

**RIO LINDA ELVERTA RECREATION AND PARK DISTRICT  
810 Oak Lane, Rio Linda, California 95673**

**BOARD OF DIRECTORS REGULAR MEETING  
MINUTES  
July 17, 2024**

**Call to Order**

Chairperson Lisa L. Morris called the meeting to order on July 17, 2024 at 6:00pm. Present were Vice Chairperson Charlea R. Moore and Directors Robert Bastian, Wayne Del Nero, and Troy Golden. Staff members present included General Manager Mike Heller, Administrative Services Supervisor Annette Hernandez, Parks Supervisor Don Davidson, Recreation Supervisor Yanni Lagge and Office Aide Sarah Quelland. The meeting was also broadcast on Zoom Communications.

**Public Comments**

Rio Linda resident and Twin Rivers Unified School District Trustee Stacey Bastian gave an update on the extensive renovations and improvements being made to multiple Twin Rivers Unified School District properties. She said improvements at Westside Elementary and Westside Charter schools include new HVAC, an upgraded kitchen, and a new playground structure for the designated Kindergarten area. She added that Dry Creek Elementary School is getting new HVAC and new parking lot pavement. She also talked about the significant construction taking place at Rio Linda High School, including new fencing and a beautification project, and invited everyone to a ribbon cutting ceremony at Rio Linda High School scheduled for August 13<sup>th</sup> at 9:00am. She announced that the 2024-2025 school year begins on August 20<sup>th</sup> and thanked everyone present for supporting the Twin Rivers Unified School District. She also shared that TRUSD will be participating in this year's annual National Night Out event scheduled for August 6, 2024 and that vendors will be on site at the Rio Linda High School Pool starting at 5:00pm to educate the community about fentanyl, provide CPR demonstrations and more, and that Tummy's Sub Shop, Kona Ice and Chik-Fil-A will be providing free food.

**Introduction of Guests**

Guests present included former fire captain and Rio Linda resident Roger Mitchell, who heads up the historical fire engine restoration project, and financial consultant Jerry Legg, Senior Director of Investment Services with California CLASS.

**Presentations & Announcements**

General Manager Heller introduced a Parks and Recreation Month Resolution proclaiming July 2024 to be dedicated as Parks and Recreation Month by the Board of Directors of the Rio Linda Elverta Recreation and Park District and recognizing the importance of access to local parks, recreation, open space, and facilities as a respite for all Californians.

**Motion No. 1**

**It was moved by Vice Chairperson Moore and Director Bastian seconded the motion to approve a Resolution proclaiming July 2024 to be Parks and Recreation Month; Motion carried: Ayes; (5) Bastian, Del Nero, Golden, Moore, and Morris; Noes; (0), Abstain; (0), Absent; (0).**

**Written Correspondence**

There was no written correspondence this month.

## **Consent Calendar**

### **Motion No. 2**

It was moved by Vice Chairperson Moore and Director Golden seconded the motion to approve the consent calendar as follow: Received and filed: (1) Park Police Monthly Report (June 2024); Approve: (2) Minutes of June 12, 2024 Board of Directors Regular Meeting; (3) Cash Disbursements, June 30, 2024; (4) Finance Report, June 30, 2024; (5) Park Maintenance Monthly Report, June 2024; (6) Recreation Monthly Report, June 2024; (7) General Manager's Report, June 2024; (8) Adoption of Resolution #2024-08 permitting the Rio Linda Lions Club to install a photovoltaic solar cell and light for their signage at 16<sup>th</sup> and Elkhorn Blvd; Motion carried: Ayes; (5) Bastian, Del Nero, Golden, Moore, and Morris; Noes; (0), Abstain; (0), Absent; (0).

## **General Business**

**Agenda Item # 9:** Adoption of Resolution #2024-09 amending the District's Policy and Procedure Manual – Policy #3126 – Investment of District Funds.

