



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – August 25, 2010

SUBJECT: January 1, 2010 GASB 45 Actuarial Valuation for East Bay Regional Park District Retiree Healthcare Plan (OPEB) and update on CalPERS Actuarial Issues 6/30/08 Valuation for Miscellaneous Retirement Plan
-Agenda Statement Prepared by: Cinde Rubaloff, CFO/Controller
-Reports (Attachments) Prepared by: Bartel and Associates

ATTACHMENTS: OPEB Actuarial Valuation Report, CalPERS Actuarial Issues Report

RECOMMENDATION: Accept January 1, 2010 GASB 45 Actuarial Valuation for OPEB
Recommend Acceptance by the Board of Directors.

DESCRIPTION:

The District's actuarial reports are prepared by Bartel & Associates and address the funding status of the District's GASB 34, Other Post Employment Benefit (OPEB) plan. The report determines the contribution rate for 2011 and 2012, which sets the District's annual required contribution (ARC) amount. The new rate is 8.9% for 2011 and 2012, a drop from the 2009 and 2010 rate of 9.5%. Contributing the ARC amount each year funds the normal cost (the value of the benefit earned by employees during the current year), plus an amortized portion of the unfunded actuarially accrued liability (UAAL) (the projected value of future benefits). The UAAL at January 1, 2011 will be approximately \$31 million.

The District's actuarial also provides annual update on issues related to the CalPERS retirement plans. During 2010 the District implemented a "fresh start" for the miscellaneous plan, with the goal of stabilizing the District's contribution rate at 20% in the short term and 22% in the long term. The actuary recommends that the District continue with annual "fresh starts" to accomplish this rate stabilization. It is anticipated that the CalPERS' required rate will increase above 22% in 2012/2013 and thereafter due to 2009 valuation assumption changes and 2010 decrease in discount rate.

RECOMMENDATION:

Staff requests that the Finance Committee recommend to the full Board of Directors acceptance of the January 1, 2010 GASB 45 Actuarial Valuation for OPEB Report and the CalPERS Actuarial Issues 6/30/08 Valuation Report.



**EAST BAY REGIONAL PARK DISTRICT
MISCELLANEOUS AND SAFETY PLANS**

CalPERS Actuarial Issues – 6/30/08 Valuation

JOHN E. BARTEL & DOUG PRYOR



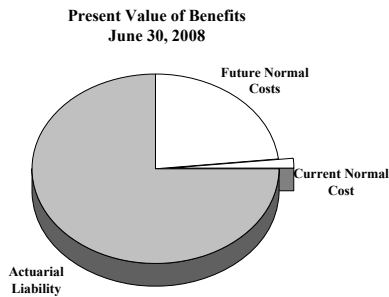
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Agenda

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Definitions



- **PVB - Present Value of all Projected Benefits:**
 - Discounted value (at valuation date - 6/30/08), of all future expected benefit payments based on various (actuarial) assumptions
- **Actuarial Liability:**
 - Discounted value (at valuation date) of benefits earned through valuation date [value of past service benefit]
 - Portion of PVB “earned” at measurement
- **Current Normal Cost:**
 - Portion of PVB allocated to (or “earned” during) current year
 - Value of employee and employer current service benefit

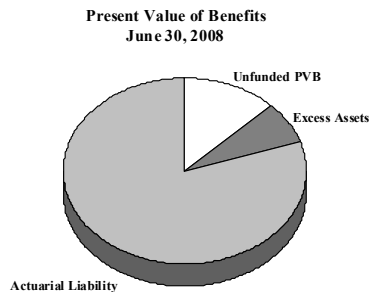


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REGIONAL PARKS
EAST BAY REGIONAL PARK DISTRICT

Definitions



- **Target-** Have money in the bank to cover Actuarial Liability (past service)
- **Unfunded Liability** - Money short of target at valuation date
- **Excess Assets / Surplus:**
 - Money over and above target at that point in time.
 - Doesn't mean you're done contributing.
- **Super Funded:**
 - Assets cover whole pie (PVB)
 - If everything goes exactly like PERS calculated, you'll never have to put another (employer or employee) dime in.

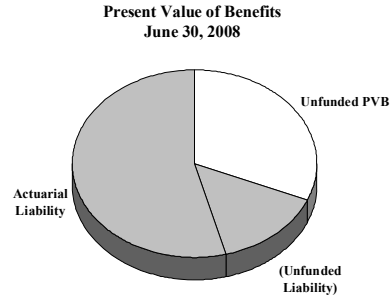
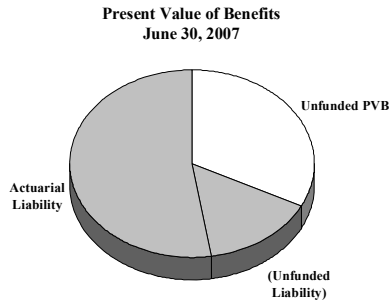


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REGIONAL PARKS
EAST BAY REGIONAL PARK DISTRICT

Plan Funded Status Miscellaneous



<u>June 30, 2007</u>		<u>June 30, 2008</u>
\$ 76,900,000	Unfunded PVB	\$ 80,900,000
(35,400,000)	(Unfunded Liability)	(36,900,000)
124,600,000	Actuarial Liability	139,300,000
166,100,000	PVB	183,300,000



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Plan Funded Status Miscellaneous

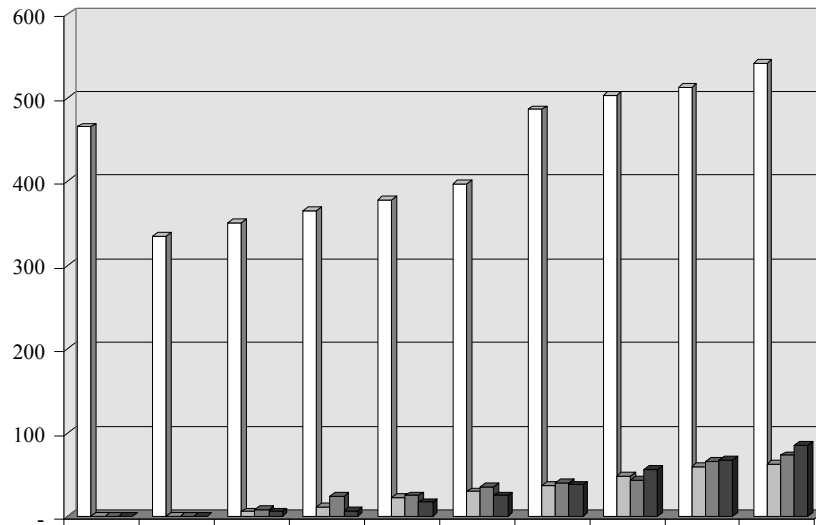
- What happened between 6/30/07 and 6/30/08?
 - Asset gain/(loss): ≈ (0.2) million
 - Actuarial gain/(loss): ≈ (2.4) million
 - Average Salary \$61,800 → \$63,300
 - Number of Actives 512 → 541
 - Number of Inactives 126 → 136
 - Number of Retirees 68 → 85
 - Contribution gain/(loss): ≈ 1.5 million
 - Expected ≈ (7.9)
 - Actual ≈ 9.4
 - Expected UAL Decrease/(Increase): ≈ (0.4) million



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Members Included in Valuation Miscellaneous



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Active	465	335	351	365	378	397	486	503	512	541
Transfers	-	-	6	12	23	30	37	48	60	63
Vested Terminations	-	-	8	24	25	35	40	43	66	73
Receiving Payments	-	-	6	7	17	25	38	56	68	85

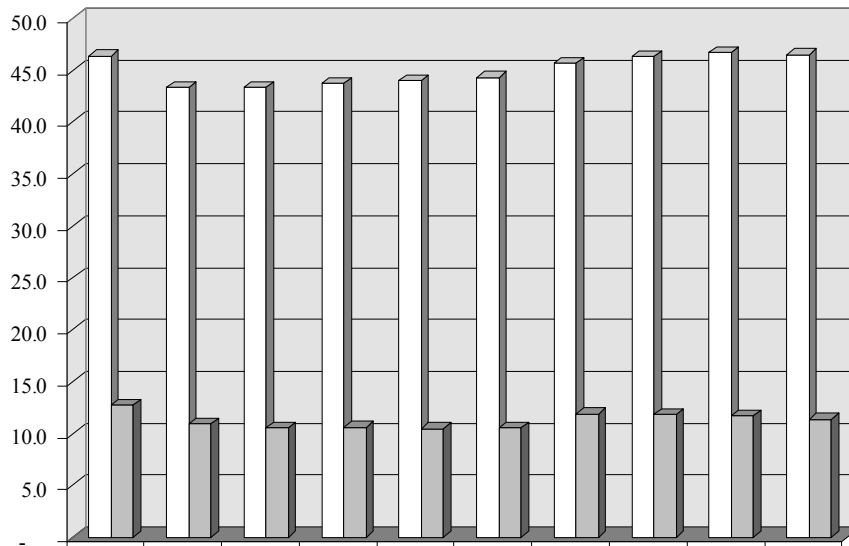


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REGIONAL PARKS
EAST BAY REGIONAL PARK DISTRICT

Average Age/Service Miscellaneous



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Average Age	46.4	43.4	43.4	43.8	44.0	44.3	45.7	46.3	46.7	46.5
Average Service	12.7	11.0	10.5	10.6	10.5	10.5	11.9	11.8	11.7	11.4

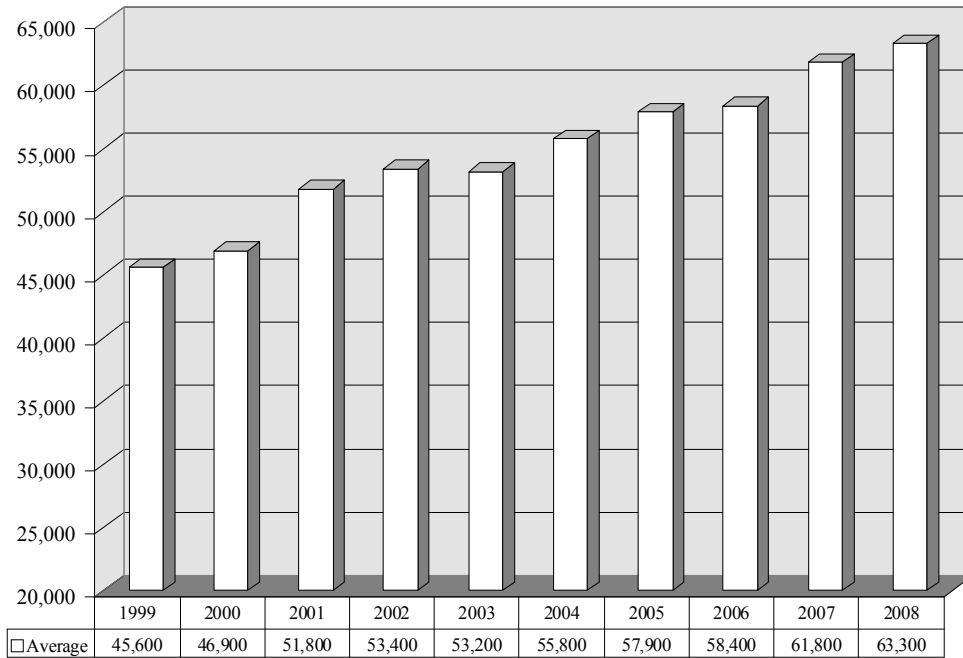


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REGIONAL PARKS
EAST BAY REGIONAL PARK DISTRICT

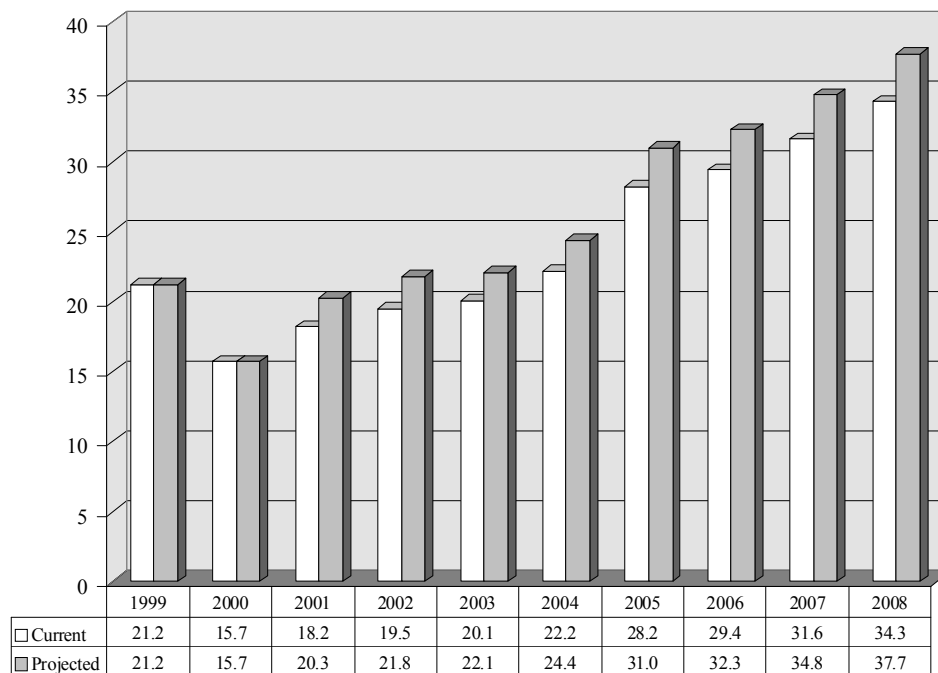
Average PERSable Wages Miscellaneous



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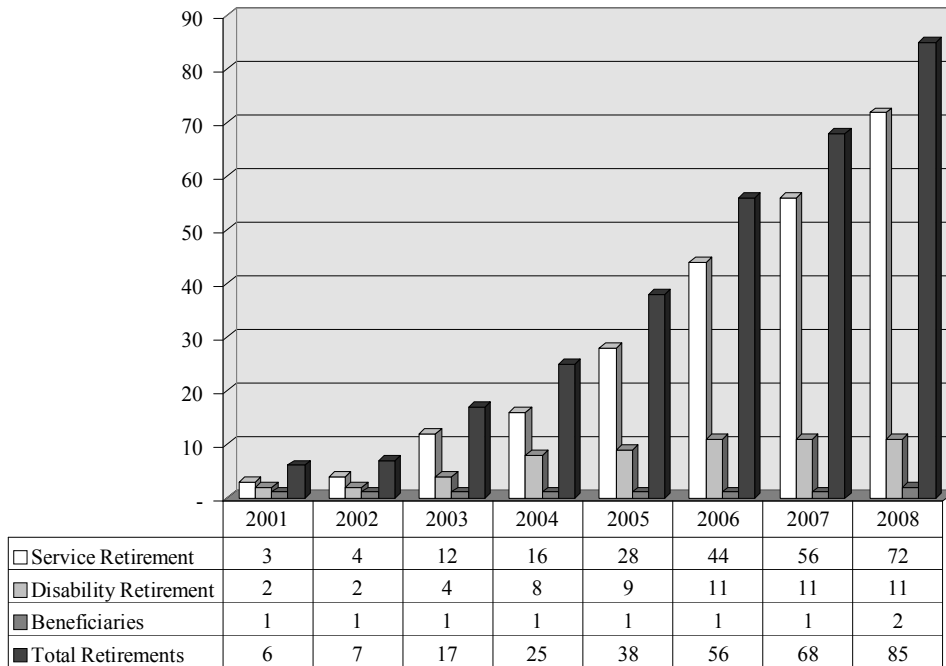
Total Annual PERSable Wages (Millions) Miscellaneous



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Members Receiving Payments Miscellaneous

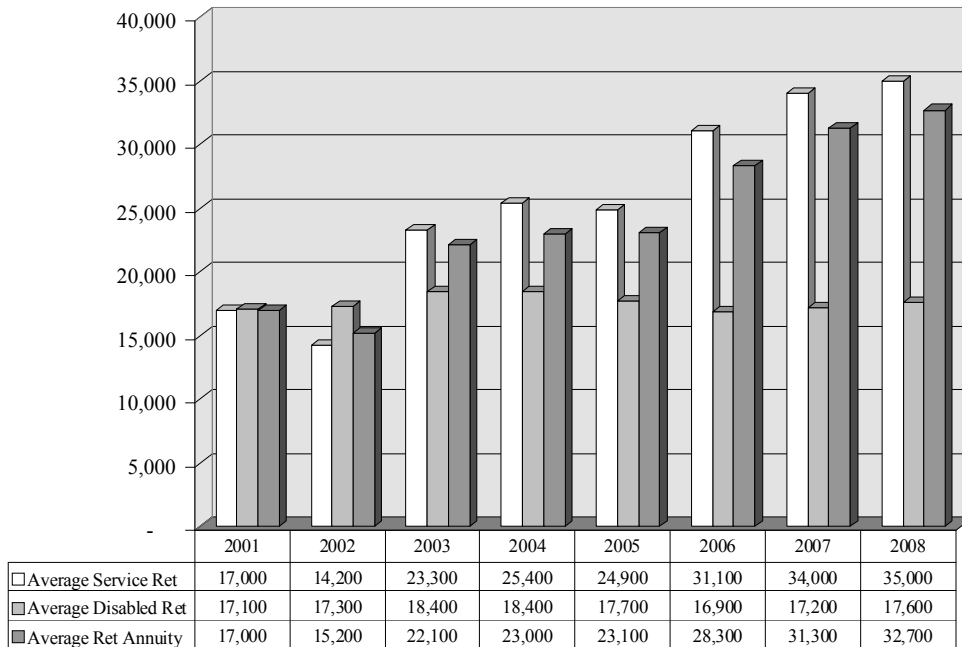


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Average Annuity Miscellaneous



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Average Annuity Miscellaneous

Service Retirement Retirees' Benefit								
Years Retired	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Under 5	\$ 16,926	\$ 14,208	\$ 23,334	\$ 25,367	\$ 25,329	\$ 32,007	\$ 34,364	\$ 35,719
5-9	-	-	-	-	12,393	18,782	25,027	30,191
10-14	-	-	-	-	-	-	-	-
15-19	-	-	-	-	-	-	-	-
20-24	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-
Over 30	-	-	-	-	-	-	-	-
All Years	16,962	14,208	23,334	25,367	24,867	31,105	34,031	35,028



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Average Annuity Miscellaneous

Service Retirement Retirees' Benefit								
Attained Age	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
50-54	\$ -	\$ 5,197	\$ 11,004	\$ 9,463	\$ 17,925	\$ 20,577	\$ 29,348	\$ 27,229
55-59	16,962	19,977	22,151	22,647	27,580	38,506	32,149	33,658
60-64	-	11,679	31,677	31,878	27,696	29,333	37,673	38,641
65-69	-	-	-	-	-	-	43,558	34,935
70-74	-	-	-	-	-	-	-	-
75-79	-	-	-	-	-	-	-	-
80-84	-	-	-	-	-	-	-	-
85 & over	-	-	-	-	-	-	-	-
All Ages	16,962	14,208	23,334	25,367	24,867	31,105	34,031	35,028

