

**FEATHER RIVER RECREATION AND PARK DISTRICT  
Regular Meeting of the Board of Directors**

**Tuesday, April 26, 2011 at 5:30 p.m.**

**The regular meeting of the Board of Directors of the Feather River Recreation and Park District was held at 5:30 p.m. at South Feather Water and Power Agency located at 2310 Oro-Quincy Hwy. in Oroville, California.**

**CALL MEETING TO ORDER:**

5:30 p.m.

**ROLL CALL:**

Chairman TJ Jensen	<u>✓</u>
Vice-Chairman Bob Sharkey	<u>✓</u>
Director John Allen	<u>✓</u>
Director Loren Gill	<u>✓</u>
Director Jan Hill	<u>✓</u>

**PLEDGE OF ALLEGIANCE**

**I. HEARING SESSION**

**A. BOARD OF DIRECTORS \$200 STIPEND**

Director Gill discussed the possibility of Board members waiving their monthly stipend of \$200 to help with the financial strain of the District. The Board of Directors are each paid \$100 per meeting, not to exceed \$200 per month. Director Hill stated that they had previously done this in 2008 from September through December and other times donated their stipend to fireworks. There were no other comments.

**B. PUBLIC COMMENT**

At this time the Board extended the courtesy of the Hearing Session to interested parties who wished to speak on items not on the agenda.

**LANCE ANDERSON** of Oroville asked why the Finance Manager position had not been posted publicly. He asked why Marcia Carter's proposed programs weren't approved since the District was looking for more revenue. Mr. Anderson also addressed a rumor about a program that was found on the computers at the District that would allow others to read other peoples emails.

**TAMARA DORFMAN** of Oroville asked if there was a classification description for Shawn Brandt's position of Interim Assistant General Manager. Chairman Jensen said he would have to look that up. He stated that the Board had recently adopted a new employee flow chart with that position. Ms. Dorfman replied that the flow chart is not a classification. It is District policy that a position must be adopted by the Board. A classification sets forth duties and entrance qualifications. She also asked if the classification was deemed exempt from provisions of the Fair Labor Standard Act. Chairman Jensen did not know and deferred that question to counsel.

**PHIL CAPUT** of Oroville knows that former General Manager John Buck left the budget deeply in the red. What were the budgets under the former General Managers, Mr. Lawrence and Mr. Sharkey, when they left? He's requesting there should be an independent audit.

**LYNNDIE CAPUT** of Oroville would like to know why the Board meetings are held at South Feather Water and Power when there are other facilities free of charge in the community that

will hold more people. There are many older people that attend the meetings and there is not enough seating. A bigger facility would encourage public participation.

**RICH DELABY** of Oroville questioned why the Board voted to approve \$270,000 in warrants when there was \$180,000 in the treasury at the time. Is it true that the District bounced a check at Rabobank? At the March 18, 2011 meeting there was \$38,000 in the Merchant account and on April 26<sup>th</sup> the account shows \$28,000. What is the difference in the Merchant account and doesn't that require Board approval? Chairman Jensen said it was an abrupt decision by their consultant at the time the checks were presented. Since then the tax allocation has been processed. The bounced check at Rabobank was due to a signatory problem. Director Hill was the only signatory and Don Remley and Chairman Jensen had signed the check. There will be a Special Meeting set up to transfer some assessment funds. Chairman Jensen did not know the answer to the Merchant account.

**DR. DON REMLEY** of Oroville stated that he resigned as the interim general manager at the last regular Board meeting. He felt a good sense about the accomplishments that were made. His thoughts expressed in his letter of resignation were both positive and instructive. He stated that he has promised the Board his continued commitment to several unfinished projects. He stated he would assist with the executive search process for the new general Manager and he agreed to work with staff and the Board in arranging for the final presentation by the two firms. He also stated he was assisting with the coordination of the completion of the concession stand at Riverbend Park and with assisting the Orcas Swim Team in raising funds for their summer program. This was purely voluntary.

