

1. RANCHO RINCONADA RECREATION AND PARK DISTRICT

AGENCY OVERVIEW

Rancho Rinconada Recreation and Park District (RRRPD) was established as an independent special district in 1955. The District owns and operates a recreation center in the City of Cupertino. A service review for the District was last conducted in 2007.

The principal act that governs the District is the Recreation and Park District Law.⁶ The principal act empowers recreation and park districts to 1) organize, promote, conduct, and advertise programs of community recreation, including, but not limited to, parks and open space, parking, transportation, and other related services that improve the community's quality of life, 2) establish systems of recreation and recreation facilities, including, but not limited to, parks and open space, and 3) acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, both inside and beyond the district's boundaries.⁷ The principal act also defines the powers and duties of recreation and park districts in cooperating with other local governments.⁸ Districts must apply and obtain LAFCO approval to exercise latent powers, that is, those services authorized by the principal act but not provided by the district by the end of 2000.⁹

There are 108 recreation and park districts in the State.¹⁰ RRRPD is the only district of its type in Santa Clara County.

Boundaries

RRRPD is located almost entirely within the City of Cupertino. There are two parcels to the east along Lawrence Expressway, that lie within the City of San Jose, that consists of the Saratoga Creek Trail and associated riparian area. The District is bounded on the north by Stevens Creek Road, on the south by Bollinger Road, on the east by Lawrence Expressway, and on the west by Tantau and Stern Avenues. The District encompasses approximately 0.4 square miles.

⁶ California Public Resources Code §5780-5791.

⁷ California Public Resources Code §5786.

⁸ California Public Resources Code §5786.11-5786.13.

⁹ California Government Code §56824.10.

¹⁰ California State Controller, Special Districts Annual Report Fiscal Year 2009 – 2010.

Sphere of Influence

LAFCO adopted the existing zero SOI for the District in 1982 in recognition that the area should ultimately be served by the City of Cupertino rather than the District. During the most recent SOI update in 2007, LAFCO reaffirmed the existing zero SOI.

Type and Extent of Services

Services Provided

RRRPD provides all services via its single recreation facility. The maintenance and operation of this building and property, including delivery of recreation services at that facility, are the sole services provided by the District. The District offers the following recreation programs directly through district staff: swimming pool activities, Kids Night Out, after-school activities, facility and barbecue rentals, a snack bar, and a location for community-related activities. These recreation services and periods of when they are offered are described in more detail below.

- ❖ Public swim: Public swim is typically offered daily during the summer (generally second week of June until the end of August), and on the weekends in September.
- ❖ Swim lessons: Swim lessons are typically offered Monday through Thursday during the summer, from mid-May through the end of October.
- ❖ Lap swim: Lap swim is offered year round, Monday through Friday.
- ❖ Youth swim team: The District provides youth swim team training on a year-round basis, Monday through Friday. The team specifically serves children five to 17 years.
- ❖ Kids Night Out: The District provides an evening recreation program on Friday nights entitled “Kids Night Out”. This program is offered year-round. Kids Night Out consists of a movie, dinner, indoor and outdoor games, a drink and a snack. It is open to kids five to 12 years old.
- ❖ After-School Program: The District provides an after-school program for children that offers a snack, recreation activities, basic homework assistance, academic tutoring, guest speakers, workshops, and other activities. The program is provided Monday through Friday for students from 1st through 8th grade, during the school year.
- ❖ Facility rental: The recreation activity room/hall, the swimming pool, and the barbecue/patio area are available for rent for private functions, classes, meetings, and weekly gatherings. At present, there is one ongoing rental for a yoga class that is open to the public. The barbecue/patio area is available for rent during the summer. The recreation activity room/hall is available for rent from September through May. The pool is available for rent from April through October.

Service Area

The recreation center itself is located within the District's boundaries; however, services are offered to residents and non-residents alike. Non-residents are charged slightly higher rates than residents of RRRPD for certain services.

Service to Other Agencies

The District does not have any contracts to provide services to other public agencies.

Contracts for Services

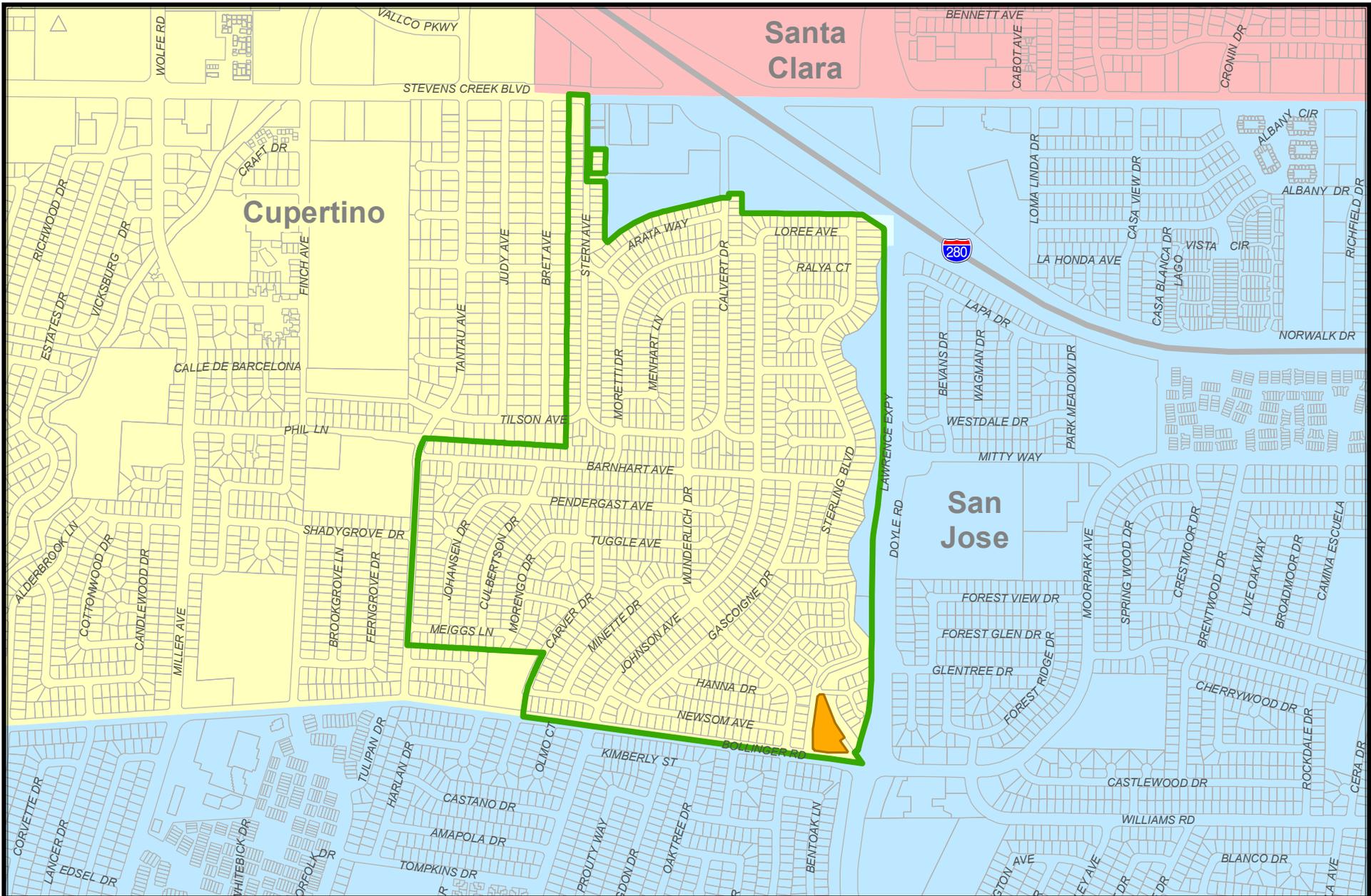
The District does not have any contracts with public agencies for service delivery at the recreation center.