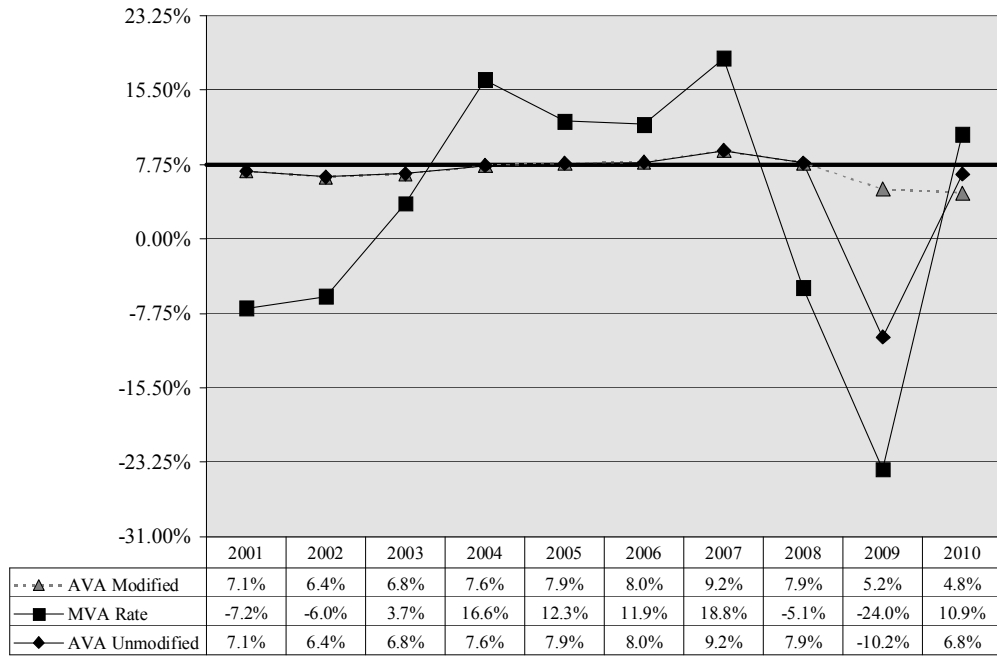


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Actuarial Investment Return Miscellaneous



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Actuarial Investment Return Miscellaneous

- Above assumes contributions, payments, etc. received evenly throughout year.
- 6/30/08:
 - Market Value return $\approx (5.1)\%$
 - Actuarial Value return $\approx 0.1\%$
- 6/30/09:
 - Market Value return $\approx (24.0)\%$ ¹
 - Actuarial Value return
 - Modified $\approx 5.2\%$
 - Unmodified $\approx (10.2)\%$
- 6/30/10:
 - Market Value return through 06/30/10 $\approx 11.4\%$
 - Estimated Annualized MVA Return² $\approx 10.9\%$
 - Est. Annualized Modified AVA Return $\approx 4.8\%$

¹ Actual final return from 6/30/09 CAFR

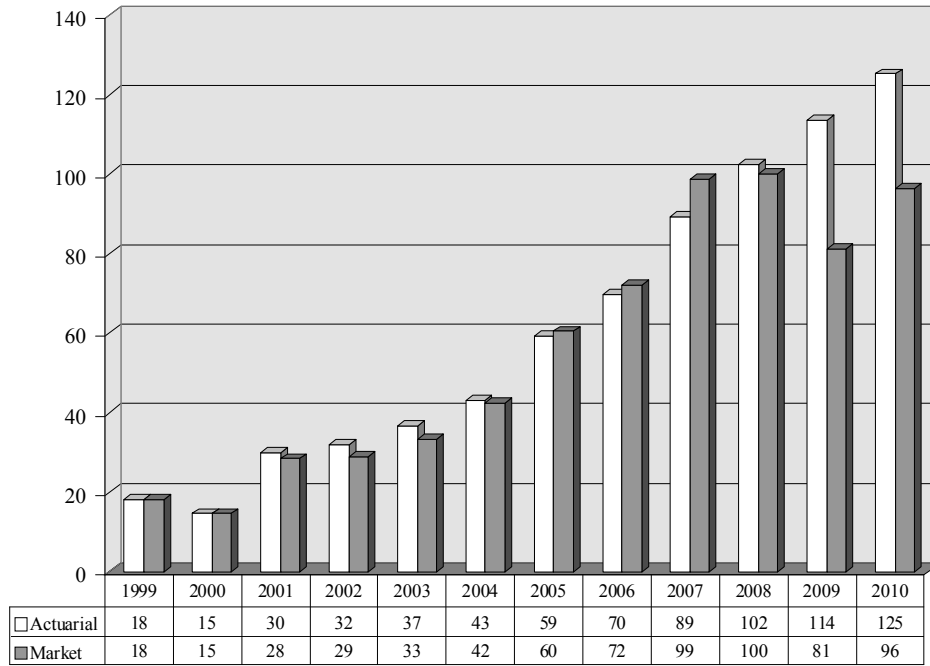
² Estimate based on CalPERS 6/30/10 preliminary return 11.4%, adjusted down by 0.5% for additional expected losses for real estate.



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Asset Values (Millions) Miscellaneous



6/30/09 & 6/30/10 asset values estimated.

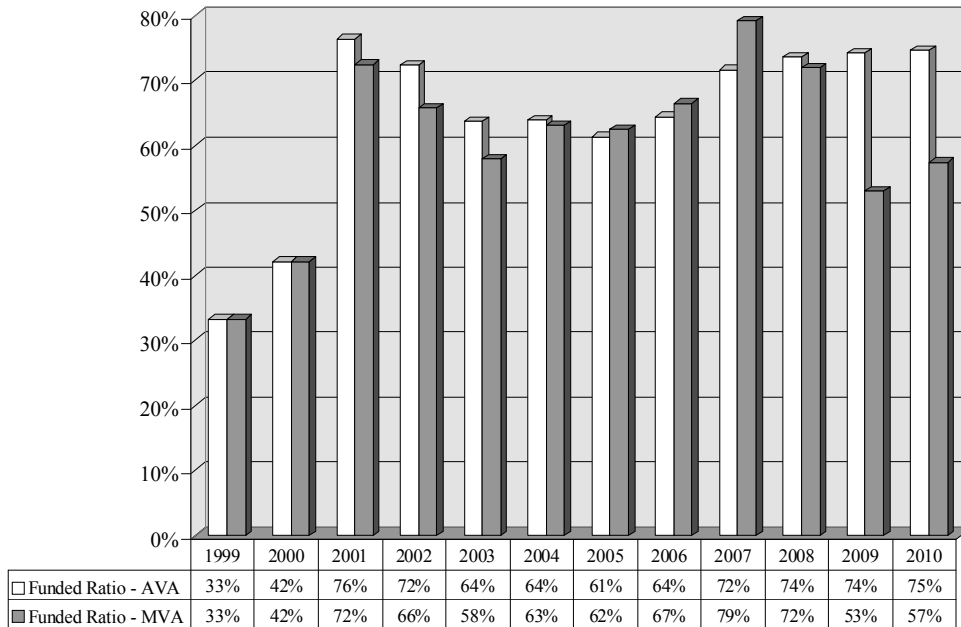


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Funded Status Miscellaneous



6/30/09 & 6/30/10 funded status estimated

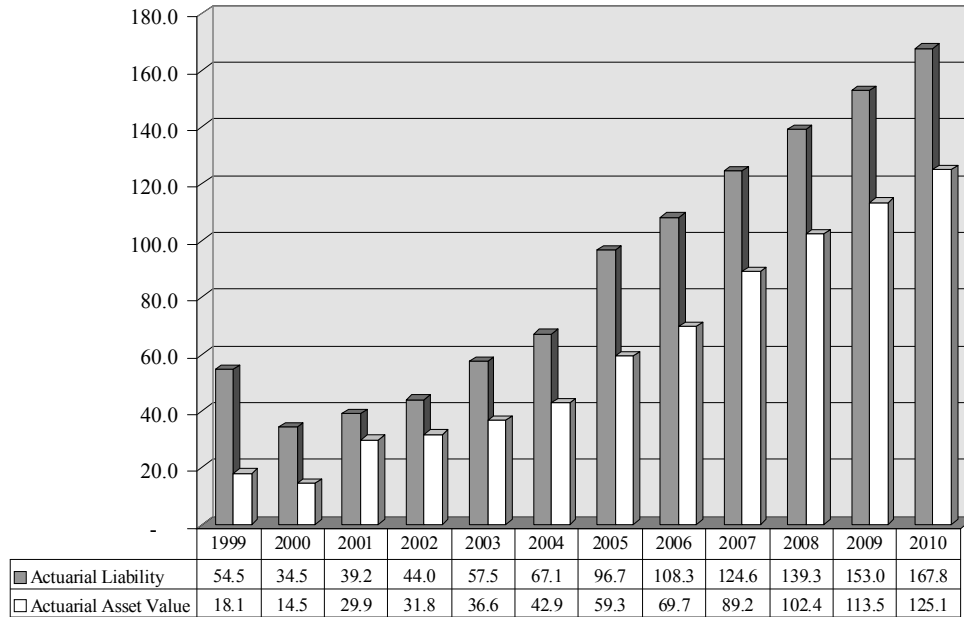


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Funded Status (Millions) Miscellaneous



6/30/09 & 6/30/10 funded status estimated



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Contribution Rates Miscellaneous

- Investment gains/(losses) – Impact on funded status:
 - Actuarial asset “reserve” at 6/30/08 -2.3%
 - 6/30/09 [-24.0% compared to 7.75%] -31.8%
 - 6/30/10 [10.9 % compared to 7.75%] 3.2%
 - Total estimated % loss through 6/30/10 -30.9%
 - Total estimated unrecognized gain \$ -30.9 million
[-30.9% x \$ 100]

		<u>6/30/07</u>	<u>6/30/08</u>	<u>Projected</u>	<u>6/30/10</u>	<u>6/30/40</u>
■	UAL ³ (millions)	\$ 35.4	\$36.9	\$84.2	\$25.5	
■	Investment losses 08/09 ⁴			34.1	44.3	
■	Investment gains 09/10 ⁴			<u>-3.2</u>	<u>-4.2</u>	
■	Total			115.1	65.6	

³ Does not include asset gains or losses after June 30, 2008.

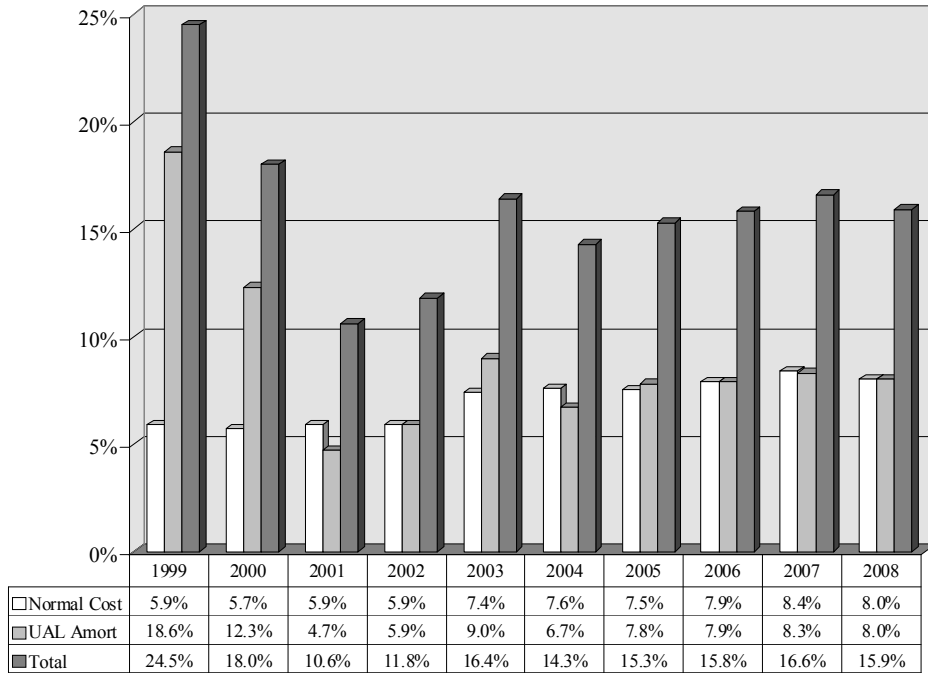
⁴ Ignores future gains & losses (after 6/30/09) and asset smoothing, and assumes continuance of 30-year rolling amortization method.



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Contribution Rates Miscellaneous



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Contribution Rates Miscellaneous

	<u>6/30/07</u> <u>2009/2010</u>	<u>6/30/08</u> <u>2010/2011</u>
■ Normal cost	8.4%	8.0%
■ Amortization bases:		
● (Gain)/Loss	1.5%	-
● Benefit Change 6/30/02	2.1%	-
● Benefit Change 6/30/04	4.2%	-
● Asset Change	-0.1%	-
● Assumption Change	0.5%	-
● Method Change	-0.1%	-
● Fresh Start	<u>0.0%</u>	<u>12.0%</u>
Sub-total	<u>8.3%</u>	<u>12.0%</u>
● Total:	16.6%	20.0%
● Amortization period	Multiple ≈ 18 years	Fresh Start ≈ 10 years
■ What Happened from 6/30/07 to 6/30/08:		
● 2009/10 Rate	16.6%	
● Fresh Start	<u>3.4</u>	
● 2010/11 Rate	20.0%	



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Contribution Projections Miscellaneous

- **Market Value Investment Return:**
 - June 30, 2009 -24.0%⁸
 - Estimated June 30, 2010 10.9 %⁹
 - June 30, 2011 - 2014 75% Confidence Limit¹⁰: ≈ 0.4% - 3.6%
 - 50% Confidence Limit: ≈ 7.75%
 - 25% Confidence Limit: ≈ 11.8% - 15.3%

- **Fresh Starts:**
 - **Fresh Starts for 10/11**
 - 15 Year 0.9% 20 Year -0.7% 25 Year -1.6%
- **Estimated impact of:**
 - **June 30, 2009 Valuation Assumption changes** ≈ 1.0%
 - **June 30, 2010 Anticipated 0.25% decrease in discount rate** ≈ 1.7%
- **No Other:**
 - Gains or Losses
 - Method or Assumption Changes
 - Benefit Improvements

⁸ Actual final return from 6/30/09 CAFR

⁹ Estimate based on CalPERS 6/30/10 preliminary return 11.4%, adjusted down by 0.5% for additional expected losses for real estate.

¹⁰ Confidence Limits – Actual Return will exceed the given rate with indicated probabilities, rates vary by year.

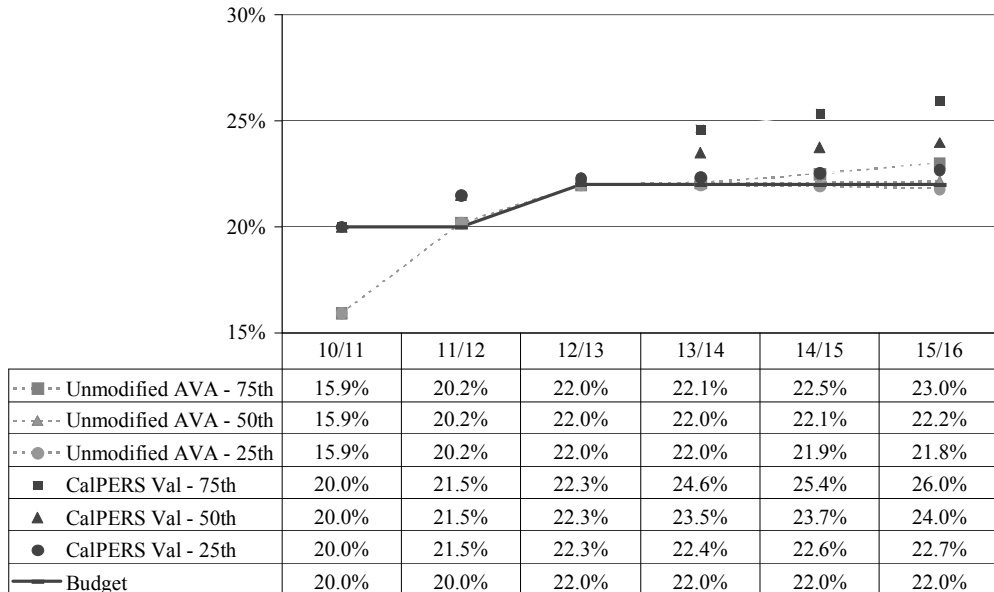


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Contribution Projections Miscellaneous

Investment Return Varies and Fresh Start 10/11



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**Pooled Plan Contribution Rates
Safety**

	<u>6/30/07</u> <u>2009/2010</u>	<u>6/30/08</u> <u>2010/2011</u>
■ Employer Contribution Required		
● Normal Cost		
▪ Pool Rate	15.6%	15.7%
▪ Surcharge for Class 1 Benefits	0.9%	0.9%
▪ Phase out of Normal Cost Difference	<u>0.4%</u>	<u>0.0%</u>
▪ Subtotal	16.9%	16.6%
● Amortization Bases		
▪ Risk Pool's Payment on Bases	1.7%	2.5%
▪ Amortization of Side Fund ¹¹	<u>0.0%</u>	<u>0.0%</u>
▪ Subtotal	<u>1.7%</u>	<u>2.5%</u>
● Total Employer Contribution:	18.6%	19.1%

¹¹ District paid off side fund at 12/31/09. Prior to paid off, the amortization was 18.1%.



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**Pooled Plan Contribution Rates
Safety**

■ What Happened from 6/30/07 to 6/30/08:	
● 2009/10 Rate before Side Fund Paid Off	36.8%
● Side Fund Paid Off	-18.1
● Normal Cost	0.1
● Phase out of Normal Cost	-0.4
● Risk Pool's Payments on Bases	0.8
● Side Fund Amortization	<u>-0.1</u>
● 2010/11 Rate	19.1%



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Pooled Plan Contribution Rates Safety

- Market Value Investment Return:
 - June 30, 2009 -24.0%¹²
 - June 30, 2010 10.9%¹³
 - June 30, 2011 - 2014 75% Confidence Limit¹⁴: ≈ **0.4% - 3.6%**
 - 50% Confidence Limit: ≈ **7.75%**
 - 25% Confidence Limit: ≈ **11.8% - 15.3%**

- Payroll Increases:
 - Aggregate payroll increases 3.25% each year

- No Other:
 - Gains or Losses
 - Method or Assumption Changes
 - Benefit Improvements

¹² Actual final return from 6/30/09 CAFR

¹³ Estimate based on CalPERS 6/30/10 preliminary return 11.4%, adjusted down by 0.5% for additional expected losses for real estate.

¹⁴ Confidence Limits – Actual Return will exceed the given rate with indicated probabilities, rates vary by year.