He has witnessed a derogatory, abusive and punitive behavior by at least two of the Board members. According to Dr. Remley, Mr. Sharkey commented in the Oroville Community Mirror that he was especially unhappy with Remley's decision to go back and pay all the CALPERS fees that had accumulated because the District failed to sign on many employees who were entitled to the program." "We had to pay \$40-70,000 in CALPERS," said Sharkey. He said that shows staff hasn't slowed down with their spending. "Why wasn't anyone let go to reduce the CALPERS," he said. "We used to let people go before they were eligible for CALPERS, but since the gymnasium purchase they've kept a full boat."

He stated that Mr. Sharkey fails to acknowledge that he recommended the termination of two employees during his tenure. He also recommended the reduction in force (AKA "layoff") of one other clerical position. Two of the positions involved individuals who qualify for CALPERS benefits.

He also stated Mr. Sharkey is in error regarding the exaggerated amount of the expenses of the required payment of CALPERS benefits. The exact amount was \$40,431.70. This included paying for several employees who had been either newly employed or were full-time employees during the 2010 calendar year, yet had not been enrolled in CALPERS. He further stated that every employee who was employed full-time in the District as of August 1, 2010 needed to be provided with CALPERS benefits and that all new full-time employees who joined the District in August of 2010 needed to be enrolled in CALPERS. He claimed the District has several individuals who fit in this category and were required to be enrolled.

He stated that the penalty for not enrolling employees correctly or not paying the required benefits to CALPERS on a monthly basis is \$200.00 per pay period, a 6% interest penalty and the possibility that the District's contract with CALPERS would be terminated. He further stated that termination has occurred recently to other districts.

He also stated that Mr. Sharkey communicated the thought in his comment that he would be willing to cut off employees' rights to retirement benefits. Dr. Remley indicated that his research has uncovered information which confirms the fact that Mr. Sharkey did not provide retirement benefits for all employees who qualified for the benefits when he was general manager from

April, 2006 – June, 2009. Dr. Remley mentioned one individual that he claimed should have been enrolled in CALPERS. This individual worked more hours than Mr. Sharkey who did claim benefits.

Dr. Remley stated that Mr. Sharkey should be ashamed of even making a comment in the Mirror, based upon his request for additional benefits upon his retirement. He further stated Mr. Sharkey did not have any provision in his contract to be paid off the unpaid sick leave and he received upon his retirement from the District, \$37,734.27 for unpaid sick leave, in addition to \$5,854.19 in vacation pay for a total of \$43,588.46. Dr. Remley stated that this was used to pay CALPERS for the “redeposit of withdrawn contributions”. Dr. Remley noted that the \$43,588.46 payoff is greater than the total of all back pay the District has made to CALPERS during the past three months. Dr. Remley stated that on February 22, 2008 Mr. Sharkey was paid off \$16,699.17 in vacation payoff in three equal payments of \$5,566.39.

Dr. Remley commented that neither of the two payoffs to Mr. Sharkey were approved or recorded in the Board minutes. The only signature on the warrant authorization document for the June 12, 2009 payment is Mr. Sharkey’s signature. Dr. Remley stated that Board approval in open session would be required for the additional payment of funds to a general manager.

Dr. Remley stated that this information should be available to the public. Dr. Remley presented that it appears Mr. Sharkey seems to focus on what he refers to as an indication that “staff hasn’t slowed down with their spending” and Dr. Remley thought it was best to explain to the Board and public the reason for the expenditures and provide an accurate accounting including expenditures during Mr. Sharkey’s administration.

**ALAN ROTH** of Oroville asked if the rest of the Board knew that Director Sharkey’s signature was the only signature on the check. Director Sharkey said the Board knew. Director Allen said he knew and it would be in the minutes 5 or 6 years ago. Dr. Remley responded that he went through all the minutes of that time frame and he could find no Board approval and for closed sessions no action was taken at any of them.

**JULIE FOX** of Oroville is a pre-school teacher for Feather River Recreation and Park District. She said it is hard to cut back employees for the pre-school because according to State Licensing you must have a certain number of teachers to a certain number of children. The only money that has been spent on supplies for the classrooms as a group was spent last week.

**ROGER SOUDAN** of Oroville wants to keep things positive and moving forward, focusing on getting financials in order. There was a recommendation made in 2008 – 2009 by the Board to hire an independent financial company to set up the books and work with an accounts payable person. As a past Board member, Mr. Soudan doesn’t know if he’s ever seen correct financial statement information and Board members have to make decisions based on that. He would like to see the district hire a financial institution to figure out the finances so that financial decisions can be made on good, solid information. Dr. Soudan would also like the Board to take immediate action formulating a classification for Shawn Brandt, acting as Interim Assistant General Manager.

