

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON WEDNESDAY, APRIL 2, 2014 AT 6:00PM
AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE, CA.**

AGENDA ITEM A.1 thru A.2 – CALL TO ORDER, ROLL CALL: The Closed Session meeting of the Board of Directors of McKinleyville Community Services District convened at 6:02pm with the following Directors and staff in attendance:

David Couch, President
Helen Edwards, Director
Dennis Mayo, Director
George Wheeler, Director

Gregory Orsini, General Manager
Kathy Wilson, Board Secretary

Director Corbett, arrived at 6:03pm.

A.3 CLOSED SESSION DISCUSSION: President Couch announced they would be going into closed session, but first asked for public input and no public input was offered.

At 6:04pm the Board and Staff adjourned into closed session.

A.3.a CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION-MCKINLEYVILLE COMMUNITY SERVICES DISTRICT v COUNTY OF HUMBOLDT, BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT, CASE NO. CV110632 LITIGATION, pursuant to Government Code § 54956.9(a).

A.4 REPORT OUT OF CLOSED SESSION: At 7:08pm President Couch announced no reportable action taken.

AGENDA ITEM A.1 & A.3 – CALL TO ORDER, and PLEDGE OF ALLEGIANCE: The Regular meeting of the Board of Directors of McKinleyville Community Services District reconvened at 7:08pm.

President Couch led the pledge of allegiance.

AGENDA ITEM A.4 - ADDITIONS TO THE AGENDA: There were no additions to the agenda. President Couch asked for public input and no public input was offered.

AGENDA ITEM A.5 – APPROVAL OF THE AGENDA:

MOTION: It was moved to adopt the agenda. Motion Corbett; second by Edwards

MOTION VOTE: Ayes; Corbett, Couch, Edwards, Mayo and Wheeler
Nays; None
Absent; None
Abstain; None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

AGENDA ITEM B – PUBLIC HEARINGS: No public hearings scheduled.

AGENDA ITEM C - PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Couch opened public input and no public input was offered.

AGENDA ITEM D – CONSENT CALENDAR:

- D.1 Consider approval of minutes of the Board of Directors' Regular Meeting of March 5, 2014
- D.2 Consider approval of February, 2014 Treasurer's Report
- D.3 DCV Violations this month.

- D.4 Consider approval of Independent Contractor Agreement for Hiller Park
D.5 Consider approval of proposed Hiller Sports Complex Facility Use Agreement Contracts

MOTION: It was moved to adopt the consent calendar item D.1 through D.5. No objections were made. Motion by Edwards; second by Corbett

MOTION VOTE: Ayes: Corbett, Couch, Edwards, Mayo and Wheeler
Nays: None
Absent: None
Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

AGENDA ITEM A.2 - ROLL CALL: After brief discussion President Couch took a second Roll Call, with the following Directors and staff in attendance:

David Couch, President	Gregory Orsini, General Manager
John Corbett, Director	Colleen M.R. Trask, Finance Director
Helen Edwards, Director	James Henry, Operations Director
Dennis Mayo, Director	Jason Sehon, Parks and Recreation Director
George Wheeler, Director	Kathy Wilson, Board Secretary

At 7:12pm Director Couch continued with Continued and New Business.

AGENDA ITEM E – CONTINUED AND NEW BUSINESS:

E.1 Consider adopting Resolution 2014-14 recognizing, honoring and commending Chris Jones for ten (10) years of service: Operations Director James Henry recognized and honored Chris Jones for his ten (10) years of service. Chris Jones addressed the Board and staff and thanked everyone for being present in his honor this evening. General Manger Orsini thanked Chris for being a dedicated and hard working employee with an emphasis on his practical joking throughout the last ten (10) years. President Couch asked for public input and no public input was offered.