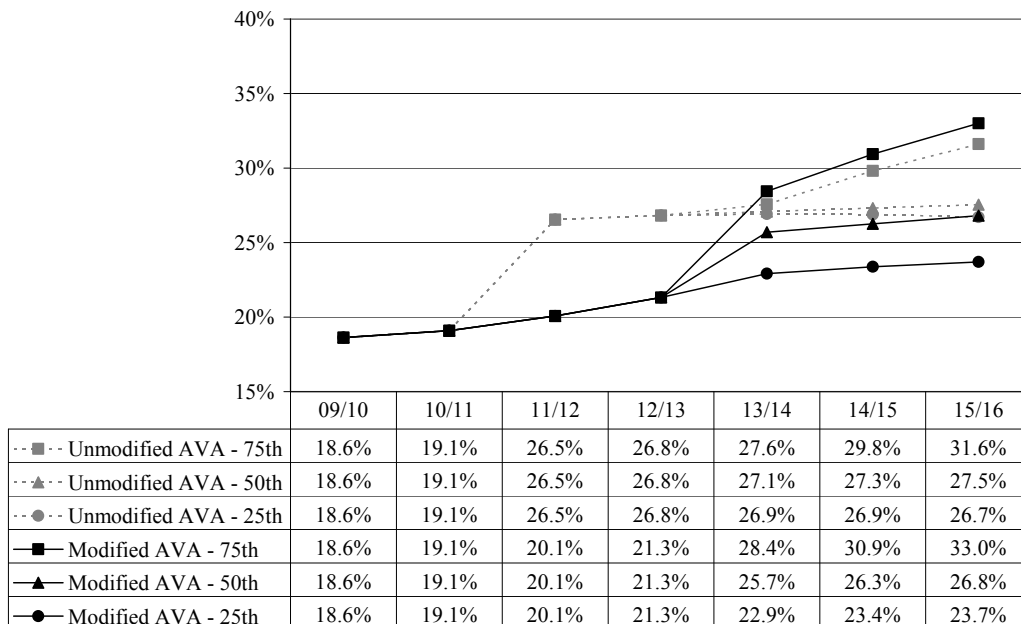


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Pooled Plan Contribution Rates Safety

Investment Return Varies



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Pooled Plan Contribution Rates Safety

- **Market Value Investment Return:**
 - June 30, 2009 -24.0%¹⁵
 - Estimated June 30, 2010 10.9%¹⁶
 - June 30, 2011 - 2014 75% Confidence Limit¹⁷: ≈ 0.4% - 3.6%
 - 50% Confidence Limit: ≈ 7.75%
 - 25% Confidence Limit: ≈ 11.8% - 15.3%

- **Payroll Increases:**
 - Aggregate payroll increases 3.25% each year
- **Estimated impact of:**
 - **June 30, 2009 Valuation Assumption changes** ≈2.5%
 - **June 30, 2010 Anticipated 0.25% decrease in discount rate** ≈3.4%
- **No Other:**
 - Gains or Losses
 - Method or Assumption Changes
 - Benefit Improvements

¹⁵ Actual final return from 6/30/09 CAFR

¹⁶ Estimate based on CalPERS 6/30/10 preliminary return 11.4%, adjusted down by 0.5% for additional expected losses for real estate.

¹⁷ Confidence Limits – Actual Return will exceed the given rate with indicated probabilities, rates vary by year.

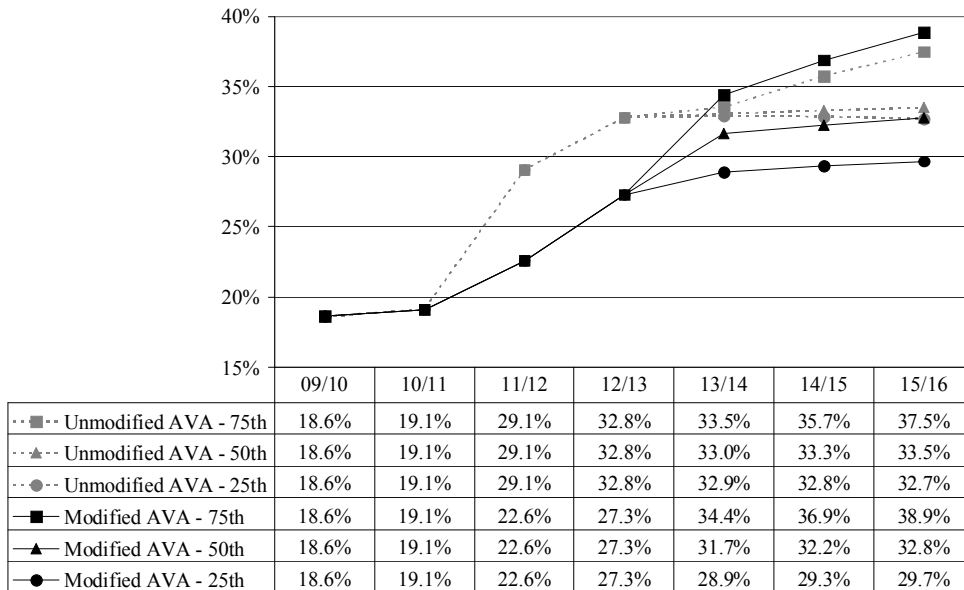


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Pooled Plan Contribution Rates Safety

Investment Return Varies

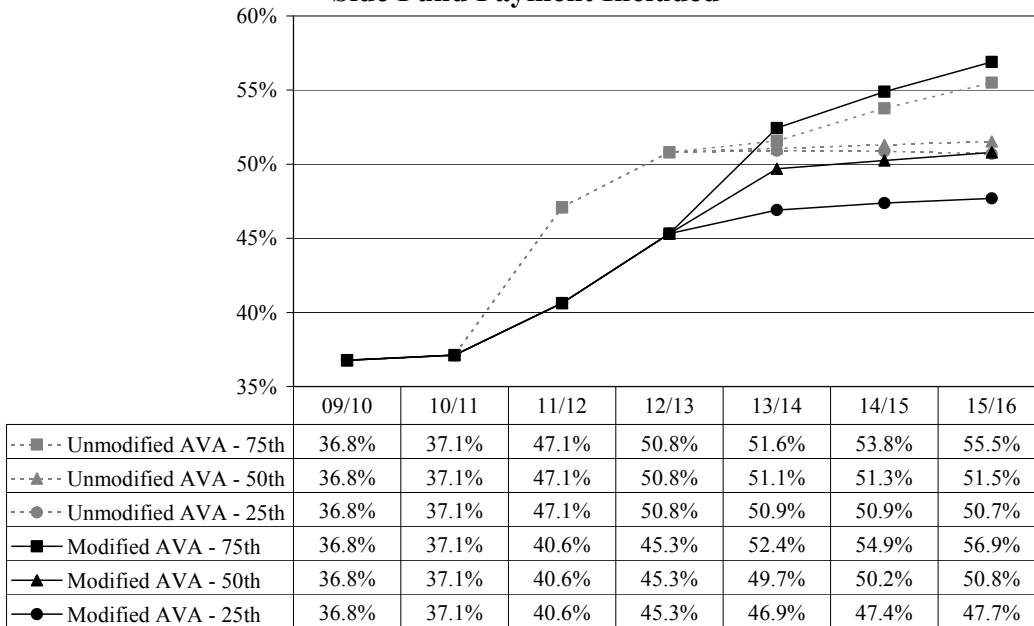


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Pooled Plan Contribution Rates Safety

**Investment Return Varies
Side Fund Payment Included**



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Pooled Plan Contribution Rates Safety

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CalPERS Smoothing

6/30/2008:	<u>Unmodified</u>	<u>Modified</u>
Market Value	100.0%	100.0%
Actuarial Value	97.8%	97.8%
6/30/2009:	<u>-24.0%</u>	<u>-24.0%</u>
Market Value	76.0%	76.0%
Actuarial Value:		
1. Project @ 7.75%	105.4%	105.4%
2. Adjust:[(MV-AV) x (1/15)]	103.4%	103.4%
3. Limited by corridor [Unmodified: 120%, Modified: 140%]	91.2%	103.4%
Actuarial Rate of Return	-6.7%	5.7%
Ratio of Actuarial Value to Market Value	120.0%	136.1%



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CalPERS Smoothing

Actuarial Asset Values	<u>Old Method</u>	<u>New Method</u>
● Project Assets forward	7.75%	7.75%
● Asset Gain/Losses Recognized	15 Years	15 Years
● Ratio of Actuarial to Market Value of Assets	80-120%	60-140%
Actuarial Asset Methods		
● Amortization		
○ Years	30 Years	30 Years
○ Factor	6%	6%
● Minimum	Normal Cost less 30 Year Amortization of Surplus	Normal Cost less 30 Year Amortization of Surplus



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**EAST BAY REGIONAL PARK DISTRICT
RETIREE HEALTHCARE PLAN**



Valuation Summary

January 1, 2010 GASB 45 Actuarial Valuation

**JOHN E. BARTEL & DOUG PRYOR
BARTEL ASSOCIATES, LLC
August 25, 2010**

Agenda

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BENEFIT SUMMARY

Medical Benefits

Group	Eligibility	Monthly Benefit (< 65)	Monthly Benefit (≥ 65)
AFSCME	ER 55 & 10 ¹	Participation \$100 (\$200 with 20 years service)	AARP (Dual) AARP (Dual)
POA	50 & 10 ²	\$105 (PEMHCA minimum ³)	\$105 ⁴ (PEMHCA minimum)

- ¹ For retirements between 1/1/99 and 6/1/03 eligibility is age 58 with 10 years of service for \$100 benefit and 58 with 20 years of service for \$200 benefit.
- ² Or industrial disability retirement. Eligible for PEMHCA minimum with 5 years of CalPERS service.
- ³ PEMHCA minimum is \$105 for 2010 and \$108 for 2011.
- ⁴ AARP reimbursement for employee and spouse for retirements on or before April 1, 2002.



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BENEFIT SUMMARY

Group	Eligibility	Monthly Benefit (< 65)	Monthly Benefit (≥ 65)
Mgmt/Conf (AGM)	Hire/Prom. < 1/1/03 ER Hire/Prom. ≥ 1/1/03 ER & 10 ER & 20	Family Premium \$300 \$350	5 YOS: Dual AARP+MedB 15YOS: Single Prem+MedB 20 YOS: Dual Prem+MedB \$300 \$350
Mgmt/Conf (Non AGM)	Hire/Prom. < 1/1/03 ER ⁵ Hire/Prom. ≥ 1/1/03 ER & 10 ER & 20	Family Premium \$250 \$300	AARP+Med B (Dual) ⁶ \$250 \$350

- ⁵ 48 years or older under the Transamerica plan; 50 years or older under CalPERS plan.
- ⁶ \$183 reimbursement for retiree (and \$183 for spouse) can be paid in lieu of AARP and Medicare B coverage



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BENEFIT SUMMARY

Group	Eligibility	Monthly Benefit (< 65)	Monthly Benefit (≥ 65)
Directors	Under 12 years prior to 1/1/1995 12 + years prior to 1/1/1995	Participation ⁷ Family Premium	Participation ⁷ AARP+Med B (Dual) if elected < 1/1/95

⁷ Retiree pays District group medical and dental premiums.



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BENEFIT SUMMARY

Other Benefits

<ul style="list-style-type: none"> ■ Dental 	<ul style="list-style-type: none"> • Premiums paid by retiree except as follows: <ul style="list-style-type: none"> ➢ AGM Mgmt/Conf hired or promoted < 1/1/03: single coverage if 15 years of service, dual if 20+ years ➢ AGM Mgmt/Conf hired or promoted > 1/1/03: \$30/month if 15 years of service
<ul style="list-style-type: none"> ■ Vision 	<ul style="list-style-type: none"> • None
<ul style="list-style-type: none"> ■ Life 	<ul style="list-style-type: none"> • Average active/retiree premium paid by retiree: \$37.44 for \$13,000 coverage.
<ul style="list-style-type: none"> ■ Vesting 	<ul style="list-style-type: none"> • No benefit for employees not retiring immediately from District.
<ul style="list-style-type: none"> ■ Pay-As-You-Go (\$000s) 	<ul style="list-style-type: none"> • \$1,556 estimated for 2010



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BENEFIT SUMMARY

■ Implied Subsidy

- Participating retirees paying active rates vs. actual cost
Community rated plans not required to value implied subsidy
PEMHCA is, for most employers, a community rated plan
- Value implied subsidy for District non-PEMHCA medical plans
- Not valuing implied subsidy for PEMHCA plans or dental/vision



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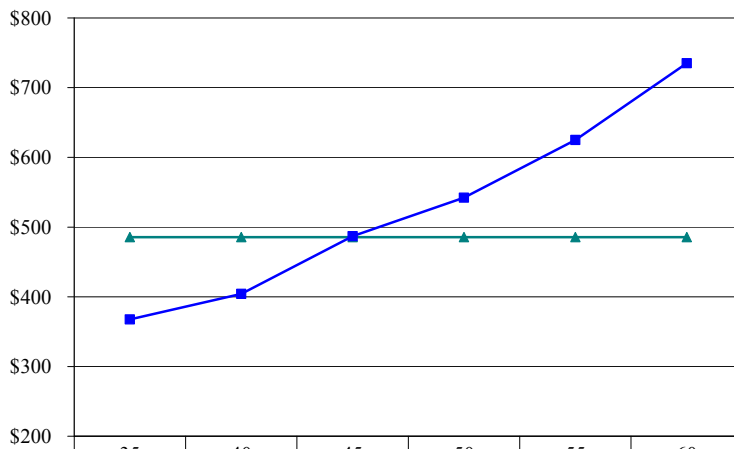
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BENEFIT SUMMARY

■ Implied Subsidy Illustration

• Kaiser



▲ Blended Premium	486	486	486	486	486	486
■ Cost by Age	368	404	487	542	625	735



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DATA SUMMARY

Participant Statistics

January 1, 2010

	AFSCME	POA	Mgmt/Conf (Non AGM)	Mgmt/Conf (AGM)	Directors	Total
■ Actives:						
• Count	485	71	64	9	1 ⁸	630
• Average Age	47.0	38.9	52.7	57.4	64.6	46.8
• Average Svc	10.8	8.6	14.8	20.9	31.0	11.1
• Average Pay	\$61,000	\$80,400	\$97,800	\$178,500	\$0	\$68,500
• Total Pay (000's)	\$29,609	\$5,708	\$6,260	\$1,607	\$0	\$43,184
■ Retirees:						
• Count < 65	60	22	33	1	-	116
• Count > 65	<u>115</u>	<u>15</u>	<u>48</u>	<u>7</u>	<u>3</u>	<u>188</u>
• Total	175	37	81	8	3	304
• Average Age	70.3	60.9	68.5	75.3	83.5	69.0
• Avg. Ret Age	60.3	50.0	57.8	59.3	67.1	58.4

⁸ Excludes 6 Directors who are eligible for participation only



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REGIONAL PARKS
EAST BAY REGIONAL PARK DISTRICT

DATA SUMMARY

Participant Statistics

January 1, 2008⁹

	AFSCME	POA	Mgmt/Conf (Non AGM)	Mgmt/Conf (AGM)	Directors	Total
■ Actives:						
• Count	484	70	60	9	1 ¹⁰	624
• Average Age	46.1	38.1	51.0	55.4	62.6	45.9
• Average Svc	10.3	7.6	15.0	18.9	29.0	10.6
• Average Pay	\$59,400	\$75,000	\$93,900	\$173,500	\$6,600	\$66,000
• Total Pay (000's)	\$28,742	\$5,248	\$5,631	\$1,562	\$7	\$41,189
■ Retirees:						
• Count < 65	60	24	40	2	-	126
• Count > 65	<u>97</u>	<u>11</u>	<u>40</u>	<u>5</u>	<u>3</u>	<u>156</u>
• Total	157	35	80	7	3	282
• Average Age	69.3	59.2	68.3	71.3	77.6	67.9
• Avg. Ret Age	59.7	49.7	58.0	58.4	63.9	57.9

⁹ Based on November 2008 census.

¹⁰ Excludes 5 Directors who are eligible for participation only



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REGIONAL PARKS
EAST BAY REGIONAL PARK DISTRICT

METHODS AND ASSUMPTIONS HIGHLIGHTS

Asset Allocation

	PARS¹¹	CalPERS
■ Domestic Equity (6.5%)	50.0%	24.5%
■ International Equity (7.0%)	-	24.5%
■ Real Estate (4.75%)	-	10.0%
■ Alternative Investments (4.0%)	-	14.0%
■ Inflation Linked Securities (2.5%)	-	5.0%
■ Fixed Income (2.5%)	45.0%	20.0%
■ Cash (-1.5%)	5.0%	2.0%
■ Total	100.0%	100.0%

¹¹ Moderate portfolio



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METHODS AND ASSUMPTIONS HIGHLIGHTS

Expected Asset Returns

	PARS	CalPERS
■ Real return	4.30%	4.94%
■ Inflation	3.00%	3.00%
■ Total Return	7.30%	7.94%
■ Expenses	-1.00%	-0.50%
■ Net Return	6.30%	7.44%
■ Assumption	6.25%	7.75%



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METHODS AND ASSUMPTIONS HIGHLIGHTS

	January 1, 2008 Valuation	January 1, 2010 Valuation
■ Valuation Date	<ul style="list-style-type: none"> January 1, 2008 Fiscal Years 2009 and 2010 	<ul style="list-style-type: none"> January 1, 2010 Fiscal Years 2011 and 2012
■ Discount Rate	<ul style="list-style-type: none"> 6.25% Pre-funded through PARS trust (moderate plan) 	<ul style="list-style-type: none"> Same
■ Aggregate Payroll Increases	<ul style="list-style-type: none"> 3.25% 	<ul style="list-style-type: none"> Same
■ General Inflation	<ul style="list-style-type: none"> 3.0% 	<ul style="list-style-type: none"> Same
■ Healthcare Trend	<ul style="list-style-type: none"> 9%/10% decreasing to 4.5% over 8 years 	<ul style="list-style-type: none"> 8%/9% decreasing to 4.5% over 7 years
■ Dollar Stipend Increases	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Same
■ PEMHCA Minimum Increases	<ul style="list-style-type: none"> 4.5% 	<ul style="list-style-type: none"> Same
■ Dental Trend	<ul style="list-style-type: none"> 3.0% 	<ul style="list-style-type: none"> Same



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METHODS AND ASSUMPTIONS HIGHLIGHTS

	January 1, 2008 Valuation	January 1, 2010 Valuation
■ Retirement	<ul style="list-style-type: none"> CalPERS Plan Participants: CalPERS 1997-2002 Experience Study Miscellaneous: Average Retirement Age ≈ 60 <ul style="list-style-type: none"> ➢ Miscellaneous (2.5%@55) Retirement Age ≈ 60 ➢ Safety (3%@50) Retirement Age ≈ 54 Transamerica General Employees Plan (GEP) Participants: GEP valuation assumptions <ul style="list-style-type: none"> ➢ Miscellaneous: Average Retirement Age ≈ 60 	<ul style="list-style-type: none"> CalPERS Plan Participants: CalPERS 1997-2007 Experience Study Miscellaneous: Average Retirement Age ≈ 60 <ul style="list-style-type: none"> ➢ Miscellaneous (2.5%@55) Retirement Age ≈ 58 ➢ Safety (3%@50) Retirement Age ≈ 54 Transamerica General Employees Plan (GEP) Participants: GEP valuation assumptions <ul style="list-style-type: none"> Miscellaneous: Average Retirement Age ≈ 60



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RESULTS

Market Value of Plan Assets Reconciliation

(000's Omitted)

	2007	2008	2009	Projected 2010
■ MVA (boy)	\$ -	\$ 6,509	\$ 7,918	\$ 13,276
• Employer Contribution	7,428	4,602	4,423	3,984
• Reimbursement for Benefits Paid	<u>-¹²</u>	<u>(910)</u>	<u>(986)</u>	<u>(1,464)</u>
• Expenses	(7)	(29)	(93)	(133)
• Investment Return	<u>114</u>	<u>(2,049)</u>	<u>2,194</u>	<u>1,040</u>
■ MVA (eoy) – Before Adjustments	7,535	8,123	13,455	16,703
• Reimbursement for Benefits Paid	<u>(1,027)</u>	<u>(205)</u>	<u>(178)</u>	<u>-</u>
■ MVA (eoy) - After Adjustments	6,509	7,918	13,276	16,703
■ Approximate Rate of Return	4.4% ¹³	-24.9%	21.8%	6.3%

¹² District paid \$1,027 in benefit payments in 2007 and was reimbursed by the trust in 2008

¹³ Annualized rate of return. Initial contribution into fund was \$5.7 million on August 17, 2007.



