



Municipal Service Reviews and Sphere of Influence Updates

County Wide Recreation and Park Districts

LAFCO 2023-01- 1, 2, 3, 4 & 5- Recreation and Park Districts

Public Review Draft Report

February 22, 2023

This Public Review Draft MSR Report is being circulated for comments by all agencies and members of the public wishing to provide comments for review and consideration for inclusion in the Public Haring Draft MSR Report to be considered by the Riverside LAFCO Commission in May.

All comments are requested to be provided to LAFCO no later than March 27, 2023. Comments can be submitted by email at info@lafco.org, or mailed/delivered to the LAFCO office- 6216 Brockton Ave, Suite 111-B, Riverside, CA 92506

PREPARED FOR:

RIVERSIDE LOCAL AGENCY FORMATION COMMISSION

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Crystal Craig, Assistant Executive Officer
Melissa Cushman, Legal Counsel
Michael Henderson, Analyst
Elizabeth Valdez, Commission Coordinator/Clerk
Rebecca Holtzclaw, Secretary

Prepared by: Gary Thompson, Executive Officer

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I. EXECUTIVE SUMMARY

California state law establishes Local Agency Formation Commissions (LAFCOs) within each county for the purpose of establishing boundaries and Spheres of Influence (SOIs) for cities and special districts under their purview, and to authorize the provision of services within the approved service areas. A Municipal Service Review (MSR) is a state required comprehensive study of services within a designated geographic area. The service review requirement is codified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), Government Code section 56000 et seq.

Special Districts Subject to the MSR/SOI Update Report

This report prepared by Riverside LAFCO (LAFCO) contains Municipal Service Reviews (MSR) on four special districts within Riverside County (County). The intent of this MSR is to conduct comprehensive Sphere of Influence (SOI) updates for each of the subject special districts. The proposed MSR and SOI Update determinations are located at the end of each special district's Chapter in this report, with recommended SOI updates in this Executive Summary. The four districts being reviewed in this MSR and SOI Update are listed in **Table I-1**, below. These four districts have not had an MSR review for many years. The most recent MSRs completed were- Beaumont-Cherry Valley Recreation and Park District- 2007, Desert Recreation District- 2014, Jurupa Area Recreation and Park District- 2006, and Valley Wide Recreation and Park - 2014.

Table I-1- Recreation and Park Districts

DISTRICT	LOCATION
Beaumont-Cherry Valley Recreation and Park District	City of Beaumont, a small portion of the City of Calimesa, and surrounding unincorporated areas including the Cherry Valley communities
Desert Recreation District	Cities of Palm Desert, Indian Wells, La Quinta, Indio and Coachella, a portion of the City of Rancho Mirage, and the unincorporated communities of Thousand Palms, Thermal, Mecca, Bermuda Dunes, Sun City, Oasis, North Shore, Salton Sea, Indio Hills and Vista Santa Rosa
Jurupa Area Recreation and Park District	City of Jurupa Valley and a portion of the City of Eastvale
Valley Wide Recreation and Park District	Cities of Hemet, San Jacinto, portions of the City of Menifee, and to the unincorporated communities of Aguanga, French Valley, Homeland, Romoland, Sage, Valle Vista and Winchester.

Municipal Service Review Determinations

CKH requires LAFCOs to review and update SOIs not less than every five years and to conduct municipal services reviews before updating SOIs. The service reviews provide LAFCOs with a tool to study existing and future public service conditions comprehensively and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are provided efficiently.

Government Code section 56430 requires LAFCOs to conduct a review of municipal services provided in the county by region, sub-region or other designated geographic area, as appropriate, for the service or services to be reviewed, and prepare a written statement of determinations with respect to each of the following topics:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

The MSR process does not require LAFCOs to initiate changes of organization based on service review findings. It only requires that LAFCOs make determinations regarding the provision of public services per Government Code section 56430. MSRs are not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15306. CEQA Guidelines Section 15306 consists of “basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded.” The ultimate outcome of conducting a service review, however, may result in LAFCOs making recommendations on a change of organization or reorganization.

Sphere of Influence Determinations

In 1972, LAFCOs were given the power to establish SOIs for all local agencies under their jurisdiction. As defined by CKH, “a ‘sphere of influence’ means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission” (Government Code section 56076). SOIs are designed to both proactively

guide and respond to the need for the extension of infrastructure and delivery of municipal services to areas of emerging growth and development.

