



**MINUTES
BOARD OF DIRECTORS
ROSSMOOR COMMUNITY SERVICES DISTRICT**

REGULAR MEETING

RUSH PARK
3021 Blume Drive
Rossmoor, California

Tuesday, October 13, 2015

A. ORGANIZATION

1. CALL TO ORDER: 7:04 P.M.

- 2. ROLL CALL:** Directors Casey, DeMarco, Maynard,
President Kahlert
Director Burgess was absent at this time.

3. PLEDGE OF ALLEGIANCE

At approximately 7:05 p.m. Director Burgess arrived, recited the pledge of allegiance and took his seat on the dais.

4. PRESENTATIONS:

a. Dr. Sherry Kropp, Superintendent, Dr. Jeff Barke, Dr. Diana Hill Re: School Related Traffic Issues

Dr. Kropp discussed some recent changes in leadership at the four Rossmoor Elementary Schools and updated the Board and community on several school related traffic mitigation efforts recently undertaken by the school district. She reported on their recent initiative to decrease the cost of bus transportation by about 50% resulting in 200 more students riding the bus this year. The School District also plans to hire an additional bus driver and will offer students one week of free bus transportation to attract even more riders. Dr. Kropp reported on progress made regarding inter district transfer student enrollment which has been significantly reduced over the last four years from 37% inter district students down to 30%. She reported that staggered school start times have been increased from five minute intervals to ten minute intervals resulting in a huge improvement. The District is also improving infrastructure and reallocating vacant areas as part of a broader STEAM initiative. Dr. Kropp concluded that the school district was committed to these efforts and thanked the Board and community for their support in allowing gradual improvements in a financially responsible manner.

b. O.C. Sheriff Captain Bob Peterson Re: Public Safety Update.

Captain Bob Peterson was absent. General Manager Ruth stated that Lieutenant Rob Gunzel would be presenting a Quarterly Crime Statistic Report at the November 10, 2015 Board Meeting.

B. ADDITIONS TO AGENDA—None

C. PUBLIC FORUM:

Mark Nitikman and Ralph Vartabedian reported relative to current traffic committee issues. Mark Nitikman reported that County Traffic Representative, Isaac Alonso Rice is doing a full community traffic study and will report back in November. He invited the community to opine at next Tuesday's RHA Board Meeting on matters such as the Foster Road bicycle lane controversy relative to the pros and cons for its removal to allow resident access to street parking on street sweeping days. The next traffic committee meeting was to be scheduled sometime in December. Items for discussion also include the Foster Road bike lane, as well as Wallingsford Road and Katella Avenue pedestrian related traffic congestion study and the recent street parking time adjustments on Wallingsford Road.

D. REPORTS TO THE BOARD

1. REPORT OF THE AUDIT COMMITTEE RE: POSSIBLE EARLY RETIREMENT OF ROSSMOOR WALL CERTIFICATES OF PARTICIPATION.

The General Manager reported that the Audit Committee met on September 29, 2015 and discussed the possible early retirement of the Fund 30 Rossmoor Wall Certificates of Participation (COPs) in 2016. The Committee debated the options of retiring the debt early or continuing with the current payment schedule ending in 2017. The Committee's recommendation is to refer the matter to the Board to discuss the wisdom of using Fund 30 Rossmoor Wall reserve funds for early retirement of debt.

Discussion ensued relative to debt retirement options. Residents Joel Rattner, Erwin Anisman and Mark Nitikman opined in favor of retiring the debt early, as they considered it to be a promise to the voters. They also analyzed principal and interest costs and considerations. Mark Nitikman added that he would be taking the issue to the RHA Board for an advisory vote. He had comments relative to early payoff penalties. He further opined that the reasonable intent of the voters was to direct the funds toward repair of the Signature Wall.