General Manager Heller introduced the item and said the District has been looking into investment strategies to generate interest on \$338,857 in District funds that have been sitting in a non-interest bearing account since 2019.

General Manager Heller stated at the District has never had an investment policy in the past and the District reached out to other districts for guidance in creating one.

He added that the District consulted with financial advisor Lesa Johnson from Edward Jones Investments. He also contacted Jerry Legg, Senior Director of Investment Services with California CLASS, at the recommendation of the California Special Districts Association (CSDA).

General Manager Heller explained that public funds cannot be invested in one product for more than five years, and the District wants the funds to be liquid enough to access quickly in the event of an emergency.

General Manager added that the Board would receive monthly reports detailing the status of the invested funds.

- Chairperson Morris and Vice Chairperson Moore agreed that they would like to set this policy into place for purposes of discussion.
- Vice Chairperson Moore said it's imperative to allow the money to generate interest without touching the principal funds. She referred to it as a "rainy day fund" and emphasized that if something came up and the Board agreed, the money could and would be used.
- Vice Chairperson Moore added that because CSDA recommended the District consult with California CLASS, she was very comfortable taking Mr. Legg's suggestions, and she expressed interest in moving forward with the discussion with Mr. Legg.
- Director Del Nero said he agreed, but wanted to know why it took the District five years of letting the money sit without generating income before deciding to put it to better use.
- General Manager Heller explained that the property was sold in 2019 and the District placed the funds in a savings account. When the COVID-19 pandemic happened, the money was forgotten about. He said in April 2024, it was discovered that the money had just been sitting in a savings account since 2019. He added that both Sacramento County

and the District Auditor are aware of the dollars, but they have not provided further direction on it.

- Director Golden asked if there was anything written into Policy 3126 to safeguard this type of oversight from happening again.
- General Manager Heller responded that staff must be “quicker on the ball” and assured Director Golden this would not happen again.
- Chairperson Morris said she thinks it’s a great idea to invest the funds but wants to make sure there are no penalties if it’s withdrawn for emergencies.

### **Motion No. 3**

**It was moved by Vice Chairperson Moore and Director Golden seconded the motion to approve Resolution #2024-09, amending the District’s Policy and Procedure Manual – Policy #3126 – Investment of District Funds; Motion carried: Ayes; (5) Bastian, Del Nero, Golden, Moore, and Morris; Noes; (0), Abstain; (0), Absent; (0).**

**Agenda Item # 10:** Discussion – Status of Ponderosa Farms investment of \$338,857 into an investment fund.

General Manager Heller continued the conversation on the topic of moving the \$338,857 in District funds from its current non-interest bearing savings account into a more strategic investment that would benefit the District financially.

He explained that the money came from the sale of Ponderosa Farms, a 30 acre parcel located off Elwyn Road north of Elverta Road that was slated to be converted into a multi-use sports park. He said plans were initiated in 2016 but it was discovered that the property could not be developed due to being in the flood plain. As a result, the District sold the property and kept the funds in a savings account for an emergency contingency. He added that if the recommended policy is approved, it will have no impact on the general fund.

General Manager Heller told the Board that CSDA recommended exploring California CLASS as an option. He then introduced Mr. Legg to present information about California CLASS investment funds to the Board.

Mr. Legg provided information to the Board about California CLASS, explaining that it’s a Joint Powers Authority investment pool that provides public agencies the opportunity to invest funds on a cooperative basis in rated pools that are managed in accordance with state law. Its primary objective is to offer participants safety, daily and next-day liquidity, and optimized returns.

He said California CLASS is headquartered out of Denver; serves 7,400 cities, special districts, and counties; and manages over \$1 billion in assets.

He suggested the District invest in the California CLASS Prime fund, which he said has a stable net asset value that will never lose the principal. He stated that the Prime fund offers safety, availability, and yield. He said the current yield is 5.42% and that all rates are posted and updated regularly on the [californiaclass.com](http://californiaclass.com) website.