MOTION: It was moved to adopt RESOLUTION 2014-14 recognizing, honoring and commending Chris Jones for tem (10) years of service. Motion by Edwards; second by Corbett

ROLL CALL VOTE: Ayes: Corbett, Couch, Edwards, Mayo and Wheeler
Nays: None
Absent: None
Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.2 Employee negotiations regarding proposed one (1) year compensation contract with District employees: General Manger Orsini presented the negotiations regarding proposed one (1) year compensation contract with District employees. Director Corbett asked for clarification regarding longevity pay increase. Discussion continued between Directors and staff regarding the General Manager's alternative. General Manager Orsini indicated that the effect of his alternative would be minimal. President Couch asked for public input and the following people spoke:

1. Erik Jones, McKinleyville, CA - Thanked the Board of Directors and his fellow negotiators for making this a very open and positive experience. He thanked the entire Board for being complimentary of the work that is done and their support of the MCSD employees.
2. David Baldosser, Blue Lake, CA – Thanked the Board for the opportunity to work at MCSD and indicated this is a very good place to work. He appreciates the working relationships with fellow employees, Board and supervisors.

Director Corbett commended and thanked the staff for making this a great organization to be a Board Member on and stated that staff is doing a great job.

MOTION: It was moved to approve the one year term agreement with the employees as delineated in the staff report. Motion by Corbett; second by Mayo

Director Mayo asked for clarification of the motion specifically as to # 4 the PERS 457 Plan Deferred Compensation.

The motion was amended to strike the language in # 4 that reads: General Manager's Alternative, Approve a District match increase of .5% for a District match of 2.5%.

1. Maintain the current general benefit package in terms of holidays, vacation, sick time, life, medical and dental insurance in addition to other current general employee benefits.
2. Maintain the current longevity pay increase of a 2.5% salary increase at 10, 15, and 20 years of full time (40 hours per week). This would continue to be calculated based on full time employment working 40 hours per week. Persons working who have worked less than 40-hours per week are not considered full time employees for purposes of calculating time worked for this benefit. In addition, this will be calculated based on continuous, uninterrupted employment service to the District.
3. Approve this year's COLA increase of 1.55%. The COLA calculation will continue to use the same indices for the average of the West City CPI-W and the SF/Oakland CPI-W CPI indices.
4. The PERS 457 Plan Deferred Compensation related to the District matching contribution will continue as previously approved District match of 2.0 %with the following changes:

Approve a District match increase of 1% for a total District match of 3.0 %

~~General Manager's Alternative, Approve a District match increase of .5% for a total District match of 2.5%~~

5. State Disability Insurance (SDI). In 2012 MCSD shifted from self-insured to the State of California System. Currently MCSD covers 100% of this cost. This 1% of total payroll expense is typically a responsibility of the employee at other agencies and businesses. Considering SDI was not discussed during the negotiation, management recommends maintaining the status quo.

After additional discussion the maker of the motion accepted the amendment and the amended motion reads:

AMENDED MOTION: It was moved to incorporate all of the staff report with amendments. Amended Motion by Corbett; second by Mayo

1. Maintain the current general benefit package in terms of holidays, vacation, sick time, life, medical and dental insurance in addition to other current general employee benefits.
2. Maintain the current longevity pay increase of a 2.5% salary increase at 10, 15, and 20 years of full time (40 hours per week). This would continue to be calculated based on full time employment working 40 hours per week. Persons working who have worked less than 40-hours per week are not considered full time employees for purposes of calculating time worked for this benefit. In addition, this will be calculated based on continuous, uninterrupted employment service to the District.
3. Approve this year's COLA increase of 1.55%. The COLA calculation will continue to use the same indices for the average of the West City CPI-W and the SF/Oakland CPI-W CPI indices.
4. The PERS 457 Plan Deferred Compensation related to the District matching contribution will continue as previously approved District match of 2.0 %with the following changes:

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5. State Disability Insurance (SDI). In 2012 MCSD shifted from self-insured to the State of California System. Currently MCSD covers 100% of this cost. This 1% of total payroll expense is typically a responsibility of the employee at other agencies and businesses. Considering SDI was not discussed during the negotiation, management recommends maintaining the status quo.