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RESULTS

Actuarial Value of Plan Assets Development

(000's Omitted)

	2007	2008	2009	Projected 2010
■ AVA (boy)	\$ -	\$ 6,572	\$ 9,542	\$ 13,381
• Employer Contribution	7,428	4,602	4,423	3,984
• Reimbursement for Benefits Paid	-	(910)	(986)	(1,464)
• Administrative Expenses	(7)	(29)	(93)	(133)
• Expected Investment Return	<u>193</u>	<u>524</u>	<u>699</u>	<u>1,047</u>
■ Expected AVA (eoy)	7,614	10,759	13,585	16,814
■ Preliminary AVA¹⁴	7,599	10,232	13,559	16,792
• Maximum AVA (120% of MVA)	9,042	9,747	16,146	20,044
• Minimum AVA (80% of MVA)	6,028	6,498	10,764	13,363
■ AVA (eoy) – Before Adjustments	7,599	9,747	13,559	16,792
• Reimbursement for Benefits Paid	<u>(1,027)</u>	<u>(205)</u>	<u>(178)</u>	<u>-</u>
■ AVA (eoy) - After Adjustments	6,572	9,542	13,381	16,792
■ Approximate Rate of Return	4.4%	-6.1%	5.5%	5.7%

¹⁴ Expected AVA plus 20% of the difference between the MVA and expected AVA.



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RESULTS

Actuarial Obligations

(000's Omitted)

	1/1/08 Valuation		1/1/10 Valuation	
	1/1/08	Proj. 1/1/09	1/1/10	Proj. 1/1/11
■ Present Value of Benefits				
• Actives	\$ 33,301		\$ 34,504	
• Retirees	<u>19,986</u>		<u>22,121</u>	
• Total	53,288		56,626	
■ Actuarial Accrued Liability				
• Actives	20,355		22,533	
• Retirees	<u>19,986</u>		<u>22,121</u>	
• Total	40,341	43,270	44,654	47,345
■ Actuarial Value of Assets	<u>6,572</u>	<u>9,542</u>	<u>13,381</u>	<u>16,792</u>
■ Unfunded AAL	33,769	33,728	31,273	30,553
■ Normal Cost		1,625		1,605
■ Benefit Payments		1,363		1,895



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RESULTS

Annual Required Contribution (ARC)

(000's Omitted)

	1/1/08 Valuation		1/1/10 Valuation	
	2009	2010	2011	2012
■ Current Annual Cost - \$				
• Normal Cost	\$ 1,625	\$ 1,678	\$ 1,605	\$ 1,657
• UAAL Amortization ¹⁵	<u>2,397</u>	<u>2,475</u>	<u>2,360</u>	<u>2,437</u>
• Total ARC	4,022	4,153	3,965	4,094
■ Projected Payroll	42,528	43,910	44,600	46,050
■ Annual Required Contribution - %				
• Normal Cost	3.8%	3.8%	3.6%	3.6%
• UAAL Amortization	<u>5.7%</u>	<u>5.7%</u>	<u>5.3%</u>	<u>5.3%</u>
• Total ARC	9.5%	9.5%	8.9%	8.9%

¹⁵ Initial UAAL amortized as a level percent of payroll over a 20 year period starting 2007. Subsequent assumption changes and gains/losses amortized as level percent of payroll over a 15 year period.



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RESULTS

Amortization Bases

(000's Omitted)

	1/1/08 Valuation		1/1/10 Valuation	
	1/1/09	1/1/10	1/1/11	1/1/12
■ Outstanding Balance				
• Initial UAAL	\$ 37,336	\$ 36,889	\$ 36,324	\$ 35,630
• 2008 Val (Gain)/Loss	(3,608)	(3,524)	(3,424)	(3,307)
• 2010 Val (Gain)/Loss	-	-	<u>(2,347)</u>	<u>(2,292)</u>
• Total	33,728	33,365	30,553	30,031



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RESULTS

Amortization Payments

(000's Omitted)

	1/1/08 Valuation		1/1/10 Valuation	
	2009	2010	2011	2012
■ Amortization Payment - \$				
• Initial UAAL ¹⁶	\$ 2,698	\$ 2,785	\$ 2,876	\$ 2,970
• 2008 Val (Gain)/Loss ¹⁷	(301)	(310)	(321)	(331)
• 2010 Val (Gain)/Loss ¹⁸	-	-	<u>(196)</u>	<u>(202)</u>
• Total	2,397	2,475	2,360	2,437

¹⁶ Amortized over 18 years beginning 2009, 16 years from 2011

¹⁷ Amortized over 15 years beginning 2009, 13 years from 2011

¹⁸ Amortized over 15 years beginning 2011



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RESULTS

Actuarial Gain/Loss

(In \$ millions)

	(Gain)/Loss
■ Source	
• Actual premiums < expected	\$ (5.0)
• Assumption changes (primarily Miscellaneous retirement rates)	2.8
• Contributions gain	(0.6)
• Demographic/other	0.4
■ Total	(2.4)



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REGIONAL PARKS
EAST BAY REGIONAL PARK DISTRICT

RESULTS

Estimated Net OPEB Obligation (NOO)

(Amounts in 000's)

	1/1/08 Valuation		1/1/10 Valuation	
	CAFR 2009	Estimated 2010	Estimated 2011	Estimated 2012
■ NOO at Beginning of Year	\$ (3,659)	\$ (3,869)	\$ (3,777)	\$ (3,689)
■ Annual OPEB Cost (AOC)				
• Annual Required Contribution	4,022	4,153	3,965	4,094
• Interest on NOO	(214)	(242)	(236)	(231)
• Amortization of NOO	<u>305</u>	<u>332</u>	<u>324</u>	<u>317</u>
• Annual OPEB Cost	4,113	4,243	4,053	4,180
■ Contributions				
• Trust Pre-Funding	n/a	3,984	3,719	3,773
• Implied Subsidy	<u>n/a</u>	<u>167</u>	<u>245</u>	<u>321</u>
• Total Contribution	4,323	4,151	3,965	4,094
■ NOO at End of Year	(3,869)	(3,777)	(3,689)	(3,603)

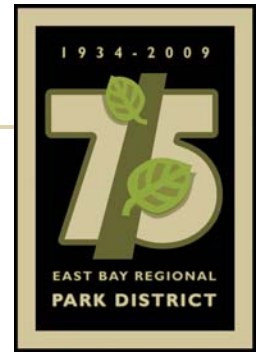


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REGIONAL PARKS
EAST BAY REGIONAL PARK DISTRICT

MEMO



DATE: August 18, 2010

TO: Board Finance Committee

FROM: Dave Collins, AGM Finance and Management Services

SUBJECT: Update on CalPERS Pension Contribution Rates

Background:

Over the past several years the District's actuaries have been cautioning us that optimistic earnings assumptions and major investment losses by CalPERS will very likely result in increased pension obligation costs in future years. Unchecked, this trend will require the District to commit an increasing percentage of wages to pension obligations each year for the foreseeable future, constraining this agency's ability to accommodate current needs and future growth in staff, facilities, operations and public services. Our long term financial stability depends on taking action to address this trend early. The first steps to do so were implemented by the Board in the 2010 budget. Further adjustments are expected to be necessary in coming years to stabilize rates and minimize future pension cost increases.

Reports are received annually from CalPERS that provide information on the District plans and notice of future pension rate changes. These reports, and actuarial recommendations, are based on assumptions of future events, earnings, demographic trends etc. so our actual experience may be better, or worse than projected. For this reason the District has retained our own actuary, Bartel and Associates, to review this information and provide recommendations to the District consistent with our long-term financial orientation.

For the past two years, the discussion has been focused on the financial impacts to the District of the major pension investment fund losses and changes in actuarial assumptions being implemented by CalPERS.

In 2009, Bartel advised the District that the CalPERS investment returns for the prior two year period were 34.8% below the assumed return rate of +7.75% per year. This year, Bartel noted that the returns have been positive, but continue to be very volatile. In response to this major investment loss and continuing unsettled economic climate, CalPERS continues to evaluate current and future actuarial assumptions and is implementing changes (increases) in agency contribution rates to ensure adequate future funding for the plan.

Bartel has advised the District that the changes being implemented by CalPERS will result in a rising level of annual pension contribution rates (as a percent of wages) over the long term. He also advises that a delay in raising contribution rates to an actuarially sufficient level, as has been implemented by CalPERS, may result in both a higher long term annual contribution rate than might otherwise be the case, and an increasing unfunded actuarial liability of our pension

MEMO

plan over the long term. Both of these consequences amount to deferring current financial obligations to future budgets, or 'kicking the can down the road'.

2010 Budget:

In 2009, staff recommended, and the Finance Committee concurred, that the District was best served by the responsible financial decision to fund our long-term pension obligations:

- At a rate calculated by our actuaries to result in a constant (not increasing over time) annual pension contribution (as a percent of wages).
- At a rate that will not result in an increasing future actuarial liability to the District.
- On an amortization schedule (the number of years over which the unfunded pension cost is spread) that is similar to the expected use of funds by our employees as they retire in future years.

The annual Bartel actuarial reports were presented to the Finance Committee on August 26, 2009. The Committee concurred with the recommendations of staff and the actuary and recommended an increase in the District's pension contributions to the general employees plan beginning in the 2010/2011 year (CalPERS funding levels are based on a fiscal year). The recommended rate was targeted to offset the investment fund losses and to result in a level percentage contribution for future years. The recommended increase was approximately 4% of salary, bringing the employer's share of the annual pension cost to 20% of wages for the general employee plan. The cost of this increase is approximately \$1.5 million for the 2010/2011 year. The 2010 portion of this amount was subsequently included in the District's annual budget and has been implemented with CalPERS as of July 1, 2010.

Our action was taken in anticipation of CalPERS' adoption of a revised actuarial methodology wherein they are deferring rate increases for 2011/12 and 2012/13 by raising rates more steeply in 2014 and beyond. It is possible that CalPERS has taken this action to defer actuarially beneficial near-term cost increases at the expense of higher future rates. This is likely due, in part, to the fragile financial position of many public agencies, including the State, and the outcry that would erupt if these increases were imposed during this economic slump.

This 2010 budget action is expected to correct the District's pension contribution rate for the one-time CalPERS investment loss. However, this new 20% of salary 2010 rate amount did not adjust for a reduction in the assumed long term investment discount (return) rate and valuation assumption changes that we expect will be implemented by CalPERS in 2011 or 2012. CalPERS has not yet taken formal action on these adjustments; therefore, corrective action by the District in 2009 or 2010 on these matters would be premature.

2011 Budget:

The 20% pension benefit percentage established in 2010 will be used to calculate the District employer's share of the cost of the general employee's pension contribution for the first half of 2011. However, as mentioned above, CalPERS has notified the District of likely changes to actuarial assumptions, and therefore contribution rates, in future years.

Specifically, our actuary notes that CalPERS investment assumption of a 7.75% return rate was not likely to remain at that level and that it will need to be reduced in future years. The

MEMO

resultant lower return rate will reduce future earnings assumptions and therefore require an increase in the amount of required local agency contribution. Updates received this year suggest that CalPERS will soon be reducing the discount, (or investment return) rate to 7.5%; which translates to approximately 1.7% (of wages), or an increase of approximately \$640,000. This increase will be in addition to the 4% increase already implemented in 2010. An additional 1% (\$375,000 per year) increase due to changes in valuation assumptions is also expected to be imposed, bringing the total anticipated increase for the CalPERS General Employees plan to an additional \$1 million/year by 2013 or 2014.

The mitigating news for the 2011/12 year is that Bartel is recommending that the 20% rate remain in place for two years (2010/11 and 2011/12). He is recommending that any modest adjustment to the District's contribution rate above 20% as may be required by CalPERS for the 2011/12 year be managed through an adjustment (extension) to the amortization period for the pension program through a second "fresh start".

Future Budgets:

Mr. Bartel suggests that the economic environment continues to be volatile, and that to attain the dual goals of level future contribution rates and declining actuarial liability, the District will very likely need to reset (or "fresh start" as CalPERS refers to the process) our actuarial assumptions, and possibly increase our pension contribution, each year for several years until the markets stabilize. Each fresh start may require an adjustment in our contribution rate and/or amortization term.

Based on Bartel's analysis, absent prolonged investment return losses, changes in benefit levels or other major events, it should be possible to stabilize the CalPERS general employee plan contribution rate at or near 22% or 23% of wages over the long term. This compares favorably with CalPERS current (very optimistic) estimates of contribution rates in excess of 25% by 2024. This information suggests that the District plan for an additional 2% (of wages) increase in pension contribution rates for the second half of our 2012 budget year. This may be adjusted as further information develops over the next year.

The District's decision to increase our near-term funding rates to minimize and stabilize future costs has an impact on our annual general fund budget, compounding the difficulty in reducing our operating expenditures to balance with our falling tax revenue. Absent this correction, our 2010 budget reduction would have been less severe. Additionally, there is always a risk that future investment earnings performance will be better or worse than anticipated, and that our actions will have either over or under compensated for them. Despite these difficulties and uncertainties, fiscal prudence dictates that we act now to minimize the overall negative financial impact on the District.

Other District Pension Plans:

It should be noted that the above discussion applies specifically to the CalPERS Miscellaneous Plan and not to the East Bay Regional Park District (EBRPD) Retirement Plan (formerly Transamerica Plan) or CalPERS Safety Plan. Although these plans are smaller, there are parallel concerns for their funding levels.

MEMO

With respect to the EBRPD Retirement Plan, the District has full discretion as to funding levels and we are managing them conservatively to result in even payments in future years over an appropriate amortization period for the demographic of the employees covered by each plan. Both the Safety and General Employee plans are closed to new entrants, and will gradually expire as participants cease collecting benefits.

However, the District has little discretion over the CalPERS Public Safety pension program because this relatively small employee group is required to be pooled with other agencies. For this reason the District cannot request a “fresh start” to modify our actuarial assumptions and must accept CalPERS assigned contribution rates as they change from year to year. The 2009 employer contribution for the CalPERS Safety plan was 36.8% of salary. When the \$9 million “side fund” debt was re-financed by the District last year the overall plan cost was reduced by approximately 1% of salary.

The anticipated future rate changes anticipated for CalPERS as discussed above for the General Employee’s plan, when applied to the CalPERS Safety Plan are expected to result in a required increase in employer contribution rates to 50% of salary in the 2013/14 year. This does include the annual amount to reimburse the District’s General Fund for the “side fund” payoff, but does not include the “employee share” paid by the District on behalf of employees.

Conclusion:

Pension benefits and plan funding are attracting increasing attention in the public arena, and it is possible that limits on defined benefit plans such as the District provides may eventually be imposed constitutionally or legislatively. Such actions could require the District to modify our plans in some regard. Collective bargaining with employee groups also has the potential to modify the District’s pension structure and to affect our future financial obligations.

As with most public agencies in California, the District is being challenged by the cost of sustaining employee benefits at current levels in the face of depressed revenues, low investment returns, and a workforce demographic approaching retirement. Unlike many other agencies, the District has been committed to taking the fiscally responsible actions necessary to protect both the District’s solvency and the integrity of promised employee benefits while providing continuing services to our public constituents.

Pro-active planning and the discipline to make short-term financial decisions with a long-term perspective continue to serve this agency well. These strategies demonstrate our responsible use of the tax funding that our community provides and positions us well to provide a high level of public service for years to come.

This issue has been discussed during staff budget meetings with the General Manager and he concurs with the recommendation to Finance Committee



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – AUGUST 25, 2010

SUBJECT: 2010/2011 Tax Levy for General Obligation (GO) Bonds Debt Service
Assessed Valuation (AV) Update
Report Prepared by Cinde Rubaloff CFO/Controller

ATTACHMENT: Alameda County Certification of 2010/2011 AV
Contra Costa County Certification of 2010/2011 AV
2010/2011 Tax Levy for GO Bonds Debt Service Calculation
Comparison of 2010/2011 and 2009/2010 AV Subject to Debt Service Levy

RECOMMENDATION: This item is informational only.

DESCRIPTION:

On August 10, 2010, the Board of Directors approved Resolution 2010-8-212, which authorized staff to develop the 2010/2011 tax rate for the District's GO Measure AA bonds. (Note Measure WW GO bonds will not be included in levy amount until 2012.) The resolution stated that staff would report the actual tax rate to the Finance Committee at today's meeting.

The calculated ad valorem tax rate for 2010/2011 is .0084% per \$100 of assessed valuation. This tax rate was reported to Alameda and Contra Costa County authorities on August 16, 2010.

Attached are certified assessed valuations for 2010/2011 from Alameda and Contra Costa Counties. Also attached is the calculation for the 2010/2011 debt service levy.

The final attachments are the worksheets comparing prior year AV to 2010/2011 illustrate a number of items:

- 2010/2011 AV has decreased 1.12% in Alameda County and 3.26% in Contra Costa County from the prior year.
- 2010/2011 has decreased a total of 3.48% for Alameda County and 10.14% for Contra Costa County compared to the high in 2008/2009.
- 2010/2011 AV related to debt service (which does not include Murray Township in Alameda County) has decreased .99% in Alameda County and 3.26% in Contra Costa County from the prior year.

