

Report Title: Special Districts in Marin County**Report Date: June 14, 2002****Response by: __Richard Weinstein__ Title: __Board President__****FINDINGS**

- I (we) agree with the findings numbered: 3
- I (we) disagree wholly or partially with the findings numbered: 1,2,6,7,8

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

RECOMMENDATIONS

- Recommendations numbered 1,4,6 have been implemented.
(Attach a summary describing the implemented actions.)
- Recommendations numbered _____ 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 2,3 will not be implemented because they are not warranted or are not reasonable.
(Attach an explanation.)

Date: 08/19/02 Signed: _RBWNumber of pages attached 4**Findings**

- 1) **The average compensation for special district directors who receive compensation is \$100 per meeting.**

The Tiburon Fire Protection District compensates board members \$75.00 / month regardless of the number of meetings attended. In addition to the monthly meeting, the district has five (5) sub committees with these responsibilities equally distributed among the board members. On average, each board member will attend two (2) meetings monthly.

- 2) **The Majority of special districts hold one meeting per month, except when there are important business items on their agenda. Larger special districts, those with large numbers of employees and large budgets, frequently hold two meetings per month and at times additional meetings for important business.**

As described above, board members will attend on average two (2) meetings per month with special meetings for important business.

- 3) **Seven special districts out of 34 give their directors medical or dental benefits.**

OK

- 6) **Most districts do not provide the public with easily understood financial statements and analysis of existing and future reserves. Special districts financial statements and reserves cannot be evaluated effectively by the public, due to inconsistent terminology and format.**

We believe the financial statements of the Tiburon Fire Protection District are easily read and understood. Additional requirements of GASB 34, which will be implemented in 2003, will further complement these records.

- 7) **The Grand Jury believes that the public has little, if any, awareness of the reserves maintained by the 34 special districts.**

Each year the district follows a usual and customary budget practice, which includes; duly noticed public hearings, preliminary budget, budget hearings, approval of the percent of special tax to impose; approval of appropriations of tax proceeds, adoption of the annual budget inclusive of reserve categories and amounts.

- 8) **Several of the districts reviewed by the Grand Jury appear to have reserves that are unreasonably large.**

Throughout the years, special districts have been the target of State budgetary re-allocations such as ERAF. Despite these substantial reallocations, the district is charged with securing the public safety at pre-established levels in our community. Reserves, restricted or otherwise, are necessary to ensure this end, particularly in uncertain economic times.

Recommendations

- 1) **In special districts where compensation is paid to directors for attending meetings, the amount should be justified to the district's constituents.**

The Tiburon Fire Protection District compensates board members \$75.00 / month regardless of the number of meetings attended. In addition to the monthly meeting, the district has five (5) sub committees with these responsibilities equally distributed among the board members. On average, each board member will attend two (2) meetings monthly. We believe this approach has proven cost effective and is well justified.

- 2) **Special district boards members should strive to minimize the number of meetings held each month.**

As described above, board members will attend on average two (2) meetings per month with special meetings for important business. No incentives exist to have more meetings than necessary.

- 3) **Special District boards members should not receive medical and / or dental benefits at taxpayers' expense.**

The Tiburon Fire Protection District provides dental coverage to board members. This benefit has allowed the district to maintain a single monthly reimbursement to board members at \$75.00 / month regardless of the number of meetings attended. This approach has further enhanced annual budgeting and long range planning efforts.

- 4) **Travel and conference expenses of special district board members should be kept to a reasonable amount.**

Board members may attend conferences or seminars as deemed necessary to gain knowledge or expertise in district finance, administration, governance or current events and trends. We believe

travel and conference expenses are maintained at a reasonable amount.

- 6) **All 34 special districts should develop and make public, written guidelines governing the present and future level of reserves shown in the balance sheets. The term 'reserves' should be defined as cash or equivalence, both "restricted and unrestricted". If, based upon these guidelines, analysis shows that reserves are too high; the district should implement plans to reduce fees or otherwise return the excess funds to the constituencies.**

The district is developing guidelines, which will further clarify reserves and reserve categories. Each year during the budget process the board reviews and approves the percent of special tax to impose on the constituents. This year the constituents realized a 30% reduction in the special tax. We believe our current process is meeting the spirit and intent of this recommendation.