He explained that while there are no account or transaction fees, there is an administrative fee of 0.10% that is taken off the top, which effectively makes the true current yield 5.52%.

He also said that the Prime fund has no minimum or maximum balance and doesn't put a limit on transactions. He added that there is no risk to opening an account with California CLASS and that the District can take the money out at any time without penalty.

He also told the Board that California CLASS has a Triple A rating (AAAm rated by S&P Global Ratings).

Mr. Legg then took questions from the Board.

- Director Del Nero requested clarification about the 0.10% in administrative fees and Mr. Legg responded that the current yield is 5.42% and that the principal amount cannot go down.
- Vice Chairperson Moore asked if the 0.10% in administrative fees would be charged no matter what the current yield was and Mr. Legg speculated that if the yield goes down, California CLASS may adjust the administrative fees in the future.
- Director Golden inquired about what happens to the interest that accrues daily, and Mr. Legg said that it gets deposited back into the account on a monthly basis. He added that there is no fee to move it back and forth.
- Chairperson Morris stated that she likes the fact that CSDA recommends California CLASS.
- Director Bastian agreed that he liked CSDA's backing, as well as the Triple A rating, liquidity, and availability of funds.
- Chairperson Morris asked the Board members if their recommendation was to invest the full amount, and everyone agreed to invest it all and let the money start generating interest.

#### **Motion No. 4**

**It was moved by Vice Chairperson Moore and Director Golden seconded the motion to invest the full amount of \$338,587 in the California CLASS Prime fund; Motion carried: Ayes; (5) Bastian, Del Nero, Golden, Moore, and Morris; Noes; (0), Abstain; (0), Absent; (0).**

#### **Agenda Item # 11: Discussion – Draft of Final 2024-2025 Budget.**

General Manager Heller introduced the topic of the draft of the final budget for Fiscal Year 2024-2025.

General Manager Heller recommended that the Board of Directors review, comment and provide direction on the latest draft of the budget, which he stated included minor changes. These include increases to Workers' Compensation due to rising insurance costs; extra costs from Maintenance, which requires a new flail blade for the mower because the old blade came apart and is beyond repair; and increased costs for Advertising and Legal Notices, specifically Streamline, the District's website provider, due to changing state laws on public transparency and new guidelines for public agencies.

#### **Board of Directors Committee Minutes**

Administration/Finance Committee – Met on July 9th. The minutes from the June 4, 2024 meeting were reviewed. June Financials and the Compass Report; the adoption of Policy #3126 regarding investments of District funds; a proposal to strategically place District funds generated from Ponderosa Farms site sale in 2019 in the amount of \$338,857 into an interest bearing account to increase returns for the District; the monthly Recreation Report, which details the success rate and financial performance of the programs being offered; and the final budget draft for Fiscal Year

2024-2025, including the need for a new flail blade for the mower, were also discussed. The committee meets again on August 13<sup>th</sup> at 3:00pm.

Park Planning Committee – Met on July 8<sup>th</sup>. The minutes from the May 7, 2024 meeting were reviewed. Updates on the Grandpark development project, including amenities the District would like to see incorporated, such as an aquatics center and a maintenance yard; the Central Park Horse Arena upgrade project, including new restrooms, concession stands, lighting and drainage; installing solar lighting at the Rio Linda Lions Club sign located at 16<sup>th</sup> Street and Elkhorn Boulevard; and the District Strategic Plan were topics of discussion.

Safety and Security Committee – Did not meet.

Fire House Museum Committee – Met on July 12<sup>th</sup>. The minutes from the November 6, 2023 meeting were reviewed. Topics of discussion included the progress of the restoration of the historic Fire Engine No. 2 and the prior Firehouse No. 1; the annual Fundraising Dinner scheduled for October 5, 2024 at the Rio Linda Elverta Community Center; the RLE Country Fair scheduled for September 21, 2024 at both Depot Park and the Rio Linda Elverta Community Center; and Good Life Construction's proposal for renovating the firehouse.