Collaboration

RRRPD does not collaborate with other public agencies in the delivery of recreation services; however, the District does collaborate with individuals to offer additional public classes at the recreation facility, such as yoga.

Overlapping and Neighboring Service Providers

The City of Cupertino almost entirely overlaps RRRPD. The City provides similar, and substantially more, recreation services, including swimming pool facilities and lifeguard instruction, as well as other educational and fitness classes. Notably, the City does not provide youth swim team opportunities like the District, and swim instruction and lap swim services are limited to a two month period in the summer. The City has two swimming pools, which are both located at the Blackberry Farm Park—four miles from the District's swimming facilities. Additionally, the City partners with Cupertino High School to offer swimming opportunities during the summer. The high school is located just over a mile from the District's facility.



Rancho Rinconada Recreation and Park District



**Rancho Rinconada
Recreation & Park District**
District has a zero Sphere of Influence



District Facility
18000 Chelmsford Drive, Cupertino



This map created by the Santa Clara County Planning Office. The GIS data was compiled from various sources. While deemed reliable, the Planning Office assumes no liability.
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February 2013

ACCOUNTABILITY AND GOVERNANCE

The District is managed and governed by a five-member Board of Directors. Board members are elected to four-year terms of office. There are no term limits. The County Board of Supervisors appoints members to the District's Board, if there is a lack of candidates for election. All five of the current Directors were appointed. For the past ten years, board members have run unopposed. As the four-year term of an incumbent board member expires, existing members have been re-appointed by the Board of Supervisors in lieu of an election. This reflects a lack of candidate and resident interest in the District's activities and governance, perhaps due to a lack of outreach to area residents.

Prior to an election (in an election year), the County Registrar of Voters publishes a legal notice in a local newspaper of the District's choice to announce any upcoming board terms that are expiring. Any persons interested in running for the position (incumbent or otherwise), must file with the County Registrar of Voters. If no more than one person is running for each available position, then the Board of Supervisors can consolidate the election and appoint individuals without conducting the election. If no one runs for a position, then the Board of Supervisors is empowered to appoint any person to the office who is qualified on the date when the election would have been held.¹¹

The process for appointment by the Board of Supervisors differs by district. There are no formal policies or standardized procedures on the part of the District nor the Board of Supervisors defining how openings are to be announced, how long the application period should be open, and the manner for interviews, etc. Upon appointment by the Board of Supervisors, it is unclear where the responsibility lies regarding reporting the Board of Supervisor's decision back to the Registrar of Voters, whether it's the District or the Clerk of the Board. However, in the case of RRRPD, the Registrar of Voters has maintained up-to-date information on the board members and their respective term expiration dates, and this information is made available online.

The current Board member names, positions, and term expiration dates are presented in Figure 1-2.

¹¹ Elec. Code, § 10515(a).

Figure 1-2: RRRPD Governing Body

Rancho Rinconada Recreation and Park District					
<i>District Contact Information</i>					
Contact:	Kevin Davis, Interim Assistant Office Manager				
Address:	18000 Chelmsford Drive, Cupertino, CA 95014				
Telephone:	408-252-8429				
Email:	contact@ranchoreccenter.com				
Website:	http://www.ranchoreccenter.com/home				
<i>Board of Directors</i>					
Member Name	Position	Began Serving	Term Expires	Manner of Selection	Length of Term
Jordan Eldridge	Board Member	2010	2014	Appointed	4 years
Julie Jervis	Board Secretary	2005	2016	Appointed	4 years
Miriam Salo	Vice President	1996	2016	Appointed	4 years
Sandra Yeaton	Board President	1996	2016	Appointed	4 years
Steve Wesolowski	Board Member	1994	2014	Appointed	4 years
<i>Meetings</i>					
Date:	Tuesdays at 7:15 pm (1 st or 2 nd Tuesday of every month)				
Location:	Rancho Rinconada Recreation Center at 18000 Chelmsford Drive, Cupertino				
Agenda Distribution:	Posted online and on the bulletin board at the entrance of the recreation center				
Minutes Distribution:	Posted online and on the bulletin board at the entrance of the recreation center				

The Board of Directors meets either on the first or second Tuesday of each month. The meetings are held at the District’s recreation center at 18000 Chelmsford Drive in Cupertino. Each Director receives a \$100 stipend for the first meeting in a month, and receives \$50 for each additional meeting thereafter. Government Code §53235 requires that if a district provides compensation or reimbursement of expenses to its board members, the board members must receive two hours of training in ethics at least once every two years and the district must establish a written policy on reimbursements. The District’s Board has completed the training. The District does not have a written policy on expense reimbursements.