The requirement for conducting MSRs was established as an acknowledgment of the importance of SOIs and recognition that periodic reviews and potential updates of SOIs should be conducted. LAFCOs are required to make five written determinations in accordance with Government Code section 56425 when establishing, amending, or updating an SOI for any local agency that address the following:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Sphere of Influence Update Recommendations

The proposed MSR and SOI Update determinations are located at the end of each District's Chapter in this report. The recommended SOI Updates for each District are provided below. Each SOI recommendation and additional current or future options are discussed in greater detail in each District's analysis further in the report.

Beaumont-Cherry Valley Recreation and Park District- Maintain the current coterminous SOI as updated in 2007.

Desert Recreation District- Maintain the current SOI as updated in 2014.

Jurupa Area Recreation and Park District- Maintain the current coterminous SOI as updated in 2006.

Valley Wide Recreation and Park District- Maintain the current SOI as updated in 2014.

II. INTRODUCTION

In 1997, the State Legislature convened a special commission to study and make recommendations to address California's rapidly accelerating growth. The Commission on Local Governance for the 21st Century (LG) focused their energies on ways to empower the already existing LAFCOs, originally established in 1963. The LG Commission's final report, *Growth Within Bounds*, recommended various changes to local land use laws and state LAFCOs statutes.

Assembly Speaker Bob Hertzberg, in 2000, incorporated many of the recommendations of the Commission into Assembly Bill 2838, the Cortese-Knox-Herzberg Local Government Reorganization Act of 2000. The law provided LAFCOs with additional powers and responsibilities.

Beginning in 2001, LAFCOs in each county in California were required to review and, as necessary, update the SOI of each city and special district. SOIs are boundaries, determined by LAFCOs, which define the logical, ultimate service area for cities and special districts. No SOI can be updated, however, unless LAFCOs first conduct an MSR.

Historically, MSRs and SOI updates have been sporadic at best and not performed as intended by the statutes. Although LAFCO completed an initial round of MSR/SOI updates after the initial requirements were implemented, updates have occurred somewhat sporadically since, with some agencies not having had an MSR or SOI update in 15 years. As part of the Five-Year Strategic Plan adopted in January of 2020, a schedule was developed to bring these agencies current with respect to the statutes governing these reviews.

Combined Municipal Service Review and Sphere of Influence Update

An MSR is a comprehensive study of services within a designated geographic area prior to completing an SOI update. The SOI update and requisite MSR is required to be performed every five years or as necessary. The intent of this MSR is to conduct SOI updates for each of the subject districts. As previously noted, the special districts subject to this MSR/SOI Update review have not been subject to an MSR or SOI Update in many years and it is well past time for these reviews.

Municipal Service Reviews

SOIs are boundaries, determined by LAFCOs, which define the logical, ultimate service area for cities and special districts. No SOI can be updated, however, unless LAFCOs first conduct an MSR. MSRs evaluate how agencies currently provide municipal services within their agency service area and evaluate the impacts on those services from future growth and other changes that may occur over the next 10 to 20 years. The MSR report is also required to identify potential opportunities to address any shortfalls, gaps, and/or impacts on services and governmental structure that may currently exist or are anticipated in the future.

The MSR process does not require LAFCOs to initiate changes of organization based on service review findings. California Government Code section 56430 does require, however, that LAFCOs, upon receipt and consideration of an MSR, adopt written determinations addressing each of the following areas:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

Spheres of Influence Updates

An SOI is an approved plan by LAFCOs that designates an agency's probable future boundary and service area. SOIs are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services and prevent duplication of service delivery. Territory cannot be annexed by LAFCOs to a city or a district unless it is within that agency's sphere. The purposes of the SOI include the following: to ensure the efficient provision of services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services.

LAFCOs cannot regulate land use, dictate internal operations or administration of any local agency, or set rates. However, LAFCOs are empowered to enact policies that indirectly affect land use decisions. On a regional level, LAFCOs promote logical and orderly development of communities as it considers and decides individual proposals. LAFCOs have a role in reconciling differences between agency plans so that the most efficient urban service arrangements are created for the benefit of current and future area residents and property owners.