MOTION VOTE: Ayes: Corbett, Couch, Edwards, Mayo and Wheeler
Nays: None
Absent: None
Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.3 Initiate process for General Manager Performance Evaluation: General Manager Orsini read an excerpt from the Board Policy Manual initiating the annual performance evaluation on the anniversary date for the General Manager. A copy of the final consolidated performance evaluation from the Board and Department Heads will be filed with the District's attorney. President Couch asked for public input and one member of the public spoke:

1. Jeff Dunk, McKinleyville CA – Addressed the Board indicating that this instrument and approach is great and is being done at a good time rather than when in crisis. By design, this solicits employees' input and is a great step forward.

MOTION: It was moved to initiate the process for the General Manager Performance Evaluation appointing Helen Edwards to consolidate all Board Member and Department Heads evaluation with the following schedule in place:

1. Complete and return sealed evaluation to Board Secretary by **April 30, 2014**.
2. Helen Edwards will retrieve the evaluations on **May 2, 2014**.
3. Closed Session for the General Manager's performance evaluation is scheduled for **June 4, 2014 at 6:00pm**.

Motion by Edwards; second by Corbett

MOTION VOTE: Ayes: Corbett, Couch, Edwards, Mayo and Wheeler
Nays: None
Absent: None
Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.4 Consider adopting Resolution 2014-15 for Initiating Street Light Zone # 97: General Manager Orsini recommended the Board review the Draft Engineer's Report and consider adopting Resolution 2014-15 Initiating Central Estates Phase 2 A&B Street Light Zone # 97. Brief discussion took place between the Board and staff. President Couch asked for public input and no public input was offered.

MOTION: It was moved to adopt RESOLUTION 2014-15 for Initiating Street Light Zone # 97. Motion by Edwards; second by Corbett

ROLL CALL VOTE: Ayes: Corbett, Couch, Edwards, and Wheeler
Nays: Mayo
Absent: None
Abstain: None

MOTION SUMMARY: Motion Passed – 4 Ayes; 1 Nay

E.5 Approve Resolution 2014-12, amending the Rules and Regulations, Rule 45.03.d. RECREATION

PROGRAM FEES: Parks and Recreation Director Jason Sehon recommended that the Board revise the Rules and Regulations, Rule 45.03.d RECREATION PROGRAM FEES language. Discussion regarding the adjustment at a management level instead of by the Board of Directors developed. President Couch asked for public input and no public input was offered.

1st MOTION: It was moved to adopt Resolution 2014-12, amending the Rules and Regulations, Rule 45.03.d RECREATION PROGRAM FEES. Motion by Edwards; second by Wheeler

Director Corbett opposed the motion. Discussion took place regarding the final authority for establishing fees. The Board and staff worked on proper language for amending the Rules and Regulations, Rule 45.03.d

RECREATION PROGRAM FEES. The public has recourse by addressing the Board with their concern or objections. President Couch asked for public input and one member of the public spoke:

1. Jeff Dunk, McKinleyville, CA – Suggested a reasonable compromise of; program fees shall be adopted by the Board within two months of the initiation of a new program or change in fees for an existing program, this could then show up in the consent calendar.

Director Edwards withdrew her motion and Director Wheeler withdrew his second. After additional discussion between the Board and staff, Director Corbett accepted the language proposed for the second motion.

2nd MOTION: It was moved to adopt Resolution 2014-12 with the amended language; Program fees shall be adopted by the Board within two months of the inception or change of fees. Motion by Corbett; second by Mayo

Rule 45.03.d. RECREATION PROGRAM FEES. The District shall charge participants program fees based on the direct expenses associated with each individual program. Program fees shall be determined each year and as programs are added to the Department's current services index. ~~Program fees shall be established and adopted by the Board prior to registration being accepted for said programs.~~ **Program fees shall be adopted by the Board within two months of the inception or change of fees.**

ROLL CALL VOTE: Ayes: Corbett, Couch, Edwards, Mayo and Wheeler
Nays: None
Absent: None
Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.6 Consider Board President to Execute Lease Extension Agreement for Fischer Ranch: General Manager Orsini presented information regarding the lease extension to the Board and asked the Board to authorize President Couch to execute the lease extension agreement for Fischer Ranch. Director Edwards and Wheeler commended Mr. Peachey for being the best lessee of the Fischer Ranch and praised him for being a good neighbor. President Couch asked for public input and no public input was offered.