RRRPD began publishing the Board of Directors’ meeting agendas and minutes to the District’s website in October 2012. The agenda is posted 72 hours prior to every Board meeting at the entrance of the recreation center, and also on the District’s website. The District conducts constituent outreach in addition to legally required agenda posting via its website. The District posts a variety of information to its website, including its recreation services (e.g., aquatics, facility rentals); a calendar depicting the dates and times for delivery of recreation services by the District; the e-mail address for the District; and the agendas and minutes for the Board of Directors meetings. The District’s annual financial reports and annual budgets are not available on its website.

The Board of Directors have developed and adopted bylaws that provide a framework and direction for district governance by the Board. These bylaws cover the creation of board, meeting agendas, minutes, public inspection of district records, and appointments to the Board.

Government Code §87203 requires persons that hold office to disclose their investments, their interests in real property and their income, and file Form 700 with the Fair Political Practices Commission each year. RRRPD board members filed the required Form 700 Statement of Economic Interest forms in 2012.

MANAGEMENT AND STAFFING

The Board of Directors govern the District, while a part-time office manager oversees the day-to-day operations. The office manager supervises the assistant office manager, aquatics director, human resources director and a general office worker, who, in turn, supervise seasonal or temporary staff. All district employees are part-time¹² or seasonal, work less than 2,080 hours per year, and do not receive any benefits.

As shown in Figure 1-3, in 2011, the District had 41 employees who worked hours equivalent to 7.69 full-time positions (based upon 2,080 hours per full-time employee). A majority of these employees were seasonal pool lifeguards. The District’s five administrative employees equate to 1.75 full-time equivalent staff.

Figure 1-3: Average Number of Hours and Full-Time Equivalent Employees for 2011

Department	Number of Employees	Average Annual Hours/Employee	Total Full-Time Equivalent Staff
Administration	5	731	1.75
Custodian	1	1,149	0.55
Pool Lifeguard	28	375	5.05
Recreation Instructors	7	100	0.34
TOTAL	41	390	7.69

Source: Rancho Rinconada Recreation and Park District

The District retains private firms or individuals for various services related to the maintenance of the recreation center, including a landscape maintenance contractor, and a janitorial contractor for cleaning of the recreation center. Additionally, the District has retained a certified public accountant to prepare the annual financial transaction reports, which are required by the State Controller under Government Code Section §53891. This service is provided without a contract between the accountant and the District. The District’s legal counsel is the County Counsel’s Office.

The District has not adopted a mission statement, goals, objectives, long-range plans or performance measures. However, the District has adopted bylaws, which includes a statement of the District’s purpose, which is to provide leisure activities by the development and delivery of supervised recreation programs, construction and maintenance of recreation and park facilities, and cooperation with other agencies in the area that provide like services or can assist in providing said services.

¹² While the district manager and assistant manager positions are technically categorized as part-time according to the position descriptions, these two employees regularly work over 40 hours a week, constituting a full-time position, particularly in the summer.

Other documents that the District uses to guide efforts and services include the annually adopted budget. The District has adopted a budget for FY 12-13. The District's budget is not available on its website.

Government Code §53901 states that within 60 days after the beginning of the fiscal year each local agency must submit its budget to the county auditor. These budgets are to be filed and made available on request by the public at the county auditor's office. The County has reported that in recent years, it has not been the practice for special districts to file their budgets with the County.

Special districts must submit a report to the State Controller of all financial transactions of the district during the preceding fiscal year within 90 days after the close of each fiscal year, in the form required by the State Controller, pursuant to Government Code §53891. If filed in electronic format, the report must be submitted within 110 days after the close of the fiscal year. The District has complied with this requirement.

All special districts are required to submit annual audits to the County within 12 months of the completion of the fiscal year, unless the Board of Supervisors has approved a biennial or five-year schedule.¹³ The District's annual audit is prepared by the same certified public accountant that prepares the District's annual financial transaction reports. The District has filed their annual audits with the County. These audits are prepared annually for the District. As of the drafting of this report, the FY 11-12 audit was in the final drafting stages and was anticipated to be completed within a month.

POPULATION AND PROJECTED GROWTH

Land Uses

Land uses within the District are primarily residential with some public uses (the District's recreation center and two parks).

Current Population

As of 2010, the District had approximately 3,983 residents, based on GIS analysis of 2010 Census data.

Disadvantaged Unincorporated Communities

LAFCO is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community is defined as any area with 12 or more

¹³ Government Code §26909.

registered voters, or as determined by commission policy, where the median household income is less than 80 percent of the statewide annual median.¹⁴

The California Department of Water Resources (DWR) has developed a mapping tool to assist in determining which communities meet the disadvantaged communities median household income definition. DWR is not bound by the same law as LAFCO to define communities with a minimum threshold of 12 or more registered voters. However, the DWR data can be used for the purposes of this report as an indicator of any larger communities that may meet the income definition of disadvantaged. Based on mapping information from DWR, there are no disadvantaged unincorporated communities within or adjacent to RRRPD.¹⁵

Projected Growth

Minimal population growth is anticipated within the District's bounds, as the area is entirely built out. While population projections specific to the District are not available, future population may be imputed from the Association of Bay Area Government's (ABAG) projections for the City of Cupertino. ABAG projects that the City will experience four percent growth over the 25-year period from 2010 to 2035, which is equivalent to 0.2 percent average annual growth.¹⁶ Should the territory within RRRPD experience growth similar to that of the entire City, then the District is anticipated to have a population of 4,142 in 2035.