LAFCOs are empowered to adopt, update and amend any agency's SOI. They may do so with or without an application, and any agency or interested person may submit an application proposing an SOI amendment. LAFCOs may recommend government reorganizations to particular agencies in their county, using the SOIs as the basis for those recommendations.

LAFCOs are required to make five written determinations in accordance with Government

Code section 56425 when establishing, amending, or updating an SOI for any local agency that address the following:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The proposed MSR and SOI Update determinations are located at the end of each of the special district's Chapter in this report, with recommended SOI updates in the Executive Summary. This report will address the services provided by the six special districts listed in **Table II-1** following:

Table II-1- Recreation and Park District Services

DISTRICT	AUTHORIZED SERVICES
Beaumont-Cherry Valley Recreation and Park District	Recreation and Park Services
Desert Recreation District	Recreation and Park Services
Jurupa Area Recreation and Park District	Recreation and Park Services
Valley Wide Recreation and Park District	Recreation and Park Services

Disadvantaged Unincorporated Communities

On October 7, 2011, Governor Brown signed SB 244, which made two principal changes to CKH. SB 244 requires LAFCOs to: (1) deny any application to annex to a city territory that is contiguous to a disadvantaged unincorporated community (DUC) unless a second application is submitted to annex the disadvantaged community as well; and (2) evaluate disadvantaged unincorporated communities in an MSR upon the next update of an SOI after June 30, 2012. The intent of the statute is to encourage investment in DUCs that often lack basic infrastructure by mandating cities to include them in land use planning, and LAFCOs when considering annexation proposals. SB 244 defines a DUC as any area with 12 or more registered voters, or as determined by commission policy, and where

the median household income is less than 80 percent of the statewide annual median household income.

Although DUCs are applicable primarily to cities, it is important to consider them with respect to services provided by special districts, in particular those special districts that provide water, wastewater and fire protection services. Not all cities provide water and wastewater services, therefore consideration of DUCs not included in a specific special district boundary or SOI should be identified and reviewed.

MSR Approach and Review Opportunities

A collaborative process approach has been used throughout the preparation of this MSR/SOI update report. Initially, an introductory letter is sent to each CSD advising them of the upcoming MSR/SOI process. All information readily available in historical files or on each district's website is reviewed for applicability to the MSR/SOI update technical analysis and report. Any information missing or requiring clarification is then sent to each district in the form of a questionnaire, requesting the information/clarification. Follow up on the responses to the questionnaire are performed when necessary.

Once a district's information in hand is considered sufficient to develop the MSR/SOI update report, their specific Chapter of the overall report is generated and then sent to the specific district for their review, comments, and any additional input they desire to be included. Any comments received are considered, incorporated where appropriate, and finalized. After finalization of all of the districts' Chapters, the Public Review Draft report is made available for publication and comments by the public and any agency/organization.

A Public Hearing MSR/SOI Update report is then generated addressing any comments received during the public review process and scheduled for a noticed public hearing before the LAFCO Commission. Additional comments are taken during the public hearing and addressed. Upon final action by the LAFCO Commission for the MSR and SOI recommendations/determinations, a Final Report incorporating any revisions and/or direction provided by the LAFCO Commission is completed and published. Any SOI recommendations and/or determinations not adopted with the MSR will be brought back to the Commission at a subsequent public hearing for final SOI adoption.

III. BACKGROUND

Riverside County Overview

Riverside County encompasses more than 7,300 square miles, roughly 180 miles across from Los Angeles and Orange Counties in the West to the Arizona border. Riverside County also borders San Bernardino, San Diego and Imperial Counties. Riverside is the fourth largest county in California in both size and population, and the 10th most populous county in the United States.

Riverside County is one of two counties that comprise the “Inland Empire” portion of the Southern California Association of Governments (SCAG) Metropolitan Planning Area. Between 2015 and 2040, as projected in SCAG’s 2016 Regional Transportation Plan, the SCAG region is projected to add approximately 3.8 million people, increasing the total regional population to approximately 22.1 million. This represents an increase of approximately 17%. This growth means that the SCAG region will continue to be California’s second-largest population and economic center. During this same period, the number of households is expected to increase by approximately 1.6 million to 7.6 million in the SCAG region. There are currently 28 cities, 58 independent special districts, and 42 county service areas within the County. County population growth is anticipated to increase by 20% during the 2020 to 2040 forecast period. Refer to **Table III-1** below:

Table III-1 Riverside County Population, Employment and Housing Projections

<u>Category</u>	<u>2020</u>	<u>2040</u>	<u>Growth 2020-2040</u>	<u>Percent Change</u>
Population	2,449,299	2,933,038	483,739	+20%
Employment	1,057,900	1,174,500	116,600	+11%
Households	724,893	1,086,000	361,107	+50%

Source: Calif Dept of Finance, SCAG, Riverside County

For the past 3 years, the COVID-19 pandemic has placed significant economic burdens on all local governments to fund services. As the County emerges from the pandemic, it continues to remain to be seen how adequate of a recovery is realized with respect to growth. Overall the County continues to experience growth and the increasing challenge of meeting state mandated demands for increased housing. However, with the downturn in the economy, high annual inflation and significant increases in consumer goods and fuel, impacts to the region have been proportionately negative.

Riverside County Recreation and Park Districts

A special district is a separate local government that delivers a limited number of public services to a geographically limited area. Special districts have four distinguishing characteristics. They are a form of government, have governing boards, provide services

and facilities, and have defined boundaries. Most special districts such as water and wastewater districts, cemetery districts, mosquito and vector control districts, fire protections districts, recreation and park districts, etc., provide just one or two services.

Special districts generally provide several types of services that are authorized under various Government Code sections. Each type of special district code section specifies the services specifically authorized to be provided for the type of district. There are four Recreation and Park Districts subject to LAFCO review.

The Beaumont-Cherry Valley Recreation and Park District is generally located within the northern and western area of the County of Riverside, encompassing approximately 54.4 square miles, and includes the City of Beaumont, a small portion of the City of Calimesa, and surrounding unincorporated areas including the Cherry Valley communities.

The Desert Recreation District is generally located within the Coachella Valley extending north and south to the County boundaries, encompassing approximately 1,861.5 square miles, and includes the Cities of Palm Desert, Indian Wells, La Quinta, Indio and Coachella and a portion of the City of Rancho Mirage, and the unincorporated communities of Thousand Palms, Thermal, Mecca, Bermuda Dunes, Sun City, Oasis, North Shore, Salton Sea, Indio Hills and Vista Santa Rosa.

The Jurupa Area Recreation and Park District is generally located within the northwest portion of the County of Riverside encompassing approximately 46.4 square miles, and includes the entire City of Jurupa Valley and a portion of Eastvale from the city limits west to Hamner Ave.

The Valley Wide Recreation and Park District is generally located within the southwestern portion of the County of Riverside encompassing approximately 530 square miles, and includes the Cities of Hemet, San Jacinto, portions of the City of Menifee, and the unincorporated communities of Aguanga, French Valley, Homeland, Romoland, Sage, Valle Vista and Winchester.

Covid-19 Pandemic

During the initial 6-12 months of the COVID-19 virus pandemic in 2020, the virus had exponentially spread throughout the world and the United States, resulting in the infection of large segments of populations in all states, including California. Additionally, the death rate from the virus was significantly greater than previous Covid type viruses with no immediate treatment remedies nor vaccines available.

The state implemented several measures to attempt to control the spread of the virus including a statewide stay-at-home order, alternating shutdowns and partial re-openings of many parts of the economy. The impact on the economy, in particular small businesses and employment, was massively significant. As a result, with the economic downturn, local governments began seeing significant decreases in various revenues and in many cases, service impacts.

With the advent of vaccine availability, it was anticipated that within the 3rd quarter of 2021, the virus would be controlled enough to allow for a return to normalcy. However, in the subsequent months following the initial surge, two additional significant surges of variations of the virus, the Delta and Omicron Covid Variants, have continued to hamper economic recovery efforts due to sustained lockdowns and other measures taken by the state and federal governments.

Although federal stimulus funding has been provided to local governments to assist in offsetting some revenue losses, many local governments continue to expect to encounter fiscal challenges in the coming years due to revenue shortfalls, loss of businesses, and high unemployment. Additionally, with the recurrence of the Delta and Omicron Covid Variants, it remains unclear how extensive the overall economic impact will be in the future, and it is unclear to what extent the economic downturn and recovery from the pandemic will directly impact the special districts reviewed in this MSR/SOI Update. It is clear that the present downturn in the economy, resultant high inflation rate and consumer good cost increases will impact all segments of public services provided by governmental agencies

All of the special districts reviewed in this MSR rely on property tax and special assessment revenues for significant majorities of their revenues, which are generally unaffected to a great extent by economic downturns unless property values are significantly impacted. At this time, and based on housing valuation statistics, these revenue sources appear to remain solid.