**REED CANAL** (name? did not submit participation form) of Oroville suggests that there be a volunteer citizens committee set up to investigate the allegations made at the meeting.

**LYNDEE CAPUT** of Oroville inquired if whether the Smart Kids program would be run this summer by Marcia Carter.

**JERRY WILLIAMS** of Oroville thinks the public would have a different perspective if they had attended meetings since January like he has. There is a lot of anger at the meetings. He feels the Board is trying to do its best.

**JAMES SEEGERT** of Oroville is a parent of 3 children enrolled on the gymnastics team. He requested to know the Board's position and expectations for the future of the program. His concern is if the Board chooses to move in a different direction it leaves the gymnastic program in a bad position needing a facility, equipment and personnel. Training in gymnastics is a year round program. Chairman Jensen responded that it is a budgeted program through June and he expects it to be in the budget for next fiscal year but that is up to the finance committee when they do the budget. The gymnastics program is a high cash revenue source of income and to cut it would devastate the District. He invited the public to attend the Finance Committee meetings and to get on our e-mail list to be advised of when meetings are held.

**LISA ROSS** of Oroville requested that the meetings be held in the afternoon so working parents could attend. She also inquired if when the District looks at a program to see if it is making money or not, is that just the program by itself or is it tacked on to the purchase of the building? Chairman Jensen responded that it is his understanding that the District assumed the building so it is part of the District. Again he encouraged the public to come to the Finance Committee meeting.

**AARON HILL** of Oroville thinks that James Seegert wanted more information in respect to where the Board stands in terms of fostering or killing the gymnastics program. Mr. Hill commented that you can kill a program with finances if you do not allow it to grow. He has heard of Board members saying they didn't want it to succeed. Chairman Jensen made it clear the decision is based on finances. Director Hill responded that she is supportive of the parents and community effort. It is first for the community, secondly for the district and third for the staff. Director Sharkey responded that the reality is that the District purchased the gym. The numbers don't work. His intent is to keep the building but does securing a bond and doubling the debt make sense? We have to find a better way to make financials work without a bond. When he ran for this office he wanted to reconcile the debt. He feels we've spent a lot of time talking about the gym and need to address other parts of the District. As stated earlier in the meeting he is glad everything has come out in the open about the money paid out to him when he left as General Manager.

**D.C. JONES** of Oroville thinks that what the public is looking for is the bottom line. I don't think any of the programs make money. That's why the District is here. That's why we pay taxes. If the Board could just read off the bottom line for the public it would be helpful.

**KAREN WHITLOW** of Oroville feels a forensic audit is needed. She spoke to other realtors in the area and they were amazed that the gym had been appraised for \$3.5 million. That and the sale should be investigated. Director Hill and Director Gill responded that there were 3 appraisals done by appraisal companies. The lowest one was more than \$3.5 million. The building was \$85 per square foot, 42,000 square feet on 5.5 acres and built to school standards. Chairman Jensen said the appraisal is available to the public to see.

**Chairman Jensen called for a 5 minute recess at 6:32 p.m.  
The meeting was reconvened at 6:38 p.m.**

## **II. ACTION SESSION**

### **A. GENERAL FUNCTIONS OF THE Board**

#### **1. Approved minutes of the April 12, 2011 regular Board meeting.**

On the recommendation of the Interim Assistant General Manager, it was moved by Director Allen and seconded by Director Hill that the Board approve the minutes of the April 12, 2011 regular Board meeting, as presented to Board members in Appendix A.

VOTE: Ayes: 5 Noes: \_\_\_\_ Abstain: \_\_\_\_

**2. Appointed a Candidate for the Benefit Assessment District Oversight Committee.**

On the recommendation of the Interim Assistant General Manager, it was moved by Director Allen and seconded by Director Hill that **Joyce Burr** be appointed to serve as a member of the Benefit Assessment District Oversight Committee for a four year term ending March 30, 2015.