- Guest Mr. Mitchell spoke up to inform the Board that the plaque that hung in the original firehouse building on Front Street can be viewed at the Sacramento Metro Fire District Station 111 on Rio Linda Boulevard. He asserted that it's "in good hands" and said they may decide to leave the original plaque at Station 111 for "safekeeping" and create a replica to display at the original firehouse once renovations are complete.

Dry Creek Parkway Advisory Committee – Met on July 10<sup>th</sup>. Items on the agenda included conceptually approving the Disc Golf Course at Cherry Island.

- Chairperson Morris attended the meeting with Vice Chairperson Moore and said the equestrian community was so passionate about the issue that they had to table the Disc Golf Course discussion for now in order to give the equestrian community more time to explore the idea and present their concerns. She added that the problematic Hole #8 was removed from the proposed course, along with several other holes that created issues, bringing the proposed design down from a 27- to a 22-hole Disc Golf Course. Chairperson Morris expressed hope that the Disc Golf Course project would move forward and create new recreational opportunities for members of the local community. She said that people who play disc golf are generally considered to be respectful and take care of the area, and that having more people using the park spaces recreationally makes the parks safer for everyone. She added that she was concerned that they may lose the deal to build the Disc Golf Course if they can't come to an agreement soon.

LAFCo Committee –Meets on July 30<sup>th</sup>.

- Director Bastian encouraged members of the Board of Directors to learn about Municipal Service Reviews at the upcoming meeting, which starts at 5:00 on July 30<sup>th</sup>. He said he and Vice Chairperson Moore would be attending.
- Vice Chairperson Moore added that Municipal Service Reviews are something that LAFCo is mandated to do and described them as both costly and time consuming. She said it was important for people to attend the meeting so they can get a better understanding of the process.

**Board of Directors Comments**

Director Golden thanked Maintenance staff for all their hard work keeping the parks nice for the summer.

Vice Chairperson Moore also thanked the Maintenance staff for keeping the parks looking “really beautiful” and said she was pleased with how the trees planted along the Community Center parking lot that replaced the previous trees have grown and filled in nicely and are providing shade. She also thanked Administrative Services Supervisor Hernandez for providing answers to her questions about District finances. She said she was looking forward to hearing Recreation Supervisor Lagge speak at the upcoming Rio Linda/Elverta Historical Society Sunday Social (and potluck) scheduled for 2:00pm July 21<sup>st</sup> at the Dry Creek Ranch House in Rio Linda and welcomed anyone interested to attend. She also thanked General Manager Heller.

Director Bastian agreed, specifically thanking Parks staff, the public and members of the Board.

Chairperson Morris also agreed and praised Recreation Supervisor Lagge for managing two pools (Rio Linda High School Pool and Grant Union High School Pool) this summer.

Recreation Supervisor Lagge responded that it has been going good overall and that her aquatics staff has been performing well.

Director Golden added to the conversation, saying his mom has been enjoying the new Water Aerobics class offered through the District on Mondays and Wednesdays at 5:00pm at the Rio Linda High School Pool.

**General Manager Comments**

General Manager Heller announced that he has tickets available for the Fundraiser for the Restoration of Fire Engine #2 Chicken and Rib Dinner scheduled for 5:00pm on October 5, 2024 at the Rio Linda Elverta Community Center and added that tickets are \$25 each.

He also told the Board that he would be out of the office Friday, July 19th to attend a funeral.

**Future Agenda Items**

There were no future agenda items.

**Adjournment**

Chairperson Morris adjourned the meeting at 7:12pm.

**APPROVED: Bastian, Del Nero, Golden, Moore, Morris**

**ATTEST:**

**ABSTAIN:**

**ABSENT:**

  
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Lisa L. Morris  
Chairperson, Board of Directors

  
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Robert Bastian  
Secretary, Board of Directors