MOTION: It was moved to authorize President David Couch to execute the Lease Extension Agreement for Fischer Ranch. Motion by Mayo; second by Edwards

MOTION VOTE: Ayes: Corbett, Couch, Edwards, Mayo and Wheeler
Nays: None
Absent: None
Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.7 Review Regulation 16. RATES specifically Rule 27.04. Sewer Charges and approve annual increase which is scheduled for July 1, 2014 as per MCSD Rules and Regulations: General Manager Orsini recommended that the Board authorize the annual increase scheduled for July 1, 2014 as outlined in Regulation 16.-Rates; Rule 27.04. Sewer Charges. President Couch asked for public input and two members of the public spoke:

1. David Baldosser, McKinleyville, CA-Suggested that adjustments of this nature be included in the MCSD Newsletter to keep the public informed.
2. Jeff Dunk, McKinleyville, CA-Asked staff if the sewer rates were proportional to the water use.

MOTION: It was moved to authorize the rate change for sewer service scheduled for July 1, 2014 as outlined in Regulation 16.-Rates; Rule 27.04. Sewer Charges. Motion by Edwards; second by Corbett

MOTION VOTE: Ayes: Corbett, Couch, Edwards, Mayo and Wheeler
Nays: None
Absent: None
Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.8 Parks & General Fund Operating Budget – Draft 1: Finance Director Colleen Trask presented the Draft Operating Budget for the Parks/General Fund and Measure B Fund. Brief discussion took place regarding presentation of information. President Couch asked for public input and no public input was offered.

INFORMATIONAL ITEM: No action required or taken by the Board.

E.9 Approve revisions to the Parks & Recreation Master Plan to include the possible installation of an observation deck for bird watching at a District Property: Parks and Recreation Director Jason Sehon outlined revisions to the Parks & Recreation Master Plan to include the possible installation of an observation deck for bird watching at a District Property. Discussion took place regarding the size of the project, support for the project and who will be responsible for the repairs. President Couch asked for public input and no public input was offered.

MOTION: It was moved to approve revisions to the Parks & Recreation Master Plan to include the possible installation of an observation deck or decks for bird watching at a District Property. Motion by Corbett; second by Mayo

MOTION VOTE: Ayes: Corbett, Couch, Edwards, Mayo and Wheeler
Nays: None
Absent: None
Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.10 Consider nominations for District Board member to serve on Local Agency Formation Commission (LAFCo): The Board of Directors discussed the importance of participation on the Humboldt Local Agency Formation Commission (LAFCo) who facilitates changes in local governmental structure and boundaries that fosters orderly growth and development. President Couch asked for public input and no public input was offered.

MOTION: It was moved to nominate Director George Wheeler to stand in an election for a seat on the Humboldt Local Agency Formation Commission (LAFCo). Motion by Corbett; second by Edwards

ROLL CALL VOTE: Ayes: Corbett, Couch, Edwards, Mayo and Wheeler
Nays: None
Absent: None
Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

AGENDA ITEM F-REPORTS:

F.1.a Recreation Advisory Committee (Wheeler/Couch (alternate))

Director Wheeler gave a short recap of the meeting consisting of increase in fees; change of language for observation decks; review of the rough draft for the integrated pest management plan; makeover of the Parks & Recreation website; update on pending grants; Teen Center update; Botanical Garden grand opening tentatively set for end of April; minimum wage increase; announcement that Jason Sehon is now a Board Member on the California Parks and Recreational Society for Region 1 for Northern California and reported on the walk at the river front property.

F.1.b Area Fund (John Kulstad)

Director Edwards reported that the McKinleyville Area Fund received a larger number of applications than ever before. A total of \$11,000 was given to approximately 10 or 11 applicants. The Teen & Community Center received \$3,000.