VOTE: Ayes: 5 Noes: \_\_\_\_ Abstain: \_\_\_\_

**3. Approved expense to obtain one Chemical Applicator License for Maintenance Staff, not to exceed \$500 plus travel.**

Chairman Jensen brought this item to the Board because the District does not have anyone with a Chemical Applicator License. Director Gill said the license is free at the AG department. Chairman Jensen wanted the approval in case there was an expense. Rich DeLaby, Lisa DeLaby, Roger Soudan and Jennifer Kremin all requested the District spray weeds as soon as possible on soccer fields. There was only a 90 day warranty on the sod. The soccer association, Rich DeLaby, offered to donate the chemicals. There are also rodent holes. The soccer club would like to see a schedule for maintenance and set up a contract like that used for Little League

On the recommendation of the Interim Assistant General Manager, it was moved by Director Gill and seconded by Director Hill that the Board approve the expense to obtain a Chemical Applicator License, not to exceed \$500.00 plus travel.

VOTE: Ayes: 5 Noes: \_\_\_\_ Abstain: \_\_\_\_

**B. BUSINESS AND FINANCE**

**1. Approved Accounts Payable and Ratification of Warrants**

Chairman Jensen had questions on prior verbal commitments made by consultant Don Remley to finish the snack bar at the soccer fields and other items. Connelly Roofing and Oroville Safe and Lock will provide materials at cost and free labor. Rotary has committed \$10,000 to the snack bar. Don Remley will stand behind the commitment if Rotary doesn't fulfill their commitment.

On the recommendation of the Interim Assistant General Manager, it was moved by Director Gill and seconded by Director Hill that the Board approve the Accounts Payable as presented in Appendix B, and the Warrants as presented in Appendix C.

VOTE: Ayes: 5 Noes: \_\_\_\_ Abstain: \_\_\_\_

## 2. Approved Financial Reports

On the recommendation of the Interim Assistant General Manager, it was moved by Director Gill and seconded by Director Hill that the Board approve the following financial reports:

(a) Profit and Loss Report (FRRPD only) as of April 22, 2011, and presented in Appendix D;

(b) Profit and Loss Report (FRRAC only) as of April 22, 2011, and presented in Appendix E; and

(c) Balance sheet as of April 22, 2011, and presented in Appendix F.

VOTE: Ayes:   5   Noes:      Abstain:     

## **III. COMMITTEE, DIRECTORS, & MANAGERS REPORTS**

### **A. DIRECTORS' REPORTS**

1. **Director Allen** – There will be a Park and Recreation meeting at the Municipal Auditorium Blue Room on Wednesday, April 27, 2011 at 10:00 a.m.

2. **Director Gill** - In September the Building Bridges group, an organization of churches of the area will volunteer at River Bend Park South of the improved area to clean up and remove invasive and alien plants and mark plants that we want to save. The Salmon Festival committee met this week and their next meeting will be May 17, 2011 at the Oroville City Hall council chambers at 10:00 a.m. The Salmon Dinner, which kicks off the weekend is Friday, September 23, 2011, the Festival is Saturday, September 24<sup>th</sup>. The Bounty of Butte County will be held Sunday, September 25<sup>th</sup>. Director Gill wants to know where we are going with the activity center and we know that it doesn't make money. We have to run it like a business. He read in the newspaper that Marcia Carter had been put on Administrative Leave. He had not been informed. Is there a license problem with her being on leave. We must refinance and work together for the community. As a Board it would be nice to be more involved in the Salmon Festival. Vice-Chairman Sharkey suggested that the Chamber use more of the money it gets from the SBF toward the Festival.

**LENA CORREA** addressed the subject of Marcia Carter being on administrative leave and although she knows this is a personnel issue and that can't be discussed, she wants to know how that impacts the childcare center. According to legal counsel, Jessica Miller, the issue is being looked into to make sure everything is fine. Julie Fox responded that Feather River Recreation and Park District have the childcare license. Shawn Brandt and Chairman Jensen responded that everything is fine concerning the license. Director Gill inquired who was doing the investigation of Marcia Carter and Shawn Brandt responded that she was doing the investigation along with legal counsel as per policies and procedures.