District Auditor, Brad Welebir addressed the Board regarding the Rossmoor Wall Certificates. He stated that although RAMS would not take a formal stand, he wanted to clarify certain points and make the Board aware of all available facts to aid in the decision making. When the certificates of participation were established a number of funds were created through that legal process. The funds now visible in the statement are the Reserve Fund for the wall and a Debt Service Fund. Other funds exist that are not presented because there is no balance in them. There is a Capital Improvements Fund that was originally part of the COPs at the time the debt was issued. The District borrowed that money, the bulk of which was put into the Capital Improvements Fund, and those monies were expended over time to improve the wall. They haven't been presented for several years because all that money has been expended. What is in

there now is the accumulation of money that has been coming in for debt service. Also included in the COPs is an agreement that states all the monies that come in during the life of the debt can be used for any legal purpose of the RCSD. He reiterated that although money is accumulating in that fund and coming from the County (*they collect that money from the homeowners and pass it to the District for servicing that debt*), whatever funds remaining after making the debt service payments can be used for any lawful purposes. He added that paying the debt off early would incur an opportunity cost not a percent penalty.

Director Burgess opined in favor of paying off the debt in February 2016 and strictly designating the Fund 30 reserves for future wall repair expenses. He added that he would like documentation drafted restricting the funds for this sole purpose. He alleged that wall funds had been used to fund a District computer upgrade.

Directors Maynard and DeMarco stated that the Board hadn't made a decision either way. They had concerns about the need to borrow money for necessary repairs. They requested historical context in the form of the original ballot document stating voter intent. Director Maynard refuted Director Burgess' assertions that wall repair funds had been used toward unrelated expenses. Kathy Bell stated that no wall repair funds were used to fund a computer upgrade.

Brad Welebir opined that the District currently enjoys a substantial reserve. Since property taxes are the primary source of income for the District, it needed to maintain a minimum reserve of six month's worth of property tax revenue. Otherwise, a short term loan may be required to cover expenses.

President Kahlert stated that the item was on the agenda for discussion purposes and would be placed on the agenda for further discussion and a decision at the November Board Meeting. The report was received and filed.

2. WATER REDUCTION USAGE IN RUSH AND ROSSMOOR PARKS

The General Manager reported regarding the 2013-2015 Water Usage Reduction Table which compared both usage and the cost of water over the three-year reporting period. The Water District's mandatory requirement for decreased water consumption started in 2015 with a minimum 16% reduction from the calendar year 2013.

Discussion ensued relative to the significant water reduction shown on the chart from January through August for each year starting in 2013. It was the consensus of the Board that the District may have been too extreme and as a result the parks and green space were being under watered. The General Manager stated that a significant portion of the distressed areas of brown turf could be attributed to a combination of extremely dry weather, the summer event program, old irrigation and a serious of plumbing issues, which have since been resolved. The reductions were comparable to other agencies in the area. He assured the Board that the new irrigation system combined with a vigilant tree sapling watering program would ensure a revival of the green space the community was accustomed to seeing.

Motion by Director Maynard, seconded by Director Casey to receive and file the report. Motion passed 5-0.

E. CONSENT CALENDAR

1a. MINUTES REGULAR BOARD MEETING—September 8, 2015

1b. MINUTES SPECIAL BOARD MEETING—September 8, 2015

2. REVENUE AND EXPENDITURE REPORT—August 2015

Motion by Director DeMarco, seconded by Director Casey to approve all items on the Consent Calendar as submitted. Motion passed 5-0.

F. PUBLIC HEARING—None

G. RESOLUTIONS—None

ORDINANCES—None

H. REGULAR CALENDAR:

1. APPROVAL OF FY 2014-2015 ANNUAL INDEPENDENT AUDITOR’S REPORT.

Recommendation to receive the report of the Audit Committee and approve the FY 2014-2015 Annual Independent Auditor’s Report.

District Auditor Brad Welebir reported to the board relative to his findings. He stated the District had received an unmodified audit, the highest rating possible. Discussion ensued. Motion by Director Casey seconded by Director DeMarco to receive the report of the Audit Committee and approve the FY 2014-2015 Annual Independent Auditor’s Report. Motion passed 5-0.