IV. DISTRICT PROFILES & MSR/SOI DETERMINATIONS

This section provides individual profiles for each of the four districts reviewed. Each individual district profile provides:

- A brief background/history of the agency
- A general profile of agency services, infrastructure, and financial information
- A boundary map with a sphere of influence boundary overlay
- A detailed discussion of agency operations and finances
- Recommended MSR Determinations
- Recommended SOI Determinations

Chapter 1- Beaumont-Cherry Valley Recreation and Park District

OVERVIEW / BACKGROUND

The Beaumont-Cherry Valley Recreation and Park District (BCVRPD or District) was formed on June 27, 1972, established under authority of the California Public Resources Code Sections 5780 et seq., and has served the greater Beaumont/Cherry Valley area for over 50 years.

Within its current boundaries, the District provides services within the City of Beaumont, a small portion of the City of Calimesa, and surrounding unincorporated communities including the Cherry Valley communities and unincorporated areas west of the Cities of Calimesa and Beaumont. Total area served is approximately 64.4 square miles. The District estimates that it serves a population of 52,736.

The BCVRPD provides a wide range of recreational, park and related facilities and programs within its jurisdictional boundaries. and manages, maintains and assists in maintaining over 483 acres of park and recreation facilities, of which 123 acres is yet to be developed.. The District's responsibilities include providing the facilities for creating and delivering quality facilities, services and programs for the District's constituency.

The District's sphere of influence is coterminous with its jurisdictional boundaries.

Mission Statement

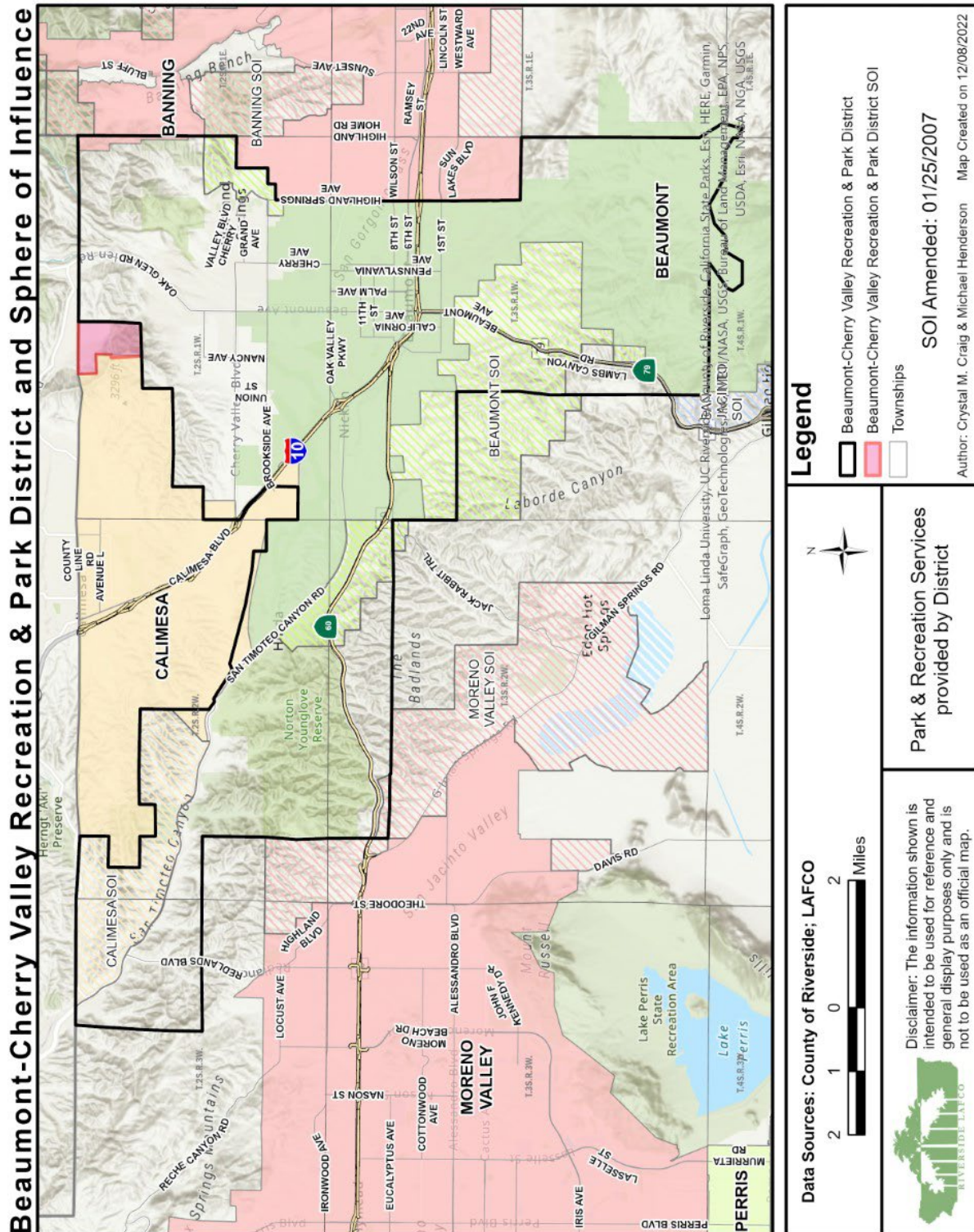
"The mission of Beaumont-Cherry Valley Recreation and Park District is to enrich and fulfill the lives of community members by providing parks, park facilities and recreational programs of outstanding quality. The District endeavors to meet the needs of its growing community by acquiring, constructing, improving, maintaining and operating recreation centers throughout the community."