3. **Director Hill** – Director Hill hoped she answered Mr. Seegert's question earlier. The facility at 1875 Feather River Blvd. is built to school standards and was bought at \$85 per square foot which was a good price. The property is 5.5 acres and was purchased for \$3.4 million and \$100,000 was paid for equipment, furnishings, vehicles and gymnastics equipment. Director Hill distributed a list of activities and classes to the public at the meeting that would generate a revenue stream for the District. It seems to her that in the last year the activities have decreased. We need to make decisions as to whether the Board wants to keep the building and then move forward. She is

encouraging anyone that would like to teach classes to let the District know. She is also frustrated with the communication and finding out things through the newspaper.

4. **Vice-Chairman Sharkey** – Vice-Chairman Sharkey is glad the information is out and it's all transparent. He worked at the Nelson fields today with Jennifer Kremen getting ready for Jr. Giants. Jennifer is doing a great job organizing this program and getting donations. He is looking forward to a lot of kids playing this summer. Mr. Sharkey came to Oroville in 1979 and put his heart and soul in River Bend Park. All those years he worked and received grants for over \$8 million and tonight is the pinnacle of what he gets for a thank you.
5. **Chairman Jensen** – There will be a Finance Committee meeting at the Feather River Recreation and Activity Center on Wednesday, May 04, 2011 at 3:30 p.m. Chairman Jensen thanked Jennifer Kremen for all the volunteer work she does and thanked all volunteers. He is recommending to this Board that they get Board counseling effective immediately in the next 2 weeks. He hopes they don't consider it as a punishment for the actions that seem to be taking place. The counseling will be mandatory if Board approved. He feels the Board needs to come together. The whole district elected us and if we don't get away from the finger-pointing all the way back to 2004 we're not going to go anywhere. It's reconciled that the gym purchase may have been a big detriment to this District but we're going to move forward. The public should come to the committee meetings to help identify the programs they want and we'll be looking at what is making money and what is not. It's going to come down to numbers.

**Alan Roth** commented that if nothing is published about the meetings going on or the need for volunteers, no one can help you because they don't know it exists. The transparency is about the same thing. If you want people to believe you and honor you as honest people you must be publicized so we can help you in any way we can.

**Vicky Coots** commented that the activities on the list look great but she can't afford them. She has been coming to the meetings and from everything she's heard the District couldn't afford the center and they paid more than it's worth.

**Jennifer Kremen** was at the meeting about volunteering for the parks. She is trying to get a more organized system at Parks and Rec for volunteers. People wouldn't be at the Board meeting if they didn't care about the District. There are a lot of volunteers out there but no way to get information to them. This is really a time for the community to step up and take care of the parks.

## **B. INTERIM ASSISTANT GENERAL MANAGER'S REPORT**

No report at this time.

## **C. STAFF REPORTS (G)**

1. Greg Griffin (G-1)
2. Marcia Carter (G-2)
3. Shawn Brandt (G-3)
4. Deanna Simmons (G-4)

There was no report on the Wildflower Festival. Director Gill commented that all the invoices were not in yet. The report would be in the next Board meeting's packet.

5. Sheryl Manies (G-5)

## **IV. CORRESPONDENCE**

### **A. LETTER FROM DEPARTMENT OF WATER RESOURCES**

The California Department of Water Resources responded to a letter from Dr. Remley concerning reimbursement for anticipated increased Oroville Facilities' impacts to the District's facilities. The District signed a settlement agreement and cannot legally make any further claim on DWR relating to the Oroville Facilities relicensing.

**Director Gill** requested the following items for the next agenda:

- 1) A resolution to support the Veteran's Memorial Park and the extension of the Art Trail to the bridge. There was discussion from Sheri Bunker and Don Remley about Proposition 84 and how it is being approached by the County, City and District.
- 2) Jack Hughes the MOU labor negotiator was supposed to be on this agenda. Please set up a date to get back on the agenda.
- 3) A motion to waive the Board of Directors stipend.
- 4) Bruce Kerns and Oreck Harrington, financial consultants, were taken off an agenda. Chairman Jensen informed Director Gill that under counsel advice they need to give management time to review it. Information that Mr. Kerns needs from us was not ready for him by Thursday.

## **V. ADJOURNMENT**

### **B. ADJOURNMENT**

The Board Chairman adjourned the meeting at 8:08 p.m.