FINANCING

Financial Adequacy

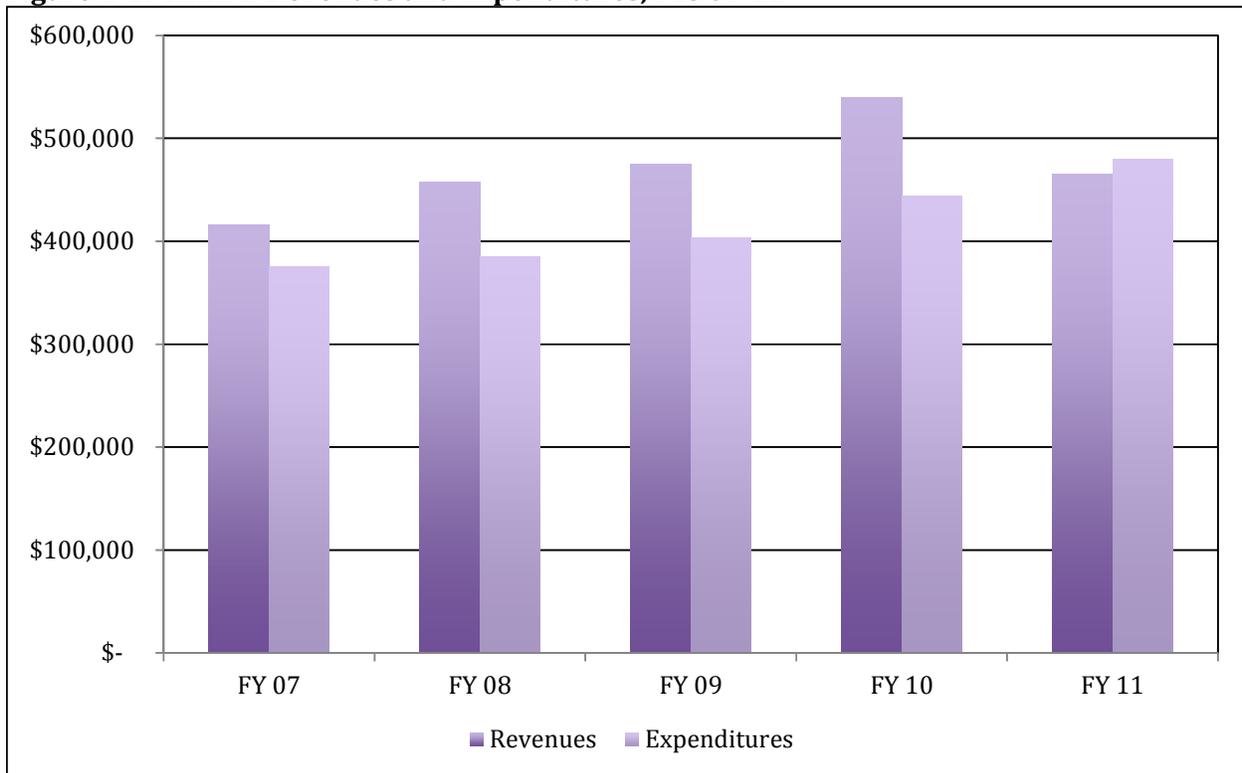
The District reported that the current level of financing is adequate to provide services. District revenues have exceeded expenditures for four of the past five fiscal years (2007-2011), as shown in Figure 1-4. In FY 11, the District experienced a decrease in income from service charges, due to a decline in usage of the facility. Also in FY 11, the District made investments in capital assets in excess of previous years. Consequently, district expenditures exceeded annual revenue, and the District used reserves to cover the excess expenditures in that year. RRRPD has undertaken efforts to reduce costs, including low flow shower heads, reduced phone bills, and a reduction in security; however, as the District's primary expenditure is salaries for staffing essential to the services offered, the District reportedly has more of a focus on increasing revenues by offering more services.

¹⁴ Government Code §56033.5.

¹⁵ DWR maps and GIS files are derived from the US Census Bureau's American Community Survey (ACS) and are compiled for the five-year period 2006-2010.

¹⁶ ABAG, Projections 2009, 2009.

Figure 1-4: RRRPD Revenues and Expenditures, FYs 07-11



Source: FY 2007–FY 2011 Independent Financial Audits

Revenue Sources

In FY 11, the District received \$465,427 in revenue as depicted in Figure 1-5. The primary sources of revenue for the District are property taxes (67 percent) and fees for service (33 percent). Revenue from fees for services decreased in FY 11 by \$69,952, due to reductions in use of the center. The District reported that usage of the public swim facilities greatly depends on weather, and mild summers lead to less usage. The beginning of Summer 2011 was particularly cool and wet, leading to less pool patrons. Additionally, RRRPD’s revenues are greatly constrained by the facility and staffing capacity.

Figure 1-5: RRRPD Revenue Sources, FY 11

Revenue Category	Revenue	% of Total Revenue
Property Tax	\$310,177	66.6%
Interest and Investment Income	\$1,372	0.3%
Fees for Service	\$153,878	33.1%
Total	\$465,427	100.0%

Source: FY 2011 Independent Financial Audit

Rates

Figure 1-6 presents a list of the rates and user fees charged by the District for recreation activities. The District most recently increased its rates in 2006. The District charges a slightly higher rate for non-residents for a majority of activities. Certain charges are significantly discounted for seniors over 55 years of age, as shown below, for example lap swim passes. Charges are the same regardless of residency for certain activities, including the After School Program, Kids Night Out, and pre-competitive swim training.