2. AMENDMENT OF FEE SCHEDULE RE: FEES—FOR PROFIT USE OF PARKS.

The General Manager reported that at the September meeting, the Board approved guidelines for the use of District parks by for profit organizations. The Board also approved a Park Use Agreement for a for profit fitness group which contained fees for those uses. The current Fee Schedule only includes fees and charges for nonprofit and resident users. It is deemed appropriate to include this new category of fees and charges in new FY 2015-2016 Fee Schedule. Recommendation to adopt proposed amendments to FY 2014-2015 Fee Schedule re: For Profit Use of Parks.

Discussion ensued relative to regulation concerns of additional for profit enterprises. The General Manager stated that any for profit activity required Board approval. Motion by Director Maynard, seconded by Director DeMarco to adopt the proposed amendments to FY 2014-2015 Fee Schedule re: For Profit Use of Parks. Motion passed 5-0.

3. REQUEST BY THE ROSSMOOR HOMEOWNERS ASSOCIATION (RHA) FOR COSPONSORSHIP OF THE ROSSMOOR COMMUNITY FESTIVAL

Staff recommendation to approve the request of the RHA for cosponsorship of the Rossmoor Community Festival event. Discussion ensued relative to whether there were any new features being implemented this year. Mark Nitikman responded that there would be more food trucks. Director Maynard stated that last year there was discussion about the possible addition of a beer garden, however, due to permitting time constraints it never materialized. He encouraged the

RHA to seek a non-profit applicant and submit the permit request well in advance this year. Mark Nitikman agreed and stated that he would discuss the matter with festival coordinator Bev Houghton.

Motion by Director Maynard, seconded by Director Kahlert to approve the request of the RHA for cosponsorship of the Rossmoor Community Festival event. Motion passed 5-0.

4. DISCUSSION AND POSSIBLE ACTION RE: REPORT OF THE ROSSMOOR ADVISORY COMMITTEE RE: LATENT POWERS

Recommendation for discussion and possible action on the Rossmoor Advisory Committee's recommendation to suspend all activity regarding latent powers until the General Manager obtains sufficient information to make a further recommendation on whether to proceed or terminate the process. The General Manager reported relative to the increased costs, additional restrictions and time constraints related to the latent powers application process. Discussion ensued relative to same.

Joel Rattner opined relative to future resources being devoted to the latent powers application process and the possibility of expending additional District funds. General Manager Ruth stated that no additional funds would be expended other than his time until directed otherwise by the Board. Erwin Anisman opined regarding his observations relative to a trend of increased expenditures over the last five years. Although some had been due to worthwhile capital improvements, he urged the Board to exercise caution so as not to deplete reserves.

It was the consensus of the Board to table the latent powers item from the Rossmoor Advisory (RAC) Committee agenda and suspend the decision to apply to LAFCO for latent powers until the General Manager was able to present a case study to the Board and obtain sufficient information to make a recommendation on whether to proceed or terminate the process. The report was received and filed.

I. GENERAL MANAGER ITEMS:

The General Manager reported that the canopy shade structure project materials had been delivered and the construction should be completed in approximately one week. He thanked Kathy Bell on her achievement of an unmodified audit. He reported that due to increasingly high usage during the summer events program the Rush Park restroom facilities had to be upgraded from residential to commercial grade. Everything is working well. The General Manager praised RHA Emergency Preparedness Coordinator Rhonda Boggess for her efforts coordinating The Great Shakeout Event which was successful, informative and well attended. He also congratulated President Kahlert for his participation and doing a fine job of welcoming the community. He concluded that a Parks and Facilities Committee Meeting was scheduled for next Wednesday, October 21, 2015 at a time yet to be determined.

J. BOARD MEMBER ITEMS

Director Burgess had comments relative to the possible exploration and implementation of solar upgrades and equipment to offset the District's current utility costs. He stated that the state had

financing offers with interest rates as low as zero and one percent. The General Manager stated that they had already explored several solar solutions; however they were too costly at this time. He agreed to keep looking at options as they become available and as prices come down.