EAST BAY REGIONAL PARK DISTRICT
 GENERAL OBLIGATION BONDS DEBT SERVICE
 2010/2011 TAX LEVY

Debt service requirements:

	principal	interest	total
September 1, 2010			
2006 series E	10,410,000	261,675	10,671,675
2006 refunding	1,780,000	358,600	2,138,600
2008 refunding	14,485,000	1,093,075	15,578,075
2009 tax refunding	-	142,312	142,312
2009 refunding	-	139,837	139,837
March 1, 2011			
2006 series E		22,050	22,050
2006 refunding		320,775	320,775
2008 refunding		803,662	803,662
2009 tax refunding		142,312	142,312
2009 refunding		139,837	139,837
September 1, 2011			
2006 series E	980,000	22,050	1,002,050
2006 refunding	7,790,000	320,775	8,110,775
2008 refunding	14,575,000	803,662	15,378,662
2009 tax refunding	-	142,312	142,312
2009 refunding	-	139,837	139,837
Total debt service requirements			54,872,771
Less cash on hand July 31, 2010:			
2006 acct # 6711786701		(14,276,402)	
2008 acct # 6711842201		(17,547,130)	
2009 acct # 6711886401		(5,345)	
amount to be refunded to District		214,747	
			(31,614,130)
Total additional required 2010/2011			23,258,641
2010/2011 unsecured:*	Alameda # 1	CCC	
AV	10,752,222,218	5,037,631,621	
delinquency factor 5%	(537,611,111)	teeter	
net AV	10,214,611,107	5,037,631,621	
x 2009/2010 secured levy %	0.01076%	0.01076%	
reduction of amount needed 2010/2011	(1,099,092)	(542,049)	
			(1,641,141)
Net secured tax levy required			21,617,500
2010/2011 secured:			
AV**	144,841,662,870	120,280,276,038	
delinquency factor 5%	(7,242,083,144)	teeter	
net AV	137,599,579,727	120,280,276,038	
	53.36%	46.64%	257,879,855,765
	11,534,669	10,082,830	21,617,500
	0.0084%	0.0084%	

*unsecured lags by a year. In 2010/2011 we will collect 2009/2010 levy amount on 2010/2011 unsecured AV. To determine 2010/2011 secured levy amount, need to subtract known collections based upon unsecured.

**add back deduction for HO exemption
 secured + state board - RDA + HO exemption

round to 4 digits

**CERTIFICATE OF ASSESSED VALUATION
FISCAL YEAR 2010/11**

**STATE OF CALIFORNIA
COUNTY OF ALAMEDA**

I, PATRICK O'CONNELL, Auditor-Controller of the County of Alameda, State of California, do hereby certify that, as shown by the last equalized assessment roll of the County of Alameda, the total assessed valuation of the taxable property within the **East Bay Regional Park District No. 1** in said County, is as follows:

	COUNTY SECURED ROLL	STATE BOARD ROLL	COUNTY UNSECURED ROLL	TOTAL
Land	55,748,214,677	63,769,417	962,605,258	56,774,589,352
Improvements	116,521,917,541	3,321,846	3,830,825,190	120,356,064,577
Personal Property	1,461,549,694	421	6,337,848,617	7,799,398,732
TOTAL GROSS	173,731,681,912	67,091,684	11,131,279,065	184,930,052,661
Less Exemptions:				
Homeowners	1,627,807,499		1,061,700	1,628,869,199
Other	4,946,934,352	445,580	379,056,847	5,326,436,779
TOTAL NET	167,156,940,061	66,646,104	10,751,160,518	177,974,746,683

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY
HAND AND SEAL THIS 20TH OF JULY 2010



PATRICK O'CONNELL
Auditor-Controller of Alameda County
State of California

Fund No.: 7180

**CERTIFICATE OF ASSESSED VALUATION
FISCAL YEAR 2010/11**

**STATE OF CALIFORNIA
COUNTY OF ALAMEDA**

I, PATRICK O'CONNELL, Auditor-Controller of the County of Alameda, State of California, do hereby certify that, as shown by the last equalized assessment roll of the County of Alameda, the total assessed valuation of the taxable property within the **East Bay Regional Park District No. 2** in said County, is as follows:

	COUNTY SECURED ROLL	STATE BOARD ROLL	COUNTY UNSECURED ROLL	TOTAL
Land	4,241,734,643	26,013,687	20,906,091	4,288,654,421
Improvements	8,771,512,919	4,921,380	315,179,480	9,091,613,779
Personal Property	336,518,504		377,262,248	713,780,752
TOTAL GROSS	13,349,766,066	30,935,067	713,347,819	14,094,048,952
Less Exemptions:				
Homeowners	126,357,000		7,000	126,364,000
Other	449,279,416		17,304,646	466,584,062
TOTAL NET	12,774,129,650	30,935,067	696,036,173	13,501,100,890

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY
HAND AND SEAL THIS 20TH OF JULY 2010

*Murray Township NA
libt*

Patrick O'Connell

PATRICK O'CONNELL
Auditor-Controller of Alameda County
State of California

Fund No.: 7181



ALAMEDA COUNTY
AUDITOR-CONTROLLER AGENCY
PATRICK O'CONNELL
AUDITOR-CONTROLLER/CLERK-RECORDER

2010 JUL 23 A 10:58

July 20, 2010

EBRFD-FINANCE

East Bay Regional Park District
Controller's Office
P.O. Box 5381
Oakland, CA 94605-5369

Attention: Cinde Rubaloff, CFO/Controller

2010-11 FISCAL YEAR ASSESSED VALUATION

We enclose, herewith, our certification of assessed valuation for the **EAST BAY REGIONAL PARK DISTRICT**.

It is estimated that the following assessed valuation is subject to division of taxes for redevelopment project tax increment payments:

\$24,009,730,794

It is estimated that the amount of unitary tax revenue from the Utility Roll that will be distributed to fund(s) under your jurisdiction for the 2010-11 fiscal year is (are) as follows:

\$79,000

This revenue should be considered in calculating the tax rate applicable to the Secured Roll.

Hereafter, to estimate the amount of unitary tax revenue to be distributed to your jurisdiction, it is requested that you provide our office with your annual debt revenue requirement by August 31st.

If you have any questions, please contact the undersigned.

Carol S. Orth
Division Chief, Tax Analysis

Enclosure

Chief Deputy Auditor
Steve Manning
1221 Oak St., Rm. 249
Oakland, CA 94612
Tel: (510) 272-6565
Fax: (510) 272-6502

Assistant Controller
Connie Land
1221 Oak St., Rm. 238
Oakland, CA 94612
Tel: (510) 272-6565
Fax: (510) 267-9415

EAST BAY REGIONAL PARK DISTRICT
 ALAMEDA COUNTY ASSESSED VALUATIONS
 COMPARISION 2008/09, 2009/10, 2010/11

for GF revenue

	2008/09	2009/10	2010/11	009/10-10/11 change	%	08/09-10/11 change	%
# 1 secured	174,776,127,713	169,930,357,929	167,156,940,061	(2,773,417,868)	-1.63%	(7,619,187,652)	-4.36%
HO exempt	1,634,941,128	1,641,707,252	1,627,807,499	(13,899,753)	-0.85%	(7,133,629)	-0.44%
sbe	74,818,547	63,228,521	66,646,104	3,417,583	5.41%	(8,172,443)	-10.92%
unsecured	10,265,573,124	10,682,323,695	10,751,160,518	68,836,823	0.64%	485,587,394	4.73%
HO exempt	1,053,100	1,104,900	1,061,700	(43,200)	-3.91%	8,600	0.82%
				-		-	
# 2 secured	13,933,944,028	13,083,979,756	12,774,129,650	(309,850,106)	-2.37%	(1,159,814,378)	-8.32%
HO exempt	126,824,002	127,425,200	126,357,000	(1,068,200)	-0.84%	(467,002)	-0.37%
sbe	19,563,274	35,719,989	30,935,067	(4,784,922)	-13.40%	11,371,793	58.13%
unsecured	717,733,475	743,117,554	696,036,173	(47,081,381)	-6.34%	(21,697,302)	-3.02%
HO exempt	-	-	7,000	7,000		7,000	
						-	
total	201,550,578,391	196,308,964,796	193,231,080,772	(3,077,884,024)	-1.57%	(8,319,497,619)	-4.13%
						-	
less RDA	(26,224,620,779)	(25,166,111,280)	(24,009,730,794)	1,156,380,486	-4.59%	2,214,889,985	-8.45%
						-	
total	175,325,957,612	171,142,853,516	169,221,349,978	(1,921,503,538)	-1.12%	(6,104,607,634)	-3.48%

for debt service

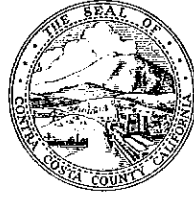
# 1 secured	174,776,127,713	169,930,357,929	167,156,940,061	(2,773,417,868)	-1.63%	(7,619,187,652)	-4.36%
HO exempt	1,634,941,128	1,641,707,252	1,627,807,499	(13,899,753)	-0.85%	(7,133,629)	-0.44%
sbe	74,818,547	63,228,521	66,646,104	3,417,583	5.41%	(8,172,443)	-10.92%
unsecured	10,265,573,124	10,682,323,695	10,751,160,518	68,836,823	0.64%	485,587,394	4.73%
HO exempt	1,053,100	1,104,900	1,061,700	(43,200)	-3.91%	8,600	0.82%
less RDA	(26,224,620,779)	(25,166,111,280)	(24,009,730,794)	1,156,380,486	-4.59%	2,214,889,985	-8.45%
	160,527,892,833	157,152,611,017	155,593,885,088	(1,558,725,929)	-0.99%	(4,934,007,745)	-3.07%

total AC used for GF property tax revenue
 only AC # 1 used for debt service levy

Contra Costa County

Office of
COUNTY AUDITOR-CONTROLLER

625 Court Street
Martinez, California 94553-1282
Telephone (925) 646-2181
Fax (925) 646-2649



Stephen J. Ybarra
Auditor-Controller
Elizabeth A. Verigin
Assistant Auditor-Controller

East Bay Regional Park District
P.O. Box 5381
Oakland, CA 94605-0381

Attn: Cinde Rubaloff CPA, Finance Officer

CERTIFICATE OF ASSESSED VALUATIONS

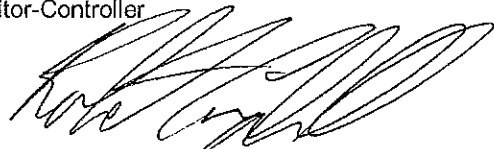
State of California)
(ss
County of Contra Costa)

I, STEPHEN J. YBARRA, Auditor of the County of Contra Costa, State of California, do hereby certify that the equalized assessment rolls of the County of Contra Costa for the fiscal year 2010-11 show that the total assessed valuation of property in the **East Bay Regional Park Debt District** are as follows:

	County Secured Tax Roll	State Board Tax Roll	Total Secured Tax Roll	County Unsecured Tax Roll	Total Assessed Valuation
Assessed Values:					
Land	57,598,519,731	115,689,794	57,714,209,525	216,605,304	57,930,814,829
Improvements	81,506,943,071	444,380,903	81,951,323,974	2,840,107,025	84,791,430,999
Personal Property	851,333,951	226,031	851,559,982	2,188,254,460	3,039,814,442
Total Gross	139,956,796,753	560,296,728	140,517,093,481	5,244,966,789	145,762,060,270
Less Exemptions:					
Homeowners	1,511,258,850	0	1,511,258,850	553,033	1,511,811,883
Other	4,287,668,453	0	4,287,668,453	207,335,168	4,495,003,621
Total Net	134,157,869,450	560,296,728	134,718,166,178	5,037,078,588	139,755,244,766

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of August, 2010.

STEPHEN J. YBARRA
Auditor-Controller

By: 
Robert Campbell
Chief Accountant

Redevelopment Incremental A.V.
15,949,148,990

EAST BAY REGIONAL PARK DISTRICT
 CONTRA COSTA COUNTY ASSESSED VALUATIONS
 COMPARISION 2008/09, 2009/10, 2010/2011

TOTAL CCC USED FOR DEBT SERVICE LEVY				009/10-10/11		08/09-10/11	
	2008/09	2009/10	2010/11	change	%	change	%
secured	150,409,530,630	138,820,201,374	134,157,869,450	(4,662,331,924)	-3.36%	(16,251,661,180)	-11.71%
	1,545,501,000	1,534,284,574	1,511,258,850	(23,025,724)	-1.50%	(34,242,150)	-2.23%
sbe	576,695,232	557,056,345	560,296,728	3,240,383	0.58%	(16,398,504)	-2.94%
unsecured	4,997,411,792	5,287,532,583	5,037,078,588	(250,453,995)	-4.74%	39,666,796	0.75%
HO exempt	584,989	564,020	553,033	(10,987)	-1.95%	(31,956)	-5.67%
				-			
total	157,529,723,643	146,199,638,896	141,267,056,649	(4,932,582,247)	-3.37%	(16,262,666,994)	-11.12%
				-			
less RDA	(19,082,111,154)	(16,656,249,408)	(15,949,148,990)	707,100,418	-4.25%	3,132,962,164	-18.81%
				-			
total	138,447,612,489	129,543,389,488	125,317,907,659	(4,225,481,829)	-3.26%	(13,129,704,830)	-10.14%



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – August 25, 2010

SUBJECT: Second Quarter 2010 Unaudited Financial Statements
Prepared by: Deborah Spaulding, Assistant Finance Officer

ATTACHMENTS: **A-D** Quarterly Financial Reports – Second Quarter 2010

RECOMMENDATION: Review reports and submit them to the Board of Directors for consideration and acceptance.

DESCRIPTION:

This report summarizes the District's financial activities for the second quarter of 2010, and compares 2010 financial activities with 2009. The focus of this agenda statement is an analysis of the General Fund revenues and expenditures, since the General Fund accounts for the most significant portion of the District's operations. The following June 30th, 2010 and 2009 financial statements are included:

- General Fund Comparative Statement of Revenues and Expenditures (**Attachment A**)
- Other Governmental Funds Comparative Summary Statement of Revenues and Expenditures (**Attachment B**)
- General Fund and Special Revenue Funds Comparative Statement of Expenditures by Division (**Attachment C**)
- Statement of Contingency Activity and Ending Balances (**Attachment D**)

General Fund Revenues:

The District received approximately \$48 million in General Fund revenue in the first half of 2010, a decrease of \$3 million or -6% from revenue earned during the first half of 2009. \$1.8 million of the decline is attributable to reduced property tax revenue, which was expected. An additional \$1 million of the decline is attributable to reduced interest earnings, for which the anticipated decline was not as great as actually occurred during the first half of 2010. Finally the approximately \$500,000 reduction in miscellaneous revenue is due to a timing difference in recording intra-District charges due from fund 221 and the 2009 recordation of insurance recovery in the General Fund rather than the Risk Fund.

General Fund Expenditures:

In the first half of 2010, overall General Fund expenditures were approximately \$2.0 million lower than in the first half of 2009 – a 4.2% reduction. Expenditure decreases occurred in every area: personnel costs, supplies and services, capital outlay, and other uses. Additional detail on these expenditure types follows:

- **Personnel costs decreased by \$1.4 million or -4.3% from the first half of the prior year.** The 2010 decrease in personnel services expenditures was due to unfilled vacancies, and a reduction in overtime and temporary help.
- **Supplies and services expenditures decreased by \$1.2 million or -15.2% from the prior year.** Substantial decrease in operating supplies resulted from netting of the \$100,000 increase in fuel costs with the net decrease of \$200,000 in small tools/equipment/rolling stock less than \$25,000 and \$200,000 reduction in repairs/maintenance supplies.

During the first half of 2009 \$400,000 of rolling stock less than \$25,000 was purchased. During the same period in 2010 only \$200,000 of rolling stock less than \$25,000 was purchased due to budget reductions.

Additionally Operations' Lakes Unit and Equipment Maintenance Unit reduced their small tools/equipment expenditures during the first half of 2010 compared to the first half of 2009 by \$78,000.

Parkland Unit, Recreation Areas Unit and Lakes Unit decreased their repairs/maintenance supplies by \$75,000 during the first half of 2010 compared to the same period of 2009. The Equipment Maintenance Unit, Road and Trail Unit and the Trades Unit decreased their repair/maintenance supplies by \$130,000 during the first half of 2010 compared to the same period of 2009.

Other services also had major reduction in large part due to decrease in advertising/publications/notices (related to 75th anniversary) and training costs.

- **Capital Outlay expenditures decreased by \$0.4 million or -62.3% from the prior year.** 2009 expenditures in this category were high because the Public Safety Division was completing the outfitting of the new helicopter. In 2010 capital outlay will decrease because no major equipment purchases are planned, other than for normal rolling stock.
- **Other Uses increased \$1.0 million from the prior year.** General Fund transfers out to other funds were severely reduced for 2010. However, intra-District charges increased substantially due to an accounting change. The cost of services provided to the General Fund by internal service funds are now captured in intra-District charges.

Revenues and Expenditures for Other Governmental Funds (Special Revenue Funds, Project Funds, Debt Service Funds):

Special revenue funds had greater revenue and lower expenditures when compared to the same period of the prior year. The increase in revenue is in Measure WW Local Grant Program Fund transfers in from Measure WW Project Fund, which holds the debt proceeds. Decrease in expenditures is the net result of two major reductions and one major increase. First some of Fund 220 costs were moved to the General Fund so that Fund 220 expenditures would not exceed the assessment revenue. Next Measure CC Fund transferred \$3 million (\$2

million to the Tidewater project) in 2009 and less than \$1 million in 2010. Finally Measure WW Local Grant Fund had increased expenditures related to grant reimbursement in 2010 which offset the above listed decreases.

Project funds had decrease revenue and increased expenditures when compared to the same period last year. Decrease in revenue is due to reduction in General Fund transfers. Increase in expenditures is due to difference in timing of project activities and invoice payments, which is expected to fluctuate substantially year to year.

Debt service funds had increased revenue and consistent expenditures when compared to the same period last year. Increased revenue is due to increased property tax levy to cover current year principal and interest payment requirements.

Expenditures by Division for General Fund and Special Revenue Funds:

A Comparative Statement of Expenditures by Division in the General Fund and Special Revenue Funds is provided as **Attachment C**. This statement summarizes expenditures by operating divisions and departments, with comparisons between current year and prior year. The largest dollar change between 2009 and 2010 was in the Finance and Management Services Division. This increase results from two primary areas. In 2009, the District's \$200,000 payment to the Livermore Area Recreation and Park District was coded to "non-departmental" department, while in 2010, with the elimination of the "non-departmental" department in the General Fund, this cost was paid from Finance and Management Services Division. Additionally, in 2010, Measure WW local grants costs are reported in the Grant Department of the Finance and Management Services Division. There were no local grant costs during the first half of 2009.

Contingency Account Expenditures:

The Statement of Contingency Activity and Ending Balances is included as **Attachment D**. This statement provides information related to items funded through budget transfers from the three contingency accounts: Board-General, General Manager, and Maintenance and Operations. The contingency funds are budgeted into a general account and then transferred, based upon District policy, to specific operating accounts for unanticipated expenditures.

RECOMMENDATION:

Staff requests that the Finance Committee review, discuss and direct staff to submit the Second Quarter 2010 Unaudited Financial Statements to the Board of Directors for favorable consideration.