Figure 1-6: RRRPD Rates for Residents and Non-Residents

Category	Resident	Non-Resident
Public Swim		
Single Entry (4-55 yrs)	\$2.50	\$3.00
Single Entry (55+ yrs)	\$1.50	\$2.00
Group Discount	\$2.50	\$2.50
10 punch card	\$23.00	\$28.00
20 punch card	\$45.00	\$55.00
Single Summer Pass (4-55 yrs)	\$60.00	\$70.00
Single Summer Pass (55+ yrs)	\$30.00	\$35.00
Family Summer Pass	\$120.00	\$150.00
Add 1 to Summer Pass	\$25.00	\$25.00
Lap Swim		
Single Entry (4-55 yrs)	\$1.50	\$2.00
Single Entry (55+ yrs)	\$1.00	\$1.25
3 month pass (4-55 yrs)	\$45.00	\$50.00
3 month pass (55+ yrs)	\$20.00	\$25.00
Swim Lessons		
Single Lesson	\$20.00	\$20.00
8 Lessons-Session	\$130.00	\$150.00
Group Lesson	\$100.00	\$100.00
Swim Team		
Swim Team/Month	\$80.00	\$80.00
Pre-Competitive Swim Training (2 wks)	\$150.00	\$150.00
Kids Activities:		
Kids Night Out	\$5.00	\$5.00
After School Program (month)	\$350.00	\$350.00
After School Program (10 passes)	\$200.00	\$200.00

Additionally, the District charges rental fees for rental of the BBQ area, recreation hall and swimming pool. These rates generally depend on day of the week for the rental. The BBQ area may be rented for a three-hour period for \$60 or for six hours for \$100. The recreation hall may be rented on weekdays for \$50 an hour regardless of residency and for \$75 residents/\$100 non-residents per hour on the weekends. Pool rental is \$140 per hour with the required minimum of two lifeguards, and \$20 additional per hour for each additional lifeguard.

Figure 1-7 presents the rates charged by the District for certain swimming activities in comparison to the Cities of Cupertino and Campbell—two neighboring providers of similar swimming services. The District’s rates are the lowest among the three service providers.

It is recommended that the District conduct a rate study to ensure that rates are sufficient to cover operation and capital needs and appropriate compared to those rates charged by other service providers. Additionally, the District should consider charging higher rates for non-residents, given that current rates are substantially lower than other providers, and property tax revenues from residents are in essence subsidizing services to non-residents.

Figure 1-7: Neighboring Provider Rate Comparison

Type of Swim Recreation Provided	Rancho Rinconada	Cupertino	Campbell
Private Swim Lesson - Resident	\$130	\$210	N/A
Adult Lap Swim-Drop In - Resident	\$1.50	\$4	\$7
Adult Lap Swim - 20-day pass - Resident	\$30	\$60	\$80

Sources: City of Cupertino Parks and Recreation staff and City of Campbell Spring 2013 Activity Guide

Expenditures

In FY 11, the District expended a total of \$480,071 as depicted in Figure 1-8. A majority (63 percent) of expenditures are attributable to wages and related payments to staff. Expenditures increased in FY 11 by \$36,453 compared to FY 10, due to several capital improvements, including replacement of pool covers, new dividers in the bathrooms, and painting of the bathrooms and recreation activity room.

Figure 1-8: RRRPD Expenditures, FY 11

Expense Category	Expenditure	% of Total Expenditures
Payroll and Related	\$302,788	63.1%
Operating Expenses	\$177,283	36.9%
Total	\$480,071	100.0%

Source: FY 11 Independent Financial Audit

Capital Outlays

The District has not developed or adopted a written capital improvement program. Capital improvements are planned for in the District’s annual budget. The District attributes capital repairs in its financial statements to operating expenses.

Reserves

The District does not have a formal policy regarding the level of reserves to be maintained at any given time; however, given the District aims to maintain its balance as high as possible. The District does not maintain a separate reserve fund, and instead groups roll-over cash balances from year to year in its single general fund. The balance of which may be used for operating needs, contingencies and capital needs.

Given that the District does not separate out reserves from its general operating revenue, it is difficult to identify what the District's actual level of savings is. At the end of FY 11, the District maintained a general fund balance of \$519,827 or 108 percent of FY 11 expenditures. The District's roll-over fund balance has doubled in the past five years, from \$255,957 in FY 07 to \$519,827 in FY 11. However, a majority of this fund balance is to be used for operations over the next fiscal year.

It is recommended that the District clearly define and designate its reserves for contingencies and capital needs separate from its operating cash balance.

Debt

The District does not have any long-term debt.

INFRASTRUCTURE AND FACILITIES

The District owns and operates the recreation center at 18000 Chelmsford Drive in Cupertino, near the corner of Bollinger Road and Lawrence Expressway. This property and facility are the District's sole assets.

The recreation center property is 1.992 acres. The center has an outdoor five-lane, 25-yard swimming pool of 2,910 square feet and 120,000 gallons. The pool has a maximum capacity of 140 persons. The recreation center provides approximately 4,933 square feet of indoor space, and includes a bathhouse with restrooms and showers, a snack bar, a kitchen, and a recreational activity room/hall and office.

Administration office hours for the District in the summer are typically 9 am to 8 pm Monday through Friday and 12 pm to 6 pm Saturday and Sunday. During other seasons, the office is open from 9 am to 2 pm and 3 pm to 8 pm Monday through Friday. Similarly, center hours differ based on season. During the summer, the center is typically open 7 am to 8 pm Monday to Thursday, 12 pm to 9:30 pm on Fridays, and 12 pm to 6 pm on the weekends. During the off season, the center is open 7 am to 9 am and 3 pm to 7 pm Monday to Thursday and 6 pm to 9:30 pm on Fridays.

In the past five fiscal years, the District has made a number of improvements, including re-roofing the recreation center, painting the fence around the recreation center, replacing two fence gates, upgrading the swimming pool equipment, replacing computers, pool controls, and the television at the recreation center, repainting the exterior of the building, and repairing damages caused by termite infestation.

Additionally, new furniture and equipment were purchased within the past five fiscal years, including a freezer, swimming pool pumps, LED swimming pool lights, a probe and monitor saddle for the swimming pool, an air conditioner for the recreation center, an employee time card clock, a large lap clock, pool covers, a storage shed, new drapes for the recreation activity room, and playground equipment.

The District has not made any capital improvements since May 2011. However, the District is in the process of updating its signage for the recreation center.