Table 1-1 on Page 13 provides a snapshot profile of the BCVRPD. A map of the BCVRPD's current boundary and SOI is shown in **Figure 1-1** on Page 14.

Table 1-1- Profile- Beaumont-Cherry Valley Recreation and Park District

General Information			
Agency Type	Municipal – Recreation & Park District		
Principal Act	California Public Resources Code Sections 5780 et seq.		
Date Formed	1972		
Services Provided	Recreation and Park Services		
Location	City of Beaumont, a small portion of the City of Calmesa, and surrounding unincorporated areas including Cherry Valley. Office location: 390 W. Oak Valley Parkway, Beaumont CA 92223 (951) 845-9555		
Sq. Miles/Acres	Approximately 64.4 sq. miles		
Contact	Duane Burk, General Manager, Duane@bcvparks.com		
Website	www.bcvparks.com		
Population Served	52,736		
Last SOI Update	2007		
Governance/Staffing			
Governing Body	5-member Board of Directors, elected at-large		
Terms	4-year staggered terms		
Meeting Information	2nd Wednesday of each month, at 5:00 p.m. at the District Office facility, 390 Oak Valley Parkway, Beaumont, CA 92223		
Total Staff	Approximately 36		
Staff Categories	Administrative, Human Resources, Activities, Maintenance		
Facilities/Other Infrastructure			
Facilities	District Office, Parks, Misc. Community Facilities		
Other Infrastructure	None.		
Financial Information- FY 20/21 Actuals (Audited Financial Statements)			
	Revenues	Expenditures	Net Surplus/(Deficit)
General Fund	\$3,158,557	\$2,954,572	\$203,985
Foundation Fund	\$56,968	\$26,961	\$30,007
Combined Governmental Funds	\$3,215,525	\$2,981,533	\$233,992
	FY 20/21	Long Term Planned Expenditures	
Capital Expenditures	\$538,561	Approximately \$13.7 Million through 2029	
General Fund Balance	\$1,362,246	June 30, 2021 Financial Statements	
Foundation Fund Balance	\$280,890	June 30, 2021 Financial Statements	
Unrestricted Net Assets	\$304,803	June 30, 2021 Financial Statements	
Capital Assets	\$13,855,917	June 30, 2021 Financial Statements	
Net Position (Combined)	\$3,008,248	June 30, 2021 Financial Statements	
Debt & Unfunded Pension/OPEB Liabilities- Year Ending June 30, 2021			
Long Term Debt	The BCVRPD has \$384,583 of long-term revenue bond debt		
Unfunded Pension Liability	The BCVRPD has \$798,465 in unfunded pension liability.		
Unfunded OPEB Liability	The BCVRPD has no unfunded OPEB liability		

Figure 1-1- Boundary/SOI Map – Beaumont-Cherry Valley Recreation and Park District



GROWTH AND POPULATION PROJECTIONS

The BCVRPD currently services a population estimated at 52,736 over a geographical area of approximately 64.4 square miles. The District encompasses the City of Beaumont, a small portion of the City of Calimesa, and surrounding unincorporated communities including the Cherry Valley communities and unincorporated areas west of the Cities of Calimesa and Beaumont.