Comparative Statement of Revenues and Expenditures
 General Fund
 for the Period Ending June 30, 2010 and 2009

	Quarter Ended 6/30/2010	Quarter Ended 6/30/2009	Year to Date 2010	Year to Date 2009	Difference in Year to Date	percent change
REVENUES						
Property Taxes	\$34,001,519	\$35,992,377	\$40,991,589	\$42,786,009	(\$1,794,420)	-4.2%
Charges for Services	3,947,687	4,145,373	5,371,122	5,527,081	(155,959)	-2.8%
Interest	360,254	902,195	632,910	1,708,817	(1,075,907)	1 -63.0%
Rents & Leases	641,108	540,591	992,019	823,806	168,213	2 20.4%
Miscellaneous	187,690	559,791	368,613	837,253	(468,640)	3 -56.0%
TOTAL REVENUES	39,138,258	42,140,327	48,356,253	51,682,966	(3,326,713)	-6.4%
OTHER FINANCING SOURCES						
Operating Transfers In	0	21,859	60,286	61,859	(1,573)	
TOTAL OTHER	0	21,859	60,286	61,859	(1,573)	-2.5%
TOTAL FINAN SOURCES	39,138,258	42,162,186	48,416,539	51,744,825	(3,328,286)	-6.4%
EXPENDITURES						
PERSONNEL SERVICES						
Salaries & Wages	10,836,542	10,970,469	17,950,226	18,401,671	(451,445)	-2.5%
Other Personnel Costs	7,429,107	7,973,071	12,827,874	13,751,167	(923,293)	-6.7%
TOTAL PERSONNEL SVC	18,265,649	18,943,540	30,778,100	32,152,838	(1,374,738)	4 -4.3%
SUPPLIES AND SERVICES						
Operating Supplies	1,503,622	1,919,993	2,187,610	2,882,873	(695,263)	5 -24.1%
Repairs/Maintenance Svc	615,611	794,835	1,334,681	1,316,664	18,017	1.4%
Professional Services	723,502	720,728	1,040,191	1,091,407	(51,216)	-4.7%
Utilities	528,175	563,725	824,179	857,187	(33,008)	-3.9%
Other Services	678,784	2,030,195	1,065,816	1,458,143	(392,327)	6 -26.9%
TOTAL SUPPLIES/SVC	4,049,694	6,029,476	6,452,477	7,606,274	(1,153,797)	-15.2%
CAPITAL OUTLAY						
Equipment	245,962	367,337	255,936	679,532	(423,596)	7
TOTAL CAPITAL OUTLAY	245,962	367,337	255,936	679,532	(423,596)	-62.3%
TOTAL EXPENDITURES	22,561,305	25,340,353	37,486,513	40,438,644	(2,952,131)	-7.3%
OTHER USES						
Inter-agency Agreements	0	0	200,000	200,000	0	0.0%
Intra-district Charges	1,197,759	225,164	2,395,518	450,328	1,945,190	8 431.9%
Operating Transfers Out	124,860	(5,063,947)	5,004,855	5,969,526	(964,671)	9 -16.2%
TOTAL OTHER USES	1,322,619	(4,838,783)	7,600,373	6,619,854	980,519	14.8%
TOTAL USES	23,883,924	20,501,570	45,086,886	47,058,498	(1,971,612)	-4.2%
EXCESS (DEFICIENCY) OF FINANCING SOURCES OVER USES						
	\$15,254,334	\$21,660,616	\$3,329,653	\$4,686,327	(\$1,356,674)	-28.9%

- 1 Investment interest is reduced due to the low interest rate environment.
- 2 Rents and leases increased in communication tower revenue and grazing.
- 3 Miscellaneous revenue decrease due to timing of overhead charge to fund 221, and 2009 excess reimbursement posted to revenue in General Fund rather than in Risk Fund.
- 4 Personnel costs are down due to reduced overtime and temporary help, and unfilled vacancies.
- 5 Operating supplies have decreased due to reduction in repair/maintenance supplies, reduction in rolling stock < \$25,000 (coded to small tools/equipment in 2009) which were partially offset with increase in fuel.
- 6 Other service expenditures have decreased in large part due to significant reduction in advertising/publications/notices and substantial reduction in training.
- 7 Equipment expenditures decrease due to completion of new helicopter outfitting in 2009.
- 8 Increase in intra-District charges due to change in accounting for charges provided by internal service funds.
- 9 Decrease in transfers out due to reduction in general funds available for capital and OTA projects.

Comparative Statement of Revenues and Expenditures Other Governmental Funds
 (Special Revenue Funds,
 Project Funds, and
 Debt Service Funds)
 For the Period Ending June 30, 2010 and 2009

	<u>Quarter Ended 6/30/2010</u>	<u>Quarter Ended 6/30/2009</u>	<u>Year to Date 2010</u>	<u>Year to Date 2009</u>	<u>Difference in Year to Date</u>	<u>Percent change</u>
<u>Special Revenue Funds</u>						
Total Revenues	\$3,602,854	\$3,172,628	\$4,320,888	\$3,894,010	\$426,878 +	11%
Total Expenditures	3,602,473	1,886,503	5,679,619	6,671,626	(992,007) *	-15%
Revenues Over (Under) Expenditures	381	1,286,125	(1,358,731)	(2,777,616)	1,418,885	-51%

+ 2010 227 Fund for Measure WW local grant program has transfers in of \$430,000 and \$0 in 2009.

* 2010 220 Fund expenditures reduced by \$800,000 to match assessment revenue. Balance of expenditures appropriated in General Fund.
 Measure CC Fund had substantial reduction of \$2.5 million of transfers out to capital projects.
 Measure WW Local Grant Program had increase in expenditures of \$2.2 million related to grant reimbursements.

Capital Projects Funds

Total Revenues	2,981,394	1,633,439	13,020,972	18,510,968	(5,489,996) ^	-30%
Total Expenditures	11,043,093	5,233,883	13,676,865	7,504,380	6,172,485 &	82%
Revenues Over (Under) Expenditures	(8,061,699)	(3,600,444)	(655,893)	11,006,588	(11,662,481)	-106%

^ Revenues decreased in 2010 due to reduced transfers-in from the General Fund.

& Project expenditures vary greatly year to year depending on timing of activities and payments.

Debt Service Funds

Total Revenues	12,168,136	10,824,787	15,547,283	12,768,649	2,778,634 #	22%
Total Expenditures	2,995	250	4,290,517	4,313,781	(23,264)	-1%
Revenues Over (Under) Expenditures	\$12,165,141	\$10,824,537	\$11,256,766	\$8,454,868	\$ 2,801,898.00	33%

Revenue increase in 2010 is due to timing of transfer-in from the General Fund, which was posted 1st quarter in 2010, but posted in 4th quarter during 2009.

Comparative Statement of Expenditures by Division
 Governmental Fund
 For the Period Ending June 30, 2010 and 2009

	<u>Quarter Ended 6/30/2010</u>	<u>Quarter Ended 6/30/2009</u>	<u>Year to Date 2010</u>	<u>Year to Date 2009</u>	<u>Difference in Year to Date</u>	<u>Percent Change</u>
Legislative & Executive						
Board of Directors	\$ 73,628	\$ 1,220,444	\$ 123,645	\$ 88,996	\$ 34,650 *	28%
General Manager	456,970	422,921	770,298	744,479	25,819	3%
Total Legislative & Executive	530,598	1,643,365	893,943	833,475	60,469	7%
District-Wide Support Services						
Legal	342,079	337,836	580,788	608,155	(27,367)	-5%
Finance and Management Services	4,069,479	1,947,922	5,744,560	3,366,167	2,378,393 ^	41%
Human Resources	520,892	527,422	874,638	872,284	2,354	0%
Public Affairs	731,181	690,708	1,239,746	1,285,488	(45,742)	-4%
Total District Wide Support	5,663,631	3,503,888	8,439,732	6,132,094	2,307,638	27%
Operations						
Park Operations	8,417,721	8,290,082	13,809,154	13,574,536	234,618	2%
Maintenance	3,166,049	3,519,500	5,054,863	5,579,558	(524,695)	-10%
Interpretive and Recreation Services	2,406,153	2,581,047	3,935,059	4,323,435	(388,376)	-10%
Total Operations	13,989,923	14,390,629	22,799,076	23,477,529	(678,453) #	-3%
Planning/Stewardship & Development						
Planning and Stewardship	1,345,127	1,303,862	2,259,881	2,102,792	157,089 **	7%
Design	5,181	4,960	6,277	12,704	(6,427)	-102%
Construction	2,629	5,697	4,025	11,111	(7,086)	-176%
Total Planning/Stwdshp & Dev.	1,352,937	1,314,519	2,270,183	2,126,607	143,576	6%
Land	654,413	671,033	1,139,612	1,174,667	(35,055)	-3%
Public Safety						
Administration	2,154,543	1,079,084	3,340,315	1,813,315	1,527,000 X	46%
Police Services	2,470,666	2,995,404	4,453,677	5,363,548	(909,871)	-20%
Fire Services	1,099,927	1,373,911	1,668,771	1,968,302	(299,531)	-18%
Total Public Safety	5,725,136	5,448,400	9,462,763	9,145,165	317,598	3%
Total All Departments	\$ 27,916,639	\$ 26,971,834	\$ 45,005,309	\$ 42,889,537	\$ 2,115,773	5%

* Increase was due to negative accrual for election costs from 2008 that carried forward into 2009, making 2009 expenditures appear lower.

^ Additional expense in 2010 is Measure WW local grant payments, and the Livermore Area Recreation and Park District subsidy that was previously coded to the non-departmental budget.

Expenditures in Operations Division are down 3% overall from the prior year, related to reduced budget availability.

** Increase in expenditures is due to change in accounting for intra-District charges for general liability and employee benefits, which were previously included in non-departmental budget.

x CalPERS side fund amortization is being charged to Admin instead of allocated to each department's payroll.

East Bay Regional Park District
Contingency Funds
at June 30, 2010

Attachment D

DATE	DESCRIPTION	AMOUNT
<u>BOARD CONTINGENCY</u>		
<i>SOURCE OF FUNDS</i>		
	2010 APPROPRIATION	87,176
<i>USE OF FUNDS</i>		
1st Quarter	for co-sponsorship of the California Trails & Greenways Conference	1,750
	to support District attendance at job fairs that support diversity	750
	for production of a brochure about Oaks	2,500
2nd Quarter	no funds used	0
	TOTAL FUNDS USED	<u>5,000</u>
	BALANCE REMAINING	<u>82,176</u>
<u>GENERAL MANAGER CONTINGENCY</u>		
<i>SOURCE OF FUNDS</i>		
	2010 APPROPRIATION	156,089
<i>USE OF FUNDS</i>		
1st Quarter	for co-sponsorship of the California Trails & Greenways Conference	1,750
	for production of a brochure about Oaks	2,500
2nd Quarter	for co-sponsorship of 5 events: Oakland Healthy Living Festival, Alameda Co Women's Hall of Fame, LARPD Conference, California Rangeland Trust and the Bay Institute	4,000
	TOTAL FUNDS USED	<u>8,250</u>
	BALANCE REMAINING	<u>147,839</u>
<u>MAINTENANCE AND OPERATIONS CONTINGENCY</u>		
<i>SOURCE OF FUNDS</i>		
	2010 APPROPRIATION	101,090
<i>USE OF FUNDS</i>		
1st Quarter	to pay for services at Crab Cove during recruitment for Revenue Analyst position	5,000
	to fund half of "goose dog" contract	4,000
2nd Quarter	to purchase upgraded Ventek (Iron Ranger) parking pass pay station at Coyote Hills	10,000
	to conduct a park inventory	6,000
	to reimburse Museum of San Ramon Valley for repairs to Iron Horse Trail Restroom	1,515
	for a fennel spray contract at Fairmont Ridge	4,800
	for the Camp Arroyo Challenge Course Inspection	1,630
	TOTAL FUNDS USED	<u>32,945</u>
	BALANCE REMAINING	<u>68,145</u>



REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE –August 25, 2010

SUBJECT: Second Quarter 2010 Budget to Actual
Report Prepared by: Pam Burnor, Budget Manager

ATTACHMENTS: Budget to Actual Reports,
A-General Fund Revenue and Expenditure Charts
as of June 30, 2010
B-1 General Fund by Division as of June 30, 2010
B-2 Special Revenue Funds as of June 30, 2010

RECOMMENDATION: None. This is an informational item only.

DESCRIPTION:

Attached is a report of the District's June 30, 2010 revenue and expenditure compared to budget. The General Fund expenditure report is presented by division and also presented in total. Special revenue funds are presented in total by fund.

GENERAL FUND

General Fund revenue received by the end of the second quarter of 2010 totaled \$48 million, 47% of the annual budget. At June 30, 2010 expenditures (without encumbrances) totaled \$40 million (excluding operating transfers out), or 41% of the 2010 appropriations. In comparison, at 6/30/09 46% of annual revenues had been collected and 40% of appropriations spent.

GENERAL FUND REVENUE

A review of major revenue categories at the end of the second quarter of 2010 reveals:

- At 6/30/10 \$41 million in property tax had been collected, 46% of annual budget, compared to 45% of annual budget collected at 6/30/09.
- 25% of budgeted investment revenue was received through second quarter of 2010. This is extremely low and will continue to be monitored.
- Charges for services, rents and leases, and other major revenues are on target or have collected approximately the same percentage of budget as had been collected by the end of the second quarter of the prior year.

GENERAL FUND EXPENDITURES

As of June 30, 2010, 59% of the General Fund 2010 appropriations remain unspent (excluding encumbrances), compared to the end of second quarter 2009 when 60% remained.

Comparison of remaining appropriations (excluding outstanding encumbrances) as of 06/30/10 compared to 6/30/09 by category:

- 2010 salary/benefits – 56% remaining compared to 58% in 2009,

- 2010 supplies – 69% remaining, compared to 61% in 2009,
- 2010 services – 72% remaining, compared to 70% in 2009,
- 2010 equipment/fixed assets – 26% remaining, compared to 51% in 2009, (which is reasonable as the timing of these purchases varies year to year and does not impact the total amount spent, which is strictly controlled by the budget),
- 2010 other expenditures – 55% remaining compared to 57% in 2009.

All divisions were required to reduce their 2010 appropriations by 7% from 2009 levels due to the decline in 2010 General Fund revenue. Division AGMs managed the cuts utilizing a variety of methods. Some were able to achieve the 7% cuts by reducing supplies, services and equipment budgets. In some cases vacant positions were frozen and left unfunded. At mid-year, each division appears to be managing the 2010 reductions effectively. The following is detail by division of the amounts unspent and unencumbered at the end of the second quarter:

- Legislative and Executive Division – 77% remaining
- Human Resources – 59% remaining
- Land Division – 60% remaining
- Legal Division – 66% remaining
- Finance and Management Services Division – 58% remaining
- Operations Division – 58% remaining
- Planning, Stewardship and Development Division – 59% remaining
- Public Affairs Division – 60% remaining
- Public Safety Division – 59% remaining

General Fund revenues are on target and consistent with prior year except interest revenue, as mentioned above. General Fund expenditures are on target and consistent with prior year except purchases of fixed assets, as explained above.

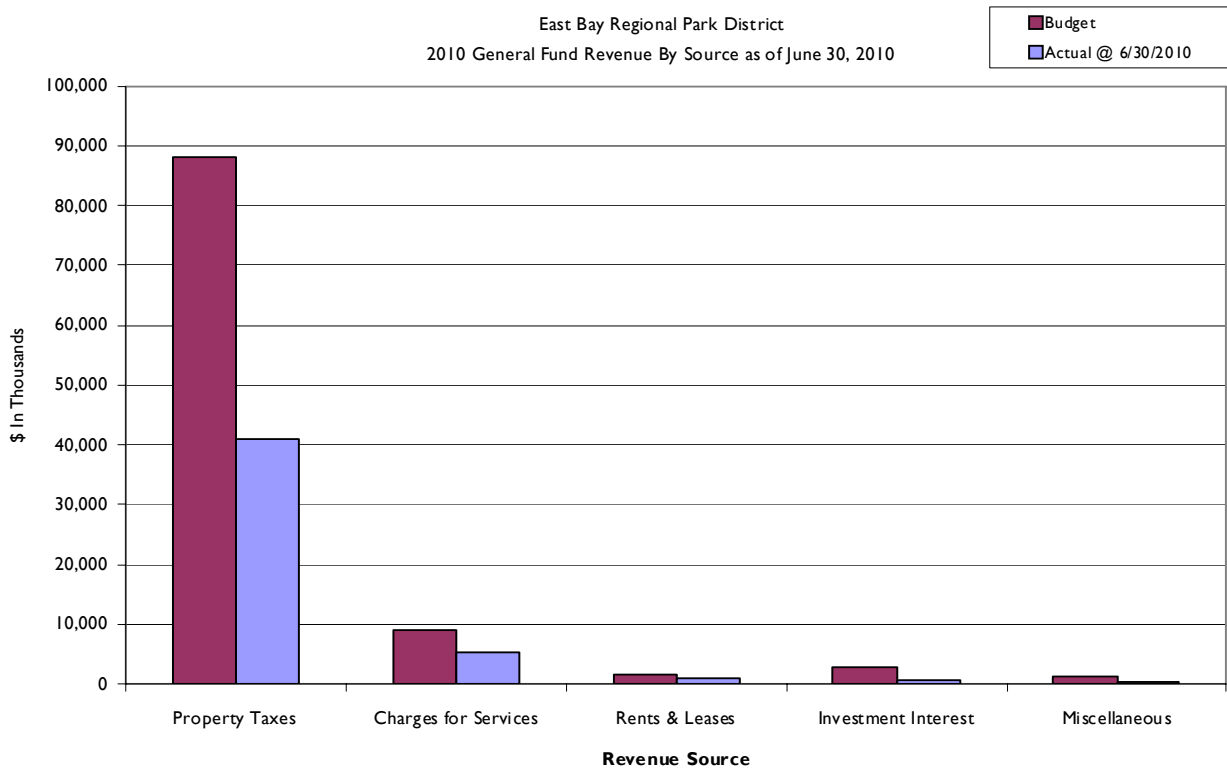
SPECIAL REVENUE FUNDS

Special revenue funds receive revenue intended for a specific purpose. At the end of the second quarter of 2010, 49% of the total of all special revenue budgets had been received. At 6/30/09 47% of special revenue fund revenue had been collected.