Infrastructure Needs

The recreation center, which was originally built in 1955 and completely renovated between 1989 and 1991, appears to be reasonably maintained. The District reported that there were no critical deferred maintenance issues; however, it is anticipated that sometime over the next five years the pool deck will need to be replaced or covered due to pitting. Other plans for improvements are generally small, such as new towel hooks, etc. The District generally makes these improvements as needed and as financing allows.

Shared Facilities

The District makes its facility available to the Registrar of Voters for biennial elections.

DEMAND FOR SERVICES

The District reported that there was a noticeable decline in use of the District's services in FY 11, which is attributable to weather and district capacity constraints. The District reported that it is unable to keep up with demand with regard to swimming lessons, primarily, due to the small size of the pool and limited staffing. Classes are always filled to maximum capacity and potential customers are turned away. The District is reportedly working to address staffing constraints and expanding classes offered.

The District uses various means to track use of the facility and recreation programs. Attendance during public swim on any given day may be tracked via receipt of payments for each swim. The District estimated that average daily public swim attendance was between 80 and 90 persons in July and August 2012. The District reported that approximately 45 percent to 55 percent of public swim attendance consists of non-district residents.

Attendance at swim lessons is roughly estimated base on the number of instructors and the average class size for each lesson during the summer of 2012.¹⁷ The District estimated that approximately 128 customers attend swim lessons on any given day.

Lap swim attendance is tracked via a sign-in sheet that is administered by the lifeguards. Unfortunately, the District's computer tracking system for this information was deleted sometime in late 2012. Based on a memory of this information, there are approximately 25 lap swimmers per day during the summer, and during the off season in the spring there are approximately 12 to 20 swimmers each day.

¹⁷ There are generally eight swim instructors in the morning and 12 instructors in the afternoon. Each instructor offers one-on-one training, with instructors training four sessions each in the morning and eight sessions each in the afternoon.

Youth swim team attendance is tracked by the swim coaches on written logs. Like the other pool related activities, attendance greatly depends on the season. Based on the logs in 2012, there are between 30 and 60 children that take part in swim team activities on a daily basis—with higher attendance in the summer and lower attendance in the off season.

The District tracks attendance at Kids Night Out in a written log; however, these records were lost. While attendance can range from 15 to 30 students in any week, the District estimated that on average there are 21 children that attend Kids Night Out every week. Attendance fluctuates based on the kids' school year and vacation schedule.

As of February 2013, the After School Program serves between five and eight children on a daily basis. Participation in the After School Program is estimated based on the number of monthly subscribers and adjusted to account for those children who use punch passes.

Given the capacity limitations of the facility, and the need for the District to more efficiently make use of the space available, the District should conduct thorough tracking of use of the pool, during public swim, lap swimming, lessons, and swim team.

GOVERNANCE STRUCTURE OPTIONS

Within Cupertino, the City and the District both provide recreation services. The swimming pool provided by the District is located four miles from the two swimming pools provided by the City at Blackberry Farm Park and one mile from the Cupertino High School pool. The District's facility is located in close proximity to other Cupertino park facilities as well, such as Creekside Park, a 13-acre city park located 1.4 miles from the District's facility. The duplication in services delivered within the boundaries of Cupertino creates inherent inefficiencies and fragmented service delivery and impedes long-term planning for the delivery of recreation services to the residents of Cupertino.

Additionally, RRRPD's primary revenue source is a portion of the one percent property tax, meaning that residents of the area are paying for recreation services to two separate public entities and that the City receives less property tax revenue from the areas within RRRPD. The City generally uses property tax revenue to fund general services, from which RRRPD residents reap the same benefits as other city residents; however, as a result of RRRPD receiving a portion of the total one percent property tax levied in the area, residents of the District are paying a smaller portion of the total one percent property tax into the City's general services than other city residents. Alternatives exist for the District and the City in operation and governance for a more efficient approach to serve the Cupertino community.

There are four governance structure options for RRRPD.

The first alternative is maintaining RRRPD as an independent special district, with steps to improve the services provided by the District, its transparency and accountability. Under

this alternative, the District would continue to operate as an independent special district, but would make improvements, including the following:

- ❖ Long-term business planning for the delivery of services by the District, including conducting a recreation needs assessment, developing a business plan, and developing a mission statement, goals, objectives, and performance measures;
- ❖ Long-term financial planning for services by developing a five-year capital improvement program and jointly reviewing rates to ensure that they are set at sufficient levels to cover all operational and capital needs; and
- ❖ Enhancing accountability and transparency by adopting a policy on expense reimbursements as part of the District’s policies and administrative regulations, and developing and implementing a plan to enhance outreach to district residents in an effort to increase interest in board activities.

Adopting this alternative would have the following potential advantages and disadvantages, should conditions remain unchanged.

Figure 1-9: Advantages and Disadvantages of Continuing as a Special District

Advantages	Disadvantages
The delivery of services by the District would continue uninterrupted.	The District could potentially revert to old practices over time.
The long-term business planning of the District would be enhanced by conducting a recreation needs assessment.	Property tax revenues levied from within the District would continue to be dispersed to two agencies providing recreation services (RRRPD and the City).
The variety of recreation services provided by the District could be enhanced, as a result of the recreation needs assessment.	The property tax revenues collected by RRRPD would continue to be directed away from the City’s general fund used for general city services. District residents would continue to benefit from these city services but contribute less for these services than other city residents.
The long-term financial planning of the District could be enhanced by a rate comparison study and development of a five-year capital improvement program.	
The accountability and transparency of the District could be enhanced by adopting a policy on expense reimbursements and by developing and implementing efforts to enhance interest in district activities.	

Following the release of this document, RRRPD and the City of Cupertino met to discuss options for partnering and sharing of facilities and resources to enhance services to city and district residents. The District proposed this option as a means of reducing the identified fragmentation in recreation services in the area and perhaps pooling available resources between the agencies. The potential partnership is in the early phase of informal discussion, and the exact structure of the proposed partnership has not yet been established. It should be noted that the proposed partnership, while a means to enhance efficiency and cooperation between the two agencies, would not eliminate the duplication of services offered by the two public agencies.