F.1.c Redwood Region Economic Development Commission (Mayo/Edwards (alternate))

Director Mayo reported that Dennis Mullins gave a PowerPoint presentation about the State of the County in Numbers and that a horse facility is now located in McKinleyville.

F.1.d McKinleyville Senior Center Advisory Committee (Edwards)

Director Edwards attended a Regular Board Meeting as a guest.

F.1.e Audit (Corbett/Edwards)

Nothing to report.

F.1.f Employee Negotiations (Couch/Edwards)

A Closed Session will be scheduled next January 2015 to address the proposed employee compensation contract.

F.1.g Water Task Force (Wheeler/Corbett (alternate))

Next meeting is set for April 14, 2014 at 3:00pm.

F.1.h AdHoc No Drugs & Toxics Down the Drain (Wheeler/Couch (alternate))

Nothing to report.

F.1.i McKinleyville Municipal Advisory Committee (Edwards/Corbett (alternate))

Director Edwards attended two meetings and gave an update on both. At the regular meeting they received an update on the social service activities and the generating of funds for more sheriff security. Director Edwards attended the workshop for improvements from Anna Sparks Way to Hiller Road and stated it was well attended and several good ideas were crafted. The next Advisory Committee meeting is set for April 30, 2014.

F.2.a - SUPPORT SERVICES DEPARTMENT: Finance Director Trask reported that the Revenue Recovery surcharge collected each month will be deposited in a trust account with the County of Humboldt. Discussion ensued between Board and staff crafting ideas to keep the public informed of the amount being recouped. Director Trask stated the document management project is continuing at a commendable pace and finished with this month's overview on the Balance Sheet.

F.2.b - OPERATIONS DEPARTMENT: Operations Director Henry reported that the lost pallet of LED streetlights was located and they are now roughly twenty (20) streetlights away from being done with this project.

F.2.c - PARKS & RECREATION DEPARTMENT: Parks and Recreation Director Jason Sehon pointed out that they recently received a \$3,000 grant from the McKinleyville Area Fund to purchase cooking equipment for cooking classes that will be held at the Teen and Community Center. The Botanical Garden ribbon cutting will be scheduled for the end of April, 2014 when the flowers are in bloom. Hiller Sports Complex improvements continue in preparation for the spring baseball & softball season. The four (4) day Teen Leadership Summit is coming together with the emphasis to create youth leaders who will help with the operation of the new teen center once it is completed.

F.2.d - GENERAL MANAGER: General Manager Orsini announced that the Medication Round-Up held by Humboldt Waste Management Authority is scheduled for Saturday, April 26, 2014 from 9:00am to 2:00pm. The Cramer Easement has been executed and recorded with the County of Humboldt. The Mad River Estuary Off-Channel Habitat Restoration Design grant application has been submitted.

AGENDA ITEM F.3 PRESIDENT'S REPORT: President Couch reported that four (4) of our five (5) Board Members attended the workshop for improvements from Anna Sparks Way to Hiller Road and stated it was well attended and no Brown Act violations occurred.

AGENDA ITEM F.4 BOARD COMMENTS, ANNOUNCEMENTS, REPORTS AND AGENDA ITEM REQUESTS:

Director Mayo reported the Water Bond is on the ballot and polling at over fifty percent. The ground water basin plans are getting a lot of movement and he encouraged us to shore up our local control. The Region 1 conference is slated to be held in Humboldt County this June, 2014. Specific dates are not yet confirmed, but June 16th and 17th were suggested. Director Mayo would like to see us stop using plastic and use glass. He volunteered to help with the dish washing.

AGENDA ITEM G – ADJOURNMENT:

MOTION: It was moved to adjourn the meeting at 9:43pm. Motion by Corbett; second by Edwards

MOTION VOTE: Ayes; Corbett, Couch, Edwards, Mayo and Wheeler

Nays; None

Absent; None

Abstain; None

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

Submitted by:

Kathy Wilson, Board Secretary