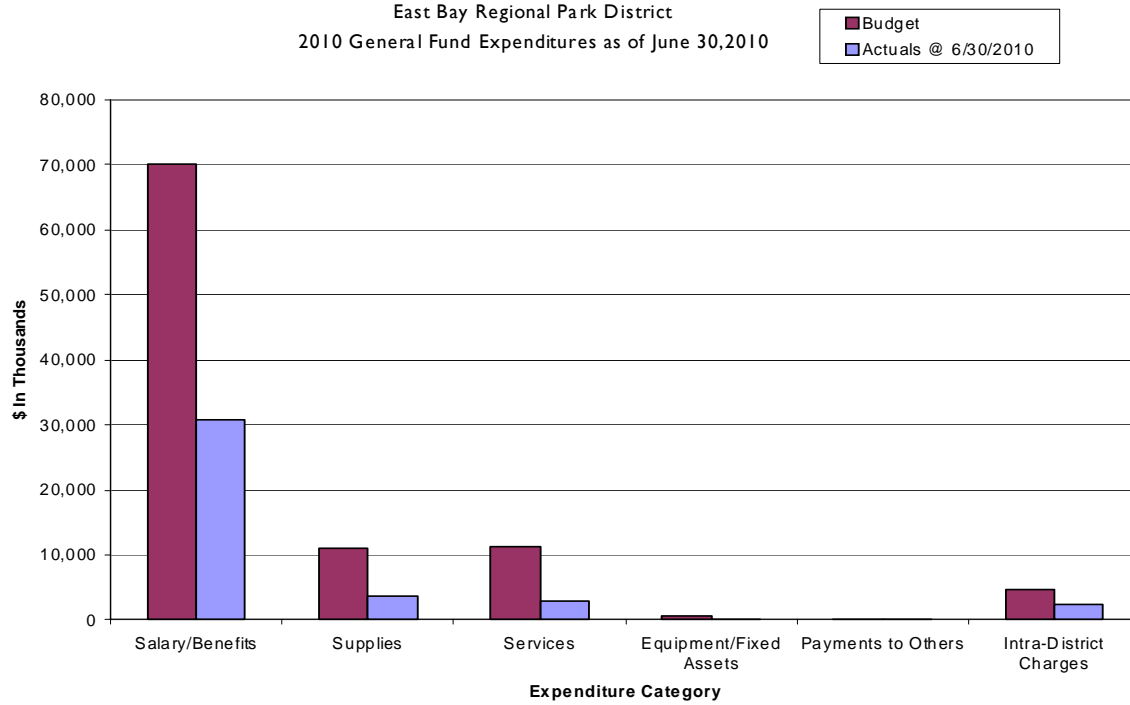
Special revenue fund appropriations are restricted for specified uses. At the end of the second quarter of 2010, 69% of appropriations remain unexpended (excluding encumbrances). At 6/30/09 70% remained unexpended (after elimination of \$27 million appropriation for Measure WW local grant program which was appropriated but not spent in 2009).

Overall, special revenue funds' revenues and expenditures are on target and consistent with prior year.

East Bay Regional Park District
2010 General Fund Revenue By Source as of June 30, 2010



East Bay Regional Park District
2010 General Fund Expenditures as of June 30, 2010



East Bay Regional Park District
General Fund Budget to Actual by Division for the period ending June 30, 2010

	A	B	C	D	E	F	G	H	I
	Division	Object Class Description	YTD Actuals	Encumbrances	Budgetary Actuals	Budget	Balance	% Remaining	% Remaining W/O Encumbrances
1									
2									
3	Legislative/Executive								
4		Revenue	0	0	0	3,000	3,000	100%	100.0%
5									
6		Salary & Benefits	679,004	0	679,004	1,547,519	868,515	56%	56.1%
7		Supplies	4,972	0	4,972	242,490	237,518	98%	97.9%
8		Services	183,868	206,781	390,648	2,069,009	1,678,361	81%	91.1%
9		Intra-District	26,100	0	26,100	52,200	26,100	50%	50.0%
10		Total Expenses	893,943	206,781	1,100,724	3,911,218	2,810,494	72%	77.1%
11									
12	Legal								
13		Revenue	6,150	0	6,150	0	-6,150	N/A	N/A
14									
15		Salary & Benefits	261,387	0	261,387	547,933	286,546	52%	52.3%
16		Supplies	867	1,766	2,633	13,721	11,088	81%	93.7%
17		Services	287,085	323,779	610,864	1,086,098	475,234	44%	73.6%
18		Intra-District	31,450	0	31,450	62,900	31,450	50%	50.0%
19		Total Expenses	580,788	325,545	906,333	1,710,652	804,318	47%	66.0%
20									
21	Human Resources								
22		Salary & Benefits	718,463	0	718,463	1,628,276	909,813	56%	55.9%
23		Supplies	1,509	0	1,509	16,971	15,462	91%	91.1%
24		Services	125,216	60,841	186,057	411,738	225,681	55%	69.6%
25		Intra-District	29,450	0	29,450	58,900	29,450	50%	50.0%
26		Total Expenses	874,638	60,841	935,479	2,115,885	1,180,406	56%	58.7%
27									
28	Public Affairs								
29		Revenue	204	0	204	254,000	253,796	100%	99.9%
30									
31		Salary & Benefits	774,124	0	774,124	1,879,331	1,105,207	59%	58.8%
32		Supplies	45,049	8,020	53,069	176,741	123,672	70%	74.5%
33		Services	382,823	414,393	797,216	994,708	197,492	20%	61.5%
34		Intra-District	37,750	0	37,750	75,500	37,750	50%	50.0%
35		Total Expenses	1,239,746	422,412	1,662,159	3,126,280	1,464,121	47%	60.3%
36									
37									
38	Finance & Management Services								
39		Revenue	394,407	0	394,407	350,000	-44,407	-9%	-12.7%
40									
41		Salary & Benefits	2,326,662	0	2,326,662	5,404,893	3,078,231	57%	57.0%
42		Supplies	175,754	31,214	206,968	469,098	262,130	56%	62.5%
43		Services	625,000	528,144	1,153,144	1,889,789	736,645	39%	66.9%
44		Fixed Assets/Cap	0	0	0	51,743	51,743	100%	100.0%
45		Inter-agency Agre	200,000	0	200,000	200,000	0	0%	0.0%
46		Intra-District	131,584	0	131,584	263,167	131,584	50%	50.0%
47		Total Expenses	3,459,000	559,358	4,018,357	8,278,689	4,260,332	51%	58.2%
48									
49	Operations								
50		Revenue	4,763,305	0	4,763,305	9,182,100	4,418,795	48%	48.1%
51									
52		Salary & Benefits	16,238,350	0	16,238,350	36,666,908	20,428,558	56%	55.7%
53		Supplies	1,593,175	271,528	1,864,702	4,929,663	3,064,961	62%	67.7%
54		Services	1,745,539	639,492	2,385,031	5,940,815	3,555,784	60%	70.6%
55		Fixed Assets/Cap	255,936	62,072	318,008	348,512	30,504	9%	26.6%
56		Intra-District	980,972	0	980,972	1,961,943	980,972	50%	50.0%
57		Total Expenses	20,813,971	973,092	21,787,063	49,847,841	28,060,779	56%	58.2%
58									
59	Land								
60		Revenue	30,012	0	30,012	0	-30,012	N/A	N/A
61									
62		Salary & Benefits	932,088	0	932,088	2,310,471	1,378,383	60%	59.7%
63		Supplies	2,987	0	2,987	15,633	12,646	81%	80.9%
64		Services	48,128	0	48,128	180,377	132,249	73%	73.3%
65		Intra-District	67,750	0	67,750	135,500	67,750	50%	50.0%
66		Total Expenses	1,050,953	0	1,050,953	2,641,981	1,591,028	60%	60.2%

East Bay Regional Park District
General Fund Budget to Actual by Division for the period ending June 30, 2010

	A	B	C	D	E	F	G	H	I
1	Division	Object Class Description	YTD Actuals	Encumbrances	Budgetary Actuals	Budget	Balance	% Remaining	% Remaining W/O Encumbrances
67									
68	PS&D								
69		Revenue	357,320	0	357,320	467,000	109,680	24%	23.5%
70									
71		Salary & Benefits	1,603,220	0	1,603,220	3,514,501	1,911,281	54%	54.4%
72		Supplies	214,317	283,620	497,937	589,870	91,933	16%	63.7%
73		Services	225,462	176,527	401,989	883,223	481,234	55%	74.5%
74		Fixed Assets/Cap	0	0	0	9,887	9,887	100%	100.0%
75		Intra-District	146,084	0	146,084	292,167	146,084	50%	50.0%
76		Total Expenses	2,189,082	460,147	2,649,229	5,289,648	2,640,418	50%	58.6%
77									
78	Public Safety								
79		Revenue	1,152,855	0	1,152,855	1,600,000	447,145	28%	27.9%
80									
81		Salary & Benefits	7,594,804	0	7,594,804	17,307,994	9,713,190	56%	56.1%
82		Supplies	218,020	85,752	303,773	829,084	525,312	64%	73.7%
83		Services	572,707	413,050	985,756	1,558,309	572,553	37%	63.2%
84		Fixed Assets/Cap	0	130,054	130,054	197,163	67,109	34%	100.0%
85		Debt Service	0	0	0	794,200	794,200	100%	100.0%
86		Intra-District	944,379	0	944,379	1,888,758	944,379	50%	50.0%
87		Total Expenses	9,329,910	628,856	9,958,766	22,575,508	12,616,743	56%	58.7%
88									
89	Non-Dept								
90		Revenue	41,652,001	0	41,652,001	91,080,036	49,428,035	54%	54.3%
91									
92		Salary & Benefits	-350,000	0	-350,000	-700,000	-350,000	50%	50.0%
93		Supplies	-1	0	-1	0	1	N/A	N/A
94		Total Expenses	-350,001	0	-350,001	-700,000	-349,999	50%	50.0%
95									
96	All Divisions								
97		Revenue	48,356,253	0	48,356,253	102,936,136	54,579,883	53.0%	53.0%
98									
99		Salary & Benefits	30,778,100	0	30,778,100	70,107,826	39,329,725	56.1%	56.1%
100		Supplies	2,256,650	681,899	2,938,549	7,283,271	4,344,722	59.7%	59.7%
101		Services	4,195,827	2,763,006	6,958,833	15,014,066	8,055,232	53.7%	53.7%
102		Fixed Assets/Cap	255,936	192,126	448,062	607,305	159,243	26.2%	26.2%
103		Inter-agency Agre	200,000	0	200,000	200,000	0	0%	0.0%
104		Debt Service	0	0	0	794,200	794,200	100.0%	100.0%
105		Intra-District	2,395,518	0	2,395,518	4,791,035	2,395,518	50.0%	50.0%
106		Total Expenses	40,082,032	3,637,031	43,719,063	98,797,703	55,078,640	55.7%	55.7%

East Bay Regional Park District
Special Revenue Funds
Budget to Actual for the period ending June 30, 2010

	A	B	C	D	E	F	G	H	I	J
1	Fund			Actuals 6/30/10	Encumbered	Budgetary Actuals	Budget	Balance	% Remaining	% Remaining W/O Encumbrance
2	220	Two County LLD								
3		Revenue		1,876,302	0	1,876,302	3,725,000	1,848,698	49.6%	49.6%
4										
5		Salary & Benefits		1,519,384	0	1,519,384	3,499,299	1,979,915	56.6%	56.6%
6		Supplies		29,274	1,614	30,888	80,882	49,994	61.8%	63.8%
7		Services		47,477	39,300	86,777	151,519	64,742	42.7%	68.7%
8		Total Expenses		1,596,134	40,914	1,637,048	3,731,700	2,094,651	56.1%	57.2%
9										
10	221	East Contra Costa County LLD								
11		Revenue		292,376	0	292,376	634,000	341,624	53.9%	53.9%
12										
13		Salary & Benefits		166,745	0	166,745	495,069	328,324	66.3%	66.3%
14		Supplies		7,862	0	7,862	59,011	51,149	86.7%	86.7%
15		Services		31,965	19,932	51,897	130,878	78,981	60.3%	75.6%
16		Intra-District		0	0	0	115,000	115,000	100.0%	100.0%
17		Total Expenses		206,572	19,932	226,504	799,958	573,454	71.7%	74.2%
18										
19	222	Five Canyons Zone of Benefit								
20		Revenue		20,750	0	20,750	38,300	17,550	45.8%	45.8%
21										
22		Salary & Benefits		8,511	0	8,511	31,946	23,435	73.4%	73.4%
23		Supplies		50	0	50	10,392	10,342	99.5%	99.5%
24		Services		0	0	0	2,415	2,415	100.0%	100.0%
25		Total Expenses		8,561	0	8,561	44,753	36,192	80.9%	80.9%
26										
27	223	Dublin Hills Zone of Benefit								
28		Revenue		7,698	0	7,698	15,500	7,802	50.3%	50.3%
29										
30		Salary & Benefits		6,053	0	6,053	6,159	106	1.7%	1.7%
31		Supplies		361	0	361	2,100	1,739	82.8%	82.8%
32		Total Expenses		6,414	0	6,414	8,259	1,845	22.3%	22.3%
33										
34	224	Walpert Ridge Zone of Benefit								
35		Revenue		32,535	0	32,535	61,000	28,465	46.7%	46.7%
36										
37		Salary & Benefits		0	0	0	1,254	1,254	100.0%	100.0%
38		Supplies		0	0	0	4,515	4,515	100.0%	100.0%
39		Fixed Assets/Capital		0	0	0	77,280	77,280	100.0%	100.0%
40		Total Expenses		0	0	0	83,049	83,049	100.0%	100.0%
41										
42	225	San Ramon Hills Zone of Benefit								
43		Revenue		2,099	0	2,099	4,300	2,201	51.2%	51.2%
44										
45		Salary & Benefits		7,144	0	7,144	13,133	5,989	45.6%	45.6%
46		Supplies		0	0	0	664	664	100.0%	100.0%
47		Total Expenses		7,144	0	7,144	13,797	6,653	48.2%	48.2%
48										
49	226	Measure CC								
50		Revenue		1,491,428	0	1,491,428	2,940,000	1,448,572	49.3%	49.3%
51										
52		Salary & Benefits		312,389	0	312,389	827,471	515,082	62.2%	62.2%
53		Supplies		4,067	0	4,067	35,750	31,683	88.6%	88.6%
54		Services		5,031	10,500	15,531	32,398	16,867	52.1%	84.5%
55		Debt Service		0	0	0	100,000	100,000	100.0%	100.0%
56		Total Expenses		321,486	10,500	331,986	995,619	663,633	66.7%	67.7%
57										
58	227	Stone Valley Zone of Benefit								
59		Revenue		2,533	0	2,533	4,600	2,067	44.9%	44.9%
60										
61		Salary & Benefits		1,236	0	1,236	4,635	3,399	73.3%	73.3%
62		Supplies		0	0	0	630	630	100.0%	100.0%
63		Total Expenses		1,236	0	1,236	5,265	4,029	76.5%	76.5%

East Bay Regional Park District
Special Revenue Funds
Budget to Actual for the period ending June 30, 2010

	A	B	C	D	E	F	G	H	I	J
1	Fund			Actuals 6/30/10	Encumbered	Budgetary Actuals	Budget	Balance	% Remaining	% Remaining W/O Encumbrance
64										
65	228	Gateway Valley/Sibley Volcanic Zone of Benefit								
66		Revenue		492	0	492	18,500	18,008	97.3%	97.3%
67										
68		Salary & Benefits		0	0	0	9,785	9,785	100.0%	100.0%
69		Supplies		0	0	0	10,470	10,470	100.0%	100.0%
70		Total Expenses		0	0	0	20,255	20,255	100.0%	100.0%
71										
72	253	Gifts								
73		Revenue		32,986	0	32,986	65,000	32,014	49.3%	49.3%
74										
75		Salary & Benefits		11,254	0	11,254	22,217	10,963	49.3%	49.3%
76		Supplies		11,332	1,546	12,877	34,774	21,897	63.0%	67.4%
77		Services		18	0	18	1,500	1,482	98.8%	98.8%
78		Total Expenses		22,604	1,546	24,150	58,491	34,341	58.7%	61.4%
79										
80	254	Ardenwood/Coyote Hills Trail								
81		Revenue		2,462	0	2,462	10,000	7,538	75.4%	75.4%
82										
83		Total Expenses		0	0	0	0	0	N/A	N/A
84										60.3%
85	255	Martin Luther King Jr Intern Program								
86		Revenue		4,369	0	4,369	11,000	6,631	60.3%	N/A
87										
88		Total Expenses		0	0	0	0	0	N/A	N/A
89										
90	257	Mitigation								
91		Revenue		35,697	0	35,697	190,000	154,303	81.2%	46.7%
92										
93		Salary & Benefits		17,282	0	17,282	32,444	15,162	46.7%	40.9%
94		Supplies		0	0	0	6,050	6,050	100.0%	43.6%
95		Services		96,693	32,197	128,891	163,520	34,629	21.2%	40.9%
96		Total Expenses		113,975	32,197	146,173	202,014	55,841	27.6%	43.6%
97										
98	258	Two County LLD								
99		Revenue		56,917	0	56,917	160,000	103,083	64.4%	-0.5%
100										
101		Salary & Benefits		33,593	0	33,593	33,415	-178	-0.5%	97.2%
102		Supplies		0	0	0	1,468	1,468	100.0%	38.1%
103		Services		568	0	568	20,285	19,717	97.2%	97.2%
104		Total Expenses		34,162	0	34,162	55,168	21,006	38.1%	38.1%
105										
106	260	Asset Forfeiture Distribution								
107		Revenue		693	0	693	0	-693	N/A	N/A
108										
109		Supplies		0	0	0	0	0	N/A	N/A
110		Total Expenses		0	0	0	0	0	N/A	N/A
111										
112	270	Measure WW Local Grant Program								
113		Revenue		0	0	0	0	0	N/A	N/A
114										
115		Salary & Benefits		61,722	0	61,722	0	-61,722	N/A	N/A
116		Services		1,950	3,895	5,845	2,601	-3,245	-124.8%	74.5%
117		Debt Service		2,236,394	0	2,236,394	9,000,000	6,763,606	75.2%	75.2%
118		Total Expenses		2,300,066	3,895	2,303,961	9,002,601	6,698,640	74.4%	74.5%



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – AUGUST 25, 2010

SUBJECT: 2010 Midyear Budget Review and Adjustment
Report Prepared by: Pam Burnor, Budget Manager

RECOMMENDATION: Review and accept 2010 Midyear Budget Adjustment and recommend approval to the Board of Directors.

DESCRIPTION:

Each year Finance staff reviews budget to actual status to determine if the adopted budget will cover required spending through year end. When adjustments to the budget are necessary, those amendments are brought to the Board Finance Committee for review and recommendation that the full Board consider the budget changes.

Midyear Adjustments -- General Fund

No adjustments are required to the General Fund at mid-year.

Midyear Adjustments -- Other Funds

The Mitigation Fund (257), a special revenue fund, requires a mid-year adjustment. The Mitigation Fund fund balance includes \$122,652 related to Oyster Bay landfill cleanup and the settlement with Waste Management. It is recommended that 2010 appropriation be increased for Oyster Bay landfill cleanup costs, using the existing fund balance related to this activity as the funding source.

The amount appropriated in 2010 for the District's share of Oyster Bay cleanup costs has been depleted by invoices received and paid in 2010 for work done in 2009. It is recommended that an increase of \$35,000 be made to this year's appropriation to cover the anticipated invoices to be paid during 2010 for 2010 work.

2010 appropriation Oyster Bay mitigation	\$ 25,000
2010 expenditures to date (for 2009 work)	<30,571>
Proposed increase in 2010 appropriation from fund balance	<u>35,000</u>
Available budget after adjustment (for 2010 work)	<u>\$ 29,429</u>



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – August 25, 2010

SUBJECT: 2nd Quarter 2010 Investment Report
Report Prepared by: Cinde Rubaloff, CFO/Controller

ATTACHMENT: June 30, 2010 Investment Report

RECOMMENDATION: Review the investment report and direct staff to prepare the information for acceptance by the Board of Directors.

DESCRIPTION:

In accordance with State law and the District's Investment Policy, the attached report has been prepared on the District's cash and investments. The grand total of the District's cash and investments at June 30, 2010 was \$285,727,915.

Pooled cash managed by CFO/Controller increased approximately \$9 million from the prior quarter. The increase was due to receipt of property tax in April. Additionally funds managed by trustees increased approximately \$10 million, also a result of April property tax.