Another governance structure option for RRRPD may be merger with the City of Cupertino. A merger is defined as the termination of the existence of a district when the responsibility for the functions, services, assets, and liabilities of that district are assumed by a city.¹⁸ Government Code §57104 requires that all territory of a district must be within the City for which merger is proposed. In the case of RRRPD, there are two parcels with parkland in the east, which are within the City of San Jose. In order for merger of RRRPD with the City of Cupertino to be a possibility, these parcels would need to be detached from the District. Upon merger with the City, the District would cease to exist as a special district and the City would assume all assets, functions and governance along with all debts and liabilities. In order for the City to receive the property tax currently dedicated to the District, negotiations with the County would need to be conducted.

Adopting this alternative would have the following potential advantages and disadvantages, should conditions remain unchanged.

Figure 1-10: Advantages and Disadvantages of Merger with City of Cupertino

Advantages	Disadvantages
The fragmentation in service delivery of recreation services in Cupertino would be eliminated by a single entity providing services.	Unless negotiated, the District’s property tax revenue may be disbursed among other taxing agencies that receive a portion of the one percent property tax, and the City may have to take on operations and liability of the facility without the additional revenue source. Taking on operations of the pool without supporting revenues may require the City to reduce its costs and service levels to compensate.
Long-term planning for the delivery of recreation services to the residents of Cupertino would be enhanced.	The delivery of services to area residents could potentially be interrupted during the transition period.
The management of recreation service delivery to the residents of the District	Any additional property tax revenue received as a result of the merger would

¹⁸ Government Code §56056.

would be enhanced with the substantive management and supervisory structure of the City's Parks and Recreation Department.	go into the City's general fund and possibly be divided among the various municipal services offered.
Enhanced efficiencies by eliminating an additional level of government.	
Enhanced ease of use for constituents, with a single provider of services.	

Another governance option may be establishing the District as a subsidiary district of the City of Cupertino. As a subsidiary district RRRPD would continue to exist as a legal entity, but the City Council is designated as the ex officio board of directors of the District. At least 70 percent of the territory within the District or 70 percent of registered voters of the District must be within the City, in order to meet legal requirements of establishing a subsidiary district.¹⁹ In the case of RRRPD, the territory of the District lies almost entirely within the City of Cupertino, meeting the requirements to be a subsidiary district.

The establishment of RRRPD as a subsidiary district would not change the legal status of the District as a special district; however, it would exchange the existing elected district Board of Directors for the City Council as the ex-officio board of directors. Similar to merger, the City would assume all assets, functions and governance along with all debts and liabilities of the subsidiary district. The establishment of the District as a subsidiary district of the City would not change the designation of the share of the ad valorem property tax received by the District. This option may be initiated by the Commission,²⁰ the legislative body of the district wishing to establish itself as a subsidiary district,²¹ the legislative body of a city wishing to establish a subsidiary district,²² or by petition.²³

Adopting this alternative would have the following potential advantages and disadvantages, should conditions remain unchanged.

¹⁹ Government Code §57105.

²⁰ Government Code §56375(a)(2)(D).

²¹ Government Code §56658(a).

²² Government Code §56658(a).

²³ Government Code §56866

Figure 1-11: Advantages and Disadvantages of Establishing a Subsidiary District

Advantages	Disadvantages
The fragmentation in service delivery of recreation services in Cupertino would be eliminated by a single entity providing services.	The delivery of services to area residents could potentially be interrupted during the transition period.
Long-term planning for the delivery of recreation services to the residents of Cupertino would be enhanced.	The property tax revenues collected by RRRPD would continue to be directed away from the City’s general fund used for general city services. District residents would continue to benefit from these city services but contribute less for these services than other city residents.
The management of recreation service delivery to the residents of the District would be enhanced with the substantive management and supervisory structure of the City’s Parks and Recreation Department.	
Enhanced efficiencies by eliminating an additional level of government.	
Enhanced ease of use for constituents, with a single provider of services.	

The potential advantages to forming RRRPD as a subsidiary of the City of Cupertino would be largely similar to merger of the two agencies as previously reported. The most notable difference to the disadvantages would be that the property tax revenue presently collected by RRRPD would be guaranteed to continue to be dedicated to recreation services in the community. The City would receive the property taxes and would be required to account for the activities associated with the District’s functions separately from other city services. In the case of a merger between the two agencies, any additional property tax revenue received would go into the City’s general fund and possibly be divided among the various municipal services offered.

This alternative should be the subject of additional study to determine the level of benefit in terms of services and anticipated costs and savings. The special study should also describe in more detail the process of a merger or becoming a subsidiary district. Prior to moving forward with this option, the City of Cupertino would need to be approached regarding interest in taking on the associated responsibilities.

Dissolution of the District and designating the City of Cupertino as the successor is essentially the same as merger with the City, which was discussed previously. No other suitable or potential successor agencies have been identified to continue services for the District should it be dissolved.

RANCHO RINCONADA RECREATION AND PARK DISTRICT SERVICE REVIEW DETERMINATIONS

Growth and Population Projections

- ❖ Rancho Rinconada Recreation and Park District's (RRRPD) population is approximately 3,983 based on GIS analysis of 2010 Census data.
- ❖ Minimal population growth is anticipated within the District's bounds, as the area is entirely built out. Should RRRPD experience growth similar to that anticipated for the City of Cupertino by the Association of Bay Area Governments, then the District is projected to have a population of 4,142 in 2035.

Location and Characteristics of any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence

- ❖ There are no disadvantaged unincorporated communities within or adjacent to the District.

Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies

- ❖ The District has limited facility and staffing capacity to address demand. The pool is small, which hinders the daily program offerings during the summer. Also, programming is greatly reliant on staff availability. Swim lessons are reportedly always filled to maximum capacity and the District must turn potential customers away. The District is working to expand swim lessons offered to meet constituent needs by making more efficient use of space, scheduling enhancements, and expanding staffing levels.
- ❖ Given the capacity limitations of the facility, and the need for the District to more efficiently make use of the space available, the District should conduct thorough tracking of use of the pool, during public swim, lap swimming, lessons, and swim team.
- ❖ The recreation center appears to be reasonably maintained. The District reports that there are no significant infrastructure needs related to services provided.
- ❖ The District provides a limited array of recreation services, primarily aquatic services. It is recommended that the District conduct a recreation needs assessment in conjunction with an assessment of the current facility use to determine the

interest of its residents in expanding the array of recreation services provided and availability of space for these services.

