

Report Title: Special Districts in Marin County**Report Date: June 14, 2002****Response by: Strawberry Recreation District Title: Mark Joseph District Manager****FINDINGS**

- I (we) agree with the findings numbered: 1-3,
- I (we) disagree wholly or partially with the findings numbered: 6, 7, 8

(Attach a statement specifying any portions of the findings that are disputed; include an explanation of the reasons therefor.)

RECOMMENDATIONS

- Recommendations numbered 1, 2, 3 and 4 have been implemented.
(Attach a summary describing the implemented actions.)
- Recommendations numbered 7 have not yet been implemented, but will be implemented in the future.
(Attach a timeframe for the implementation.)
- Recommendations numbered _____ require further analysis.
(Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.)
- Recommendations numbered 6 will not be implemented because they are not warranted or are not reasonable.
(Attach an explanation.)

Date: _____ Signed: _____

Number of pages attached _____

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September 9, 2002

The Honorable Lynn O'Malley Taylor
Marin County Superior Court
P.O. Box 4988
San Rafael, CA 94913-4988

The Honorable Lynn O'Malley Taylor:

Findings

Agree

1. The compensation for SRD Directors is \$75 per member per meeting. One member declines compensation.
2. SRD typically holds one meeting per month. It schedules a second monthly meeting only when important business items such as the budget are on the agenda, which rarely occurs.
3. SRD does not provide its directors medical or dental benefits, nor does it intend in the future.

Disagree

6. SRD does provide the public with easily understood financial statements. We are unaware about the quality and clarity of other special districts. Our reserves are kept to a minimum level. Our reserve report is detailed and clear to the public.
7. Our reserves listed in the Grand Jury Report are incorrect and are actually overstated by \$245,435. The correct reserve amount is \$699,565. The public attending our Board Meetings has not objected to this level of reserves. We are unaware if the public understands reserves at the 33 other special districts.
8. As we have not examined the financial statements of other districts we cannot evaluate if reserves at other special districts are unreasonably large. However, the cost to replace major assets in a catastrophic event such as an earthquake at some districts could be significant.

Recommendations

1. On a regular basis director's compensation is debated and discussed at board meetings, which are open to the public.
2. SRD strives to keep board meetings to once a month.
3. SRD board members do not receive medical or dental benefits nor has this been discussed as a possibility in the past.
4. SRD board members have occasionally attended conferences in the past but travel and conference expenses have been and will be kept to a minimum. In the two most recent fiscal years SRD board members have not incurred travel and conference expenses.
6. The recommendation is too simplistic. Since there is a variety of special districts in the county one set of rules and definitions would not apply to each and every district. As excessive reserves have never been a problem at SRD the concept of establishing these rules makes little sense to our district. The budget and accompanying reserves are always debated and discussed at public meetings so the public does understand reserves.
7. It makes sense for the County Auditor and the special districts to work together in the future to see if better terminology and formats can be developed.

Additional Comments:

We also wish to correct a misimpression that the Grand Jury may have regarding the nature of the Strawberry Recreation District. The Grand Jury Report includes a definition of *enterprise* and *non-enterprise* districts. It defines *non-enterprise* districts as districts that receive a majority of their funds from property taxes and cites recreation districts as an example. This generalization is inaccurate as applied to the Strawberry Recreation District.

The Strawberry Recreation District, located in an unincorporated area, is an *enterprise* district, defined in the report as a district that receives the majority of its funds through direct charges to its customers. In the 2000-2001 fiscal year the majority of the District's revenue came from direct charges; only \$192,760 (19%) came from tax revenue.

Sincerely yours,

Mark C. Joseph
District Manager

Board Members:
Sharon Valentino, Chair
Marti Block-Wiener, Vice Chair
Barbara Benson, Secretary
Tirrell Graham
Phillip Vizcarra