Pooled cash managed by CFO/Controller is approximately \$7 million less than 2009 amount in large part due to payoff of CalPERS side fund loan.

Funds managed by trustees have increased by \$88 million from the prior year. This increase is due to the receipt of:

- 2009 Measure WW bond project proceeds of \$80 million,
- 2009 Measure WW capitalized interest proceeds of \$6 million, and

The investment of the District's cash and investments is budgeted in 2010 to generate \$4.4 million of interest revenue. As reported, current year to date earnings are only \$1.4 million. General Fund has collected only 25% of budgeted investment revenue half way through the year.

Comparison of investment revenue earned during the first quarter of 2010 and the first quarter 2009 is included in the report:

- In spite of active management of the District's funds, interest earned during the second quarter of 2010 has declined approximately 33% from the second quarter of 2009, from \$2 million to \$1.4 million.

Additionally, neither the District's short term investments', nor mid-term investments' returns met our benchmarks, again this quarter, for the second quarter in a row:

- By the end of the second quarter the District's short term rates exceeded benchmark, so it is anticipated that the third quarter will meet or exceed the benchmark.
- The mid-term benchmark is 1-3 years. Currently the PFM pooled investment portfolio is actually 65% invested in securities with less than 12 month maturities. This is the primary reason we did not meet the 1-3 year benchmark. PFM investment advisors are cautious about investing longer than 12 months based upon the current yield curve and the economic outlook for the third quarter. Their strategy is to manage the portfolio for a positive return, rather than managing the portfolio to outperform the benchmark. Per PFM's 6/30/10 report, "Trying to exceed the benchmark when rates are so low risks large negative returns."

Staff will continue to monitor, evaluate and actively managed the District's funds to maximize returns in this dismal investment environment.

Investment fees are consistent with last year. The Investment Report now includes fees as a percent of average balance by bank/investment advisor. Banking fees are the highest as a percent of average balance. With the upcoming change to Wells Fargo, from Bank of America, one of our goals is to reduce banking fees.

Graphs accompanying the investment report include:

- pie chart of District fund by type,
- mid-term securities investment maturities, and
- all funds over which the District has a fiduciary responsibility, which includes EBRPD Retirement Plan assets and OPEB trust assets.

This report is being provided to the Finance Committee for review and recommendation to the Board of Directors for acceptance.

RECOMMENDATION:

Staff requests that the Finance Committee recommend to the full Board of Directors acceptance of the June 30, 2010 Investment Report.

**EAST BAY REGIONAL PARK DISTRICT
INVESTMENT REPORT
for quarter ending
June 30, 2010**

District Cash and Investment Balances:

	Fair Value* June 30, 2010	Book Value June 30, 2010	Book Value March 31, 2010	Book Value June 30, 2009
Pooled Investments Managed by CFO/Controller				
Checking	\$ 4,289,601	\$ 4,289,601	\$ 3,908,424	\$ (792,430)
<i>Short-term investments</i>				
Sweep	8,243,450	8,243,450	3,712,207	13,101,044
LAIF	50,082,157	49,999,968	40,000,000	40,000,000
CAMP	18,719,724	18,719,724	25,083,111	15,967,475
Highmark (Cutwater)	77,363	77,363	-	-
Sub-total	81,412,295	81,330,106	72,703,743	68,276,089
<i>Mid-term securities (amortized cost basis)</i>				
US Treasuries	7,083,965	6,999,920	7,211,851	10,035,238
Federal Agencies	45,570,636	44,664,585	46,003,717	63,427,155
Corporate bonds	4,049,687	3,943,879	1,975,574	1,966,040
Sub-total	56,704,287	55,608,384	55,191,142	75,428,433
Total Pooled Investments	138,116,582	136,938,490	127,894,885	143,704,523
Bond Funds Managed by Trustees				
<i>Short-term investments</i>				
Helicopter escrow (Bank of America)	196,703	196,703	197,575	990,738
Measure AA project funds (CAMP/Union Bank)	5,991,501	5,991,501	32,653,249	29,184,579
Measure AA debt service funds (CAMP/Union Bank)	30,424,039	30,424,039	18,686,404	29,415,918
Measure WW project funds (CAMP/Union Bank)	59,743,043	59,743,043	60,077,501	-
Measure WW debt service funds (CAMP/Union Bank)	5,704,117	5,704,117	5,701,196	-
<i>Mid-term securities (amortized cost basis)</i>				
Measure AA project funds (Federal Agencies)	25,921,588	25,678,921	-	-
Measure WW project funds (Federal Agencies)	20,081,250	19,990,600	19,987,838	-
<i>Long-term investment</i>				
Societe Generale GIC (2002 limited reserve fund)	1,060,500	1,060,500	1,060,502	1,060,503
Total Bond Funds Managed by Trustees	149,122,741	148,789,425	138,364,265	60,651,738
Grand Total District Cash/Investments	\$ 287,239,324	\$ 285,727,915	\$ 266,259,150	\$ 204,356,261

*fair value furnished by State of California (LAIF), Cutwater (securities), PFM Asset Management, Societe Generale MV pledged (GIC)

Investment Earnings (accrual basis):

	quarter ended June 30, 2010	year-to-date at June 30, 2010	year-to-date at June 30, 2009
Short-term investments	\$ 129,983	\$ 424,229	\$ 504,535
Mid-term investments	575,416	923,965	1,528,436
Long-term investments	14,091	28,182	28,506
Total Investment Earnings	\$ 719,490	\$ 1,376,377	\$ 2,061,477

Quarterly Book Return on Investment (Annualized)

Short-term investments	0.28%
Mid-term investments	2.60%
Long-term investments	5.31%

Quarterly Book Return Net of Fees (Annualized)

	0.99%
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Quarterly Total Return Compared to Benchmark

	Benchmark	June 30, 2010	Difference
Short-term investments (benchmark-US T-bill 91 day yield)	0.18%	0.07%	-0.11%
Mid-term investments (benchmark-ML 1-3 year UST index)	1.16%	0.75%	-0.41%

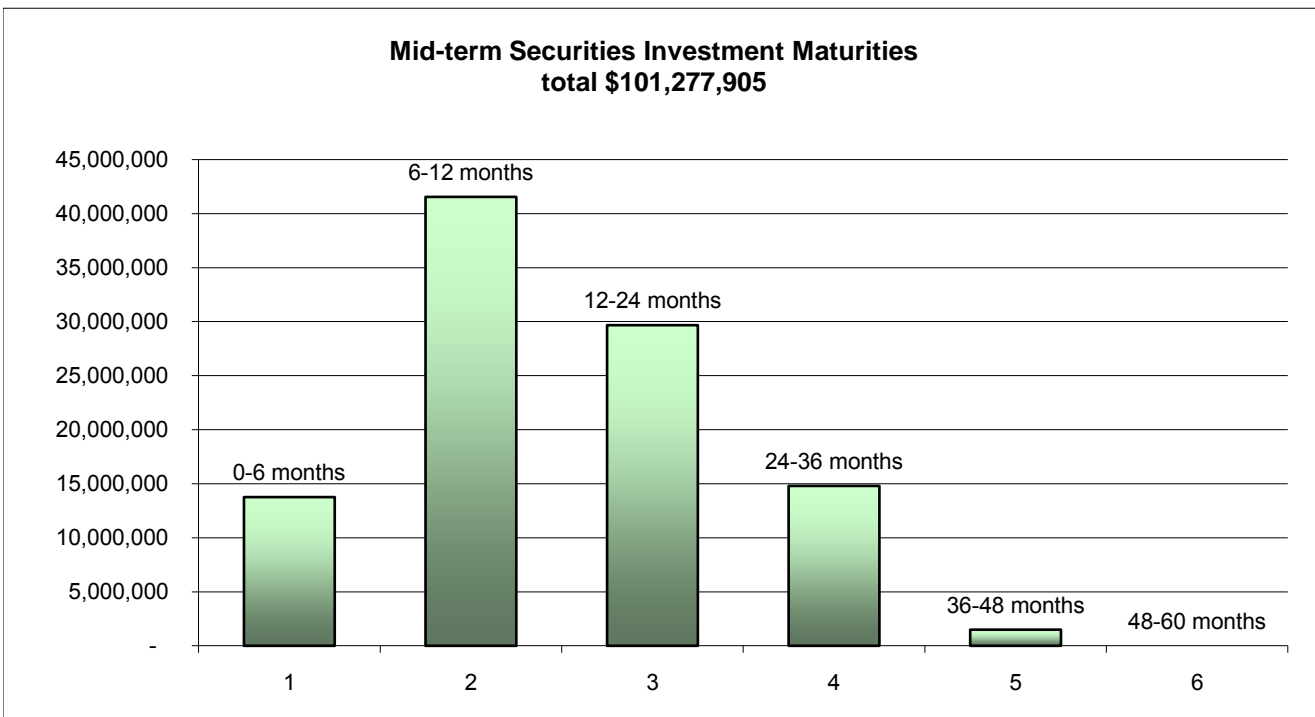
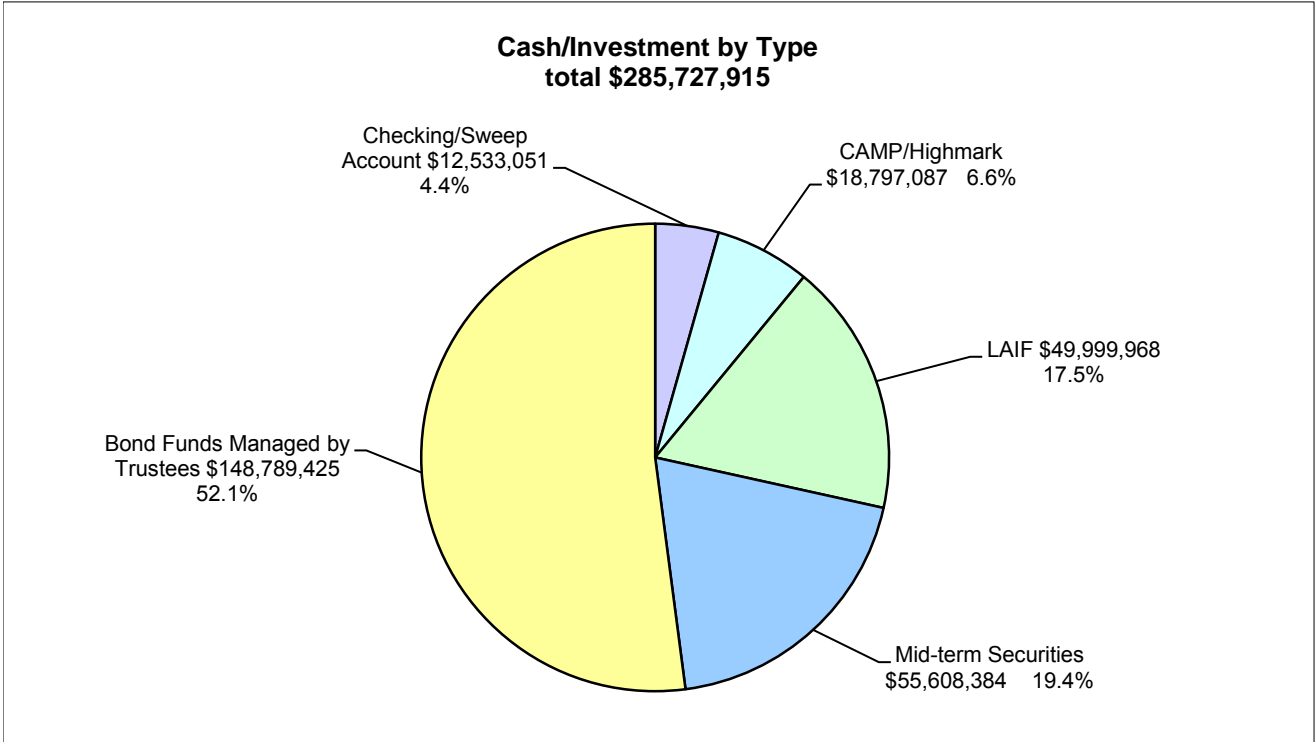
Investment Fees:

	quarterly	annual	% of average balance
Bank of America account and sweep fees	\$ 10,358	17,742	0.238%
PFM investment advisory fees/BNY custodial fees	13,410	24,136	0.046%
Cutwater investment advisory fees/Union Bank custodial fees	9,385	16,732	0.051%
Total	\$ 33,152	58,610	0.063%

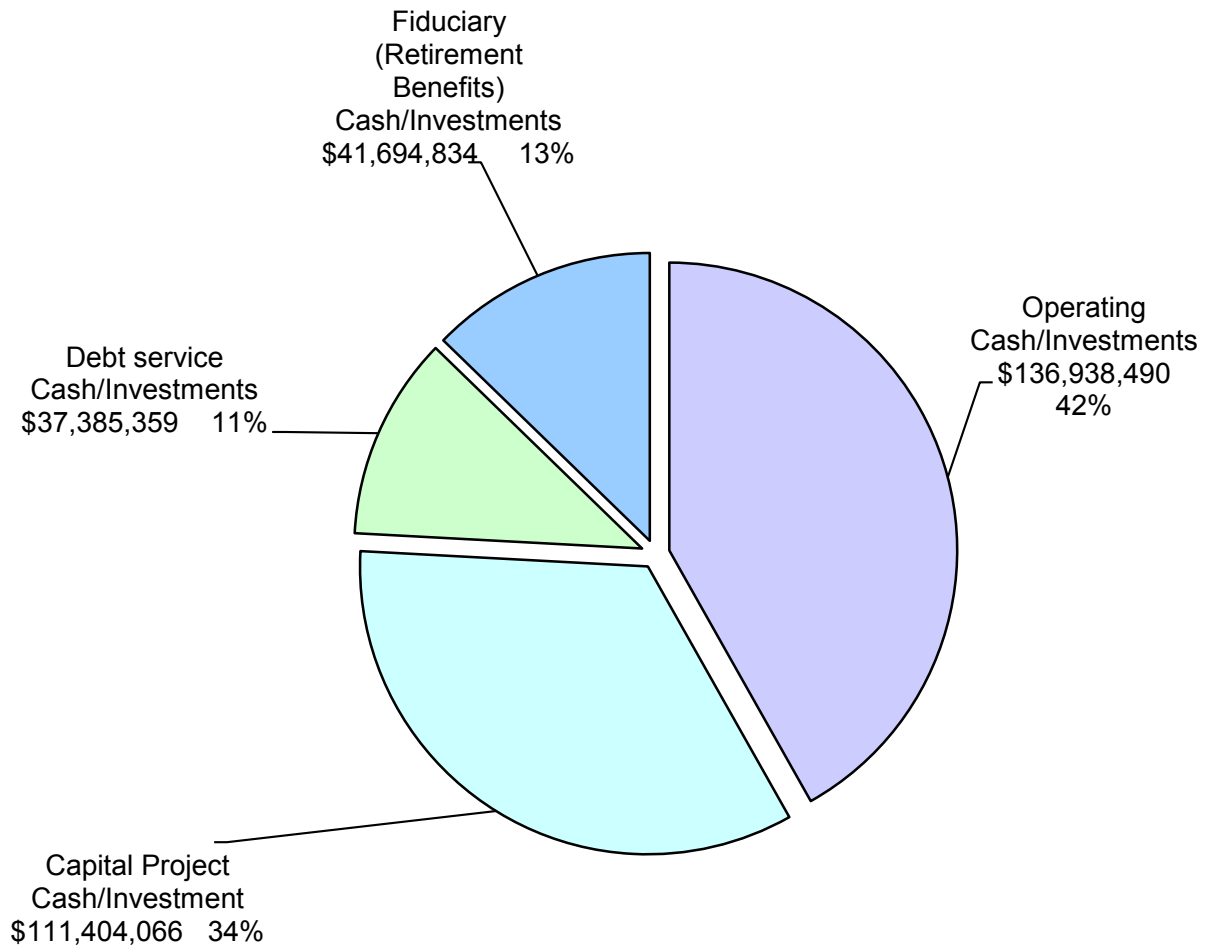
I verify that this report contains the total amounts of cash and investments at June 30, 2010. The investments are in conformity with the Investment Policy as stated in Resolution # 2010-02-027, dated February 2, 2010. The District's cash management program provides sufficient liquidity in to meet expenditure requirement for the next six months, in conformity with the Investment Policy.

Cinde Rubaloff, CFO/Controller

**EAST BAY REGIONAL PARK DISTRICT
INVESTMENT REPORT
for period ending
June 30, 2010**



**Operating, Capital, Debt and Fiduciary Cash/Investments
total \$327,422,749**





EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – AUGUST 25, 2010

SUBJECT: 2010 Mid-year Internal Audit Status Update
Report by: David Sumner, CIA, CFE, CGFM, Audit Manager

ATTACHMENT: None

RECOMMENDATION: This item is informational only.

DESCRIPTION:

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 the 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. They review financial transactions, cash handling practices, District-funded grants, concession agreements, contracts, RFPs, assist with the development of the District's Comprehensive Annual Financial Report (CAFR), and perform other duties as assigned.

During first half of 2010, staff worked on three audit projects. A briefing of those projects is as follows:

1. **Review of Fee Payments relating to Sprint/Nextel Communication Site at Peralta Oaks.** The audit examined the financial records and license agreement related to Sprint/Nextel communication site at Peralta Oaks to determine whether site license fees were overpaid by Sprint/Nextel to the District. The audit included the review of methodology applied for determining overpayment, and offered suggestions for resolving the issues and strengthening internal controls.

We concluded that site license fees were indeed overpaid by Sprint/Nextel to District. We concurred with the District's chosen CPI for recalculation, and applying the overpaid amount as credit against future fees due on a monthly basis. We also suggested clarification of terms of the Agreement when it comes up for renewal.

Staff is in negotiations with the licensee, and an amendment to the license is in process.

2. **Review of Del Valle Concession.** The audit examined the concessionaire's compliance with financial aspects of their agreement with the District.

Per review, the concessionaire was not fully compliant with the terms of the agreement. It had excluded revenue related to gross sales and rental receipts from total revenue reported to the District. The concessionaire was also frequently late in remitting fees due, and was not assessed late charges. We also noted that concession fees for September 2006 and September 2008 were unpaid per Finance Department records. Additionally the concessionaire over-claimed and was overpaid for maintenance project performed.

Another problem noted was insufficient oversight and lack of timely review and retention of *Certificate of Insurance* forms.

We have suggested that District seeks total of \$22,682 for unpaid concession fees, maintenance fees, late charges, and over-claimed expenditures, from the concessionaire. We have also recommended District staff to enhance their oversight of the concessionaire's compliance with insurance requirements.

District is currently negotiating with the concessionaire to resolve issues of concern.

3. **Review of Measure WW Grant - City of El Cerrito Vista Park Playground Equipment Replacement.** Under Master Contract No. 311900 City of El Cerrito is eligible to receive a total \$1,065,840 from proceeds of Measure WW. City of El Cerrito reported completion of their Vista Park Playground equipment replacement project, and submitted required documentation seeking reimbursement for costs incurred. We audited records submitted, found them to be in good order, and approved their payment request in accordance with the established procedures.