- ❖ The District does not conduct long-term planning for the delivery of services. The District has not adopted goals, objectives, or performance measures, and has not prepared a business plan to guide the efforts of the District. It is recommended that the District develop and adopt goals, objectives, and performance measures and prepare a business plan to provide direction for delivery of services by the District over the next three to five years.

Financial Ability of Agency to Provide Services

- ❖ The District appears to have sufficient financial resources to provide an adequate level of service. The District has been able to generate sufficient revenues to exceed expenditures in four of the past five fiscal years and maintains no long-term debt. However, the District is working to add additional programs to expand revenue sources and ensure sufficient funds in future years.
- ❖ The rates charged by the District for aquatic services appear to be lower than those charged by the neighboring Cities of Campbell and Cupertino for similar services. These low rates enhances the District’s reliance on property tax revenue to provide services. It may be appropriate for the District to conduct a survey of fees charged by other similar service providers, and simultaneously develop a capital improvement plan to ensure that charges for services are sufficient to cover all potential capital needs. Additionally, the District should consider charging higher rates for non-residents, given that current rates are substantially lower than other providers, and property tax revenues from residents are in essence subsidizing services to non-residents.
- ❖ RRRPD has not compiled or adopted a capital improvement plan. It is recommended that all agencies have a multi-year capital improvement program, which may be used to identify timing and funding for the projects.
- ❖ It is recommended that the District clearly define and designate its reserves for contingencies and capital needs separate from its operating cash balance.

Status and Opportunities for Shared Facilities

- ❖ The District makes its facility available to the Registrar of Voters for biennial elections. No other opportunities for facility sharing with other public agencies were identified.

Accountability for Community Services, Including Governmental Structure and Operational Efficiencies

- ❖ The District generally demonstrated accountability and transparency with regard to governance by adopting a mission statement as part of its bylaws, adopting an annual budget prior to the start of the fiscal year, publishing agendas for public meetings as legally required, filing of Form 700 Statement of Economic Interest and completion of ethics training by all board members, and by maintaining a website where information is made available to the public.
- ❖ Several improvements could be made to the District's operations in order to enhance accountability and transparency. The District should file a copy of its annual budget with the County Auditor as required by Government Code §53901. The Board of Directors should adopt a policy on expense reimbursements as part of their policies and administrative regulations. In order to enhance constituent interest and participation, the District could make use of advertisements in public newspapers and mail information to residents regarding the Board of Directors and district services.
- ❖ Possible governance structure alternatives with regard to RRRPD include 1) continued operations as an independent special district with efforts to improve upon long-term business and financial planning and accountability, 2) merger with the City of Cupertino, 3) establishment of the District as a subsidiary district of the City, or 4) dissolution of the District and identify successor agency other than the City of Cupertino.
- ❖ It is recommended that further analysis be conducted to identify and quantify the benefits of RRRPD becoming a subsidiary district of the City of Cupertino. Prior to moving forward with this option, discussions need to be held with the City of Cupertino to assess interest on the part of the City.

RANCHO RINCONADA RECREATION AND PARK DISTRICT SPHERE OF INFLUENCE UPDATE

Existing Sphere of Influence Boundary

RRRPD presently has a zero sphere of influence.

Recommended Sphere of Influence Boundary

Given the District's duplication in services with the City of Cupertino, it is recommended that RRRPD continue to maintain a zero sphere of influence, indicating that the District should eventually not exist as an independent special district. In this case, it is recommended that the City of Cupertino and the District consider formation of RRRPD as a subsidiary district of the City. There are several potential advantages to these options as identified in the Governance Structure section of this chapter, but most importantly it minimizes duplication of services by two separate agencies allowing for coordinated recreation service offerings.

Proposed Sphere of Influence Determinations

The nature, location, extent, functions, and classes of services provided

- ❖ RRRPD provides all services via its single recreation facility. The maintenance and operation of this building and property, including delivery of recreation services at that facility, are the sole services provided by the District. The District offers the following recreation programs directly through district staff: swimming pool activities, Kids Night Out, after-school activities, facility and barbeque rentals, a snack bar, and a location for community-related activities.

Present and planned land uses in the area, including agricultural and open-space lands

- ❖ Land uses within the District are primarily residential with some public uses (the District's recreation center and two parks).
- ❖ There are no agricultural or open space lands within the District's bounds.

Present and probable need for public facilities and services in the area

- ❖ There is significant demand for the District's services, and consequently, the District is generally at maximum capacity during the summer months for pool-related activities.

- ❖ Demand for the District's services is anticipated to continue as residents will likely have the sustained desire to learn how to swim and participate in swimming-related fitness activities.

Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

- ❖ The District has limited facility and staffing capacity to address demand. The pool is small, which hinders the daily program offerings during the summer. Also, programming is greatly reliant on staff availability. Swim lessons are reportedly always filled to maximum capacity and the District must turn potential customers away. The District is working to expand its offerings to meet constituent needs.
- ❖ The recreation center appears to be reasonably maintained. The District reports that there are no significant infrastructure needs related to services provided.
- ❖ The District provides a limited array of recreation services, primarily aquatic services. It is recommended that the District conduct a recreation needs assessment in conjunction with an assessment of the current facility use to determine the interest of its residents in expanding the array of recreation services provided and availability of space for these services.
- ❖ The District does not conduct long-term planning for the delivery of services. It is recommended that the District develop and adopt goals, objectives, and performance measures and prepare a business plan to provide direction for delivery of services by the District over the next three to five years.

Existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency

- ❖ The District entirely consists of territory within the City of Cupertino, with the exception of two park parcels that are within the City of San Jose.