



PARKS AND RECREATION DEPARTMENT

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PARKS AND RECREATION COMMISSION STAFF REPORT

Meeting: February 18, 2020

Subject

Receipt of the January 28, 2020 Public Review Draft Report from the Local Agency Formation Commission of Santa Clara County (LAFCO), entitled "Special Study: Governance Options, Rancho Rinconada Recreation and Park District," and provide direction to staff.

Recommended Action

Receive the report and forward it to the Parks and Recreation Commission for their review and recommendation. Add the Rancho Rinconada Recreation and Park District Evaluation to the FY 2019-20 City Work Program and to the Parks and Recreation Commission Work Program.

Discussion

LAFCO has prepared a report studying governance options for the Rancho Rinconada Recreation and Park District. (Attachment A). The Overview of the January 28, 2020 report states the following:

"The Local Agency Formation Commission of Santa Clara County (LAFCO) prepared a Service Review of the Rancho Rinconada Recreation and Park District (RRRPD) in 2013 which recommended further analysis of governance changes for the District. RRRPD has had a zero sphere of influence since 1982 indicating that the RRRPD should eventually not exist as an independent special district. LAFCO reaffirmed the District's zero sphere of influence in its 2013 Service Review for the District. The 2013 RRRPD Service Review found that a significant service overlap contributes to "the duplication in services delivered within the boundaries of Cupertino [which] creates inherent inefficiencies and fragmented service delivery and impedes long-term planning for the delivery of recreation services to the residents of Cupertino."

In recent years there have been disputes and allegations of mismanagement among the Board leading to the resignation of two board members and a lack of a quorum to conduct RRRPD business. As noted in LAFCO's Request for Proposals (RFP) for this special study, LAFCO has received complex questions and complaints from residents concerning the RRRPD. At the February and April 2019 LAFCO meetings, community members informed LAFCO of their concerns about RRRPD's inefficient pool operation lack of public outreach and public awareness of the District, and requested that LAFCO address these concerns, resulting in the current special

study. Comments regarding allegations of mismanagement, and responses by the District to the complaints, were submitted at LAFCO's meeting in June, 2019.

In 2019, following board resignations, RRRPD was left with two filled seats; the County Board of Supervisors appointed a temporary third RRRPD board member for the purpose of adopting the FY20 budget. Currently the District has three filled seats sufficient to function with a quorum, and the two remaining vacant seats could be filled at the 2020 general election.

The 2013 RRRPD MSR considered several governance options which are addressed in more detail in this special study:

- ***Option 1: Maintain RRRPD's Current Governance (Status Quo)*** – RRRPD remains intact as an independent recreation and park district, and continues to operate and improve its programs, facilities and planning.
- ***Option 2: Merger of RRRPD with the City of Cupertino*** – RRRPD would be dissolved and its functions, services, assets, and liabilities transferred to the City of Cupertino. The City would integrate RRRPD programs and facilities into current City operations and recreation planning. This option assumes that RRRPD's current property tax allocation would be entirely transferred to the City, and that all RRRPD services would be maintained at current levels (or better).
- ***Option 3: Reorganize RRRPD as a Subsidiary District to the City of Cupertino*** – RRRPD would remain a special district, but the Cupertino City Council would function as its board. As required by law, "...The district shall continue in existence with all of the powers, rights, duties, obligations, and functions provided for by the principal act, except for any provisions relating to the selection or removal of the members of the board of directors of the district."

All subsidiary district accounts would be held and reported separately from City funds. Legal and financial responsibility would be limited to the subsidiary district. The subsidiary district would continue to receive its current share of property tax to be used for district purposes. This Special Study further investigates the financial feasibility and the process required to implement the governance options described above."

City staff has reviewed the report and asked preliminary questions which were generally answered in the Public Review Draft Report presented to the LAFCO Board on February 5, 2020. No action was taken by the Board at that meeting and public comments will be taken by LAFCO until March 11th.

Staff recommends that the Council forward the report to the Parks & Recreation Commission and add the Rancho Rinconada Recreation and Park District Evaluation to the FY 2019-20 City Work Program and to the Parks and Recreation Commission Work Program. The Commission can then study the governance options in the report, receive

input from the public at a noticed Commission meeting, and provided a recommendation to Council on preferred options to proceed. If the City Council accepts staff's recommendation to forward the report to the Parks & Recreation Commission, the Commission would then invite all of the residents of the District to a public meeting and should be able to return to the Council with a recommendation in either April or May.

Sustainability Impact

No sustainability impact is associated with the receipt of this report. Should City Council decide to implement either Option 2 or 3 as reference in the report, operation of the District and the facility could have both fiscal and staffing impacts.

Fiscal Impact

There is no fiscal impact associated with the receipt of this report, although there may be fiscal impacts to the City depending upon which Option is ultimately approved.

Prepared by: Randy Schwartz, Interim Parks & Recreation Director

Reviewed by:

Approved for Submission by:

Attachments:

A – Public Review Draft Report, Special Study: Governance Options, Rancho Rinconada Recreation and Park District, January 28, 2020

B – Rancho Rinconada Recreation and Park District Board of Directors Letter to Cupertino City Council, February 7, 2020

C – Rancho Rinconada Work Program Line Item for City Work Program and Parks and Recreation Commission Work Program