in compliance with asset allocation plan, and review of compliance with Plan investment policy. Additionally in 2011 Milliman performed a detailed Asset Liability

Study and recommended asset mixes to be implemented at various points until the plan is closed. This contract renewal is for two years, 2012 and 2013. The investment advisory services are paid by the plan trustee out of the trust assets.

Ichinaga Consulting: The District has contracted with Ichinaga Consulting since 2008 for organization development services including: conflict resolution, mediation, group facilitation, team building, strategic planning and executive coaching. During 2012 Ichinaga Consulting will also provide project management services in relationship to implementation of IFAS ININ, a new accounts payable processing model. These additional services will result in this contract rising above \$25,000 for the first time, thereby requiring Board authorization.

Service Provider	2012 not to exceed	2013 not to exceed
Bartel Associates, LLC	31,250	23,850
Milliman, Inc.	30,000	30,000
Ichinaga Consulting	45,000	Na

RECOMMENDATION:

Staff requests that the Finance Committee recommend to the full Board of Directors approval of the 2012 renewal of the three Finance Department’s contracts for services over \$25,000.



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
 AGENDA STATEMENT
 MEETING DATE –TUESDAY, JANUARY 24, 2012

SUBJECT: 2011 Disposal of Fixed Assets over \$25,000

Report Prepared by: Deborah Spaulding, Assistant Finance Officer

ATTACHMENTS: **Exhibit A:** 2011 Schedule of Fixed Assets over \$25,000 to be Deleted from District Fixed Asset Records

RECOMMENDATION: Direct Staff to prepare a report of the accounting adjustment for consideration and acceptance by the Board of Directors.

DESCRIPTION:

This report describes and requests approval for individual items with a value of \$25,000 or more to be removed from the District’s Fixed Assets inventory as per Board Operating Guidelines requirements.

Annually, the District performs an inventory of assets and records an accounting adjustment to “write-off” the remaining net book value (original cost less accumulated depreciation) of any equipment no longer in the District’s possession. The Equipment Superintendent reviews and determines the disposal method for surplus equipment. Items with a book value of over \$25,000 are subject to Board review and action to remove them from the Fixed Assets Inventory.

The only items with a book value over \$25,000 that were disposed of during 2011 were the following, both of which were destroyed as a result of the Tilden Corporation Yard fire. Please note the values listed are depreciated book values which are unrelated to replacement cost.

Description	Value at Disp.	Orig. Cost	Purchase Date
2010 Ford F450 4X4 Pickup	30,192.14	31,781.20	4/30/2010
Tilden Equipment Shop seismic retrofit	174,177.38	202,531.85	12/31/2003

Additionally, for informational purposes, the attachment provides a list of all assets, including those below the District’s capitalization threshold of \$25,000, that were destroyed in the Tilden Corporation Yard fire.

RECOMMENDATION:

Staff recommends that these fixed assets items be written off and reflected in the 2011 financial statements. Staff also requests that the Finance Committee recommend the 2011 annual accounting adjustment to remove assets over \$25,000 in accordance with District policy for consideration and acceptance by the Board of Directors.

ITEM NO. 7

2011 SCHEDULE OF FIXED ASSETS OVER \$25,000 TO BE DELETED FROM DISTRICT FIXED ASSET RECORDS

Description	Net Book Value	Orig Cost	Purchase Date
1 Tilden Equipment Shop seismic retrofit	174,177.38	202,531.85	12/31/2003
2 2010 Ford F450 4X4 Pickup	30,192.14	31,781.20	4/30/2010
TOTALS	\$ 174,177.38	\$ 202,531.85	

FIXED ASSETS DESTROYED IN TILDEN CORP YARD FIRE *

Description	Net Book Value	Orig. Cost	Purchase Date
1 Tilden Equipment Shop seismic retrofit	174,177.38	202,531.85	12/31/2003
2 2010 Ford F450 4X4 Pickup	30,192.14	31,781.20	4/30/2010
3 2009 Ford F250 4WD crewcab truck	24,782.37	30,897.50	5/21/2009
4 Tilden Equipment Shop exhaust system	18,910.69	35,019.82	12/31/1987
5 2007 Dodge Durango Utility Truck	9,361.37	30,071.87	11/7/2006
6 Petrovend Hybrid Fuel Monitoring System	5,954.46	9,094.07	7/16/2008
7 Tilden Equipment Shop office and storage	5,585.96	27,929.86	12/31/1970
8 Veederroot Fuel Tank Monitor	3,376.78	8,104.68	3/26/2002
9 Xerox copy/scan/email/fax	1,905.48	8,166.38	2/22/2007
10 Smog Machine	0.00	23,149.26	1/29/2003
11 Camada Dyno Smog Machine w/accessories	0.00	22,840.39	3/15/2005
12 Parts Rack Assembly with stairs	0.00	6,022.46	12/31/2001
13 Engine Analyzer	0.00	5,737.25	2/14/2001
14 Mechanics Tool Boxes	0.00	5,216.67	8/12/2008
TOTALS	\$ 274,246.63	\$ 446,563.26	

* List includes only fixed assets, and is not reflective of the value of all items destroyed in the fire.



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE –Tuesday January 24, 2012

SUBJECT: Change in November Finance Committee Date
Report Prepared by: Cinde Rubaloff, CFO/Controller

ATTACHMENT: None

RECOMMENDATION: None. This is a discussion item.

DESCRIPTION

Each year the November Finance Committee meeting is re-scheduled for the week preceding Thanksgiving to enable Finance staff to prepare the Board material for the Proposed Budget which is required to be presented for public hearing during the first Board meeting in December.

During 2012 the November meeting will be held on the 13th, rather than the 27th, as originally scheduled.