



## PARKS AND RECREATION DEPARTMENT

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### PARKS AND RECREATION COMMISSION STAFF REPORT

Meeting: March 5, 2020

#### Subject

Rancho Rinconada Recreation & Park District.

#### Recommended Actions

Receive the report, listen to public comments, edit a draft public survey and appoint one or two Parks and Recreation Commissioners to work with staff on this topic prior to the Commission's April 2, 2020 meeting.

#### Discussion

The Overview of the 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 reviewed the preliminary draft report and provided early input to the preliminary draft report that was presented to the LAFCO Board on February 5, 2020. No action was taken by the Board at that meeting. The report is open for public comments until March 11, 2020.

On February 18<sup>th</sup>, the City Council accepted the report and added to the Parks & Recreation Commission's work program to review the report, poll and have a robust discussion with the homeowners of the District to determine if they can support either Option 1 or Option 2. The Commission would then return a recommendation to the City Council in either April or May.

#### Sustainability Impact

No sustainability impact is associated with the receipt of this report, although there may be impacts depending upon which option is ultimately approved.

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.

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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 29, 2020

B – Letter from Rancho Rinconada Board

C – Information from District residents Sophia Badillo and Sandy Yeaton

D – Letter from LAFCO Executive Director Neelima Palacherla

E – LAFCO Service Review – 2007

F – LAFCO Service Review - 2013