Director Casey updated the Board on the I-405 Proposed Sound Wall Project. OCTA invited the affected residents to a private meeting at the Rush Park Auditorium on September 10, 2015 to discuss the proposed 16' sound wall and the scope of its construction. OCTA also mailed out a survey letter to all 16 residents asking if they were in favor of the sound wall. Of the six respondents, all were in favor. OCTA will send out a second notification letter to those non respondents and will likely gain consensus. An independent appraiser would then be hired to appraise each property and then make a purchase offer to each homeowner. He stated that he did not agree with a select few residents making a decision that potentially affected the community at large. Director Casey commended staff for the 16% reduction in water usage and encouraged the District to continue to monitor for under watering. He congratulated Chris Argueta for his promotion to the acting Recreation Coordinator position adding that he was certain Chris would provide the District with quality service in his new capacity. He concluded by saying he would be attending the Sound Wall Aesthetics Committee meeting on Thursday, October 15, 2015 and would report back to the Board.

Director DeMarco thanked the meeting participants and encouraged residents to attend the RHA board meeting next Tuesday at 7 p.m. He expressed his curiosity about resident opinions on the Foster Road bike lane issue. He thanked Gus Quinonez and the many volunteers who organized the School Ghoul 5K Run and added that it was good for the community. He thanked Kathy Bell for her work on the accounting report. He also thanked Superintendent Sherry Kropp and the LAUSD School Board for all their efforts to relieve the traffic issues in Rossmoor. He appreciated their concern and dedication to working with the traffic committee. He opined regarding the Montecito Road Lighting improvements, stating that despite many delays due to County red tape the RCSD was still working with the County to improve illumination. He concluded by encouraging all to support the huge annual sports fundraiser *The Taste of Los Al* this Saturday at the Shops at Rossmoor. The event benefits all local sports and booster clubs and is their largest fundraiser for the year. Tickets were approx. \$45 each and \$25 goes to the Booster Club. There would also be an auction.

Director Maynard thanked General Manager Ruth for putting together the water usage reduction chart. He encouraged the District to strive to maintain a green landscape. He suggested LAUSD students taking advantage of the economical bus transportation option. He commended Superintendent Kropp on the class size reduction achievement, stating it was a tremendous effort that would benefit the kid's education. He noted that quality education and green trees were some of the factors that attracted homeowners and added to Rossmoor's high real estate values. He praised area real estate agents for successful marketing community assets. Regarding the solar solutions, he stated he was always open to reviewing any capital improvements that made sense and were cost effective. He suggested the item be researched and added to an agenda at a future date. Director Maynard hoped the rest of the property owners would opine regarding the sound wall proposal. Sound quality affects everyone and 16 residents shouldn't speak for the entire community. RCSD may want to weigh in on the decision on behalf of Rossmoor.

President Kahlert thanked Dr. Sherry Kropp for the traffic update and commended Kathy Bell on the audit. He commented regarding the proposed Solar Energy conversion, stating there were many

factors to consider. The solar industry and homeowners are currently up in arms due to the state public utilities commission's plan to reduce the amount of money homeowners are paid on a buyback of wattage. A state public meeting is happening soon to discuss this important issue. He added that any decisions the District made regarding solar energy in the future would require knowledge of the latest regulations. President Kahlert also announced the upcoming nationwide Great Shakeout Event at 10:15 a.m. on October 15, 2015. He suggested visiting the website at greatshakeout.org to register and learn how to be prepared in the event of an emergency. He expressed his excitement about the near-completion of the new Rush Park canopy shade structure, adding that residents would soon have a fabulous new community asset. He stated that the District was also considering improvements to the shade area near Rush Park Tot Lot and was soliciting community input regarding aesthetics, scope, size, tree removal, etc. He reminded everyone to calendar Friday, December 11, 2015 for the First Annual Rossmoor Winter Festival. More information would be forthcoming on the District website in the next week or two. He reminded everyone to be aware that Halloween falls on a Saturday night this year and to exercise caution due to increased activity related to the many festivities and parties.

K. CLOSED SESSION—None

I. ADJOURNMENT:

Motion by Director Maynard, seconded by Director Casey to adjourn the regular meeting at 9:15 p.m. Motion passed 5-0.

SUBMITTED BY:

**James D. Ruth
General Manager**