The District's service area has potential for growth, primarily within the cities currently served, and within the unincorporated areas within the District's boundaries, in particular in the Cherry Valley area. The Center for Demographics has projected 14% growth in Riverside County's population during this present decade and an additional 10% growth during the 2030s. This is in line with a projected 2.5% annual growth in the City of Beaumont's population, over the next 20 years. The District projects major growth will occur with the future development of the Danny Thomas Ranch area and anticipates population to grow between 2017 – 2025 to 97,485 residents within the District boundaries.

Although the District does not retain any land use planning and entitlement authority as those functions are reserved the cities, and the county for unincorporated areas, the District must anticipate and forecast future demands. It is anticipated that recreational and park facilities will see increased demands proportionate with population growth.

ACCOUNTABILITY AND GOVERNANCE

Governance

The BCVRPD is governed by a five-member Board of Directors, elected at large to four-year staggered terms. The Board of Directors meets the second Wednesday of each month at 5:00 p.m. at the District Office facility, 390 W. Oak Valley Parkway, Beaumont, CA 92223. The public is encouraged to attend and to provide input on facilities and program needs.

The District's Board of Directors consists of a Chairman, Vice-Chairman/Secretary, Treasurer and two Directors. Additionally, there are several committees that meet regularly to provide more specified leadership in financial areas. These committees include Collaborative Agency, Finance, Personnel, and Facility Ad-Hoc committees.

BCVRPD Board of Directors	Term Expires
Michael Aldrich	2026
Chris Diercks	2026
Dan Hughes	2024
Denise Ward	2024
John Flores	2024

Generally, the powers the Board of Directors may exercise are to establish, equip, and maintain parks and recreation facilities, and provide recreational services for enjoyment of the population served by the District. The District reports that all Board members are current on their required ethics training and the Fair Political Practices Commission Form 700 Conflict of Interest Statements.

Website Transparency

In general, the BCVRPD website is well organized and hosts a wide variety of information regarding park and other recreational facilities and recreational services. Information provided includes announcements for various recreational events, website pages for specific information on all parks and other recreational facilities, and various links to other information associated portals. Additionally, the District publishes periodic electronic newsletters, and utilizes social media for the public containing relevant current information on events, and other items of interest.

Meeting agendas are posted on the District's website, inclusive of staff reports and backup information. Board approved minutes are also posted after approved. The website contains direct email addresses to contact Board members for direct access, and all contact information for District management staff is included. Pertinent financial information for the District including budgets and annual audits, and links to the State Controller's portal for compensation information are available on the website.

Customer/Constituency Communication

Board members attend different community meetings and events to represent the District. The District informs constituents, patrons, and customers of activities, services and voter outreach and participation during elections via social media, in-house, community events, organizations, and other media. Primary communications are via Social Media, the District Website, and the Facility shadow box. The District supports the Beaumont-Cherry Valley Foundation, a non-profit organization that provides support and sponsorship of special events throughout the year. Information on this organization is listed on the District website.

Customer/Constituency Accountability

The District is proactive in its efforts for ensuring the residents and other customers have access to all facilities and programs provided by the District, and provides a comprehensive Activities Guide and other means to ensure constituents can stay informed of District services and activities.

The District reports that if a customer is dissatisfied with District services, they provide several ways to file a complaint:

- Website Submissions: www.bcvparks.com
- Social Media – mail

- In person at Noble Creek Community Center
- In person at Bogart Regional Park Kiosk
- General Manager Email
- Executive Assistant Email
- Board of Director Meetings held 2nd Wednesday of every month.

Complaints are evaluated/responded to by the Executive Assistant within 24-48 hrs. The District General Manager is notified and updated on the status and efforts of the complaints for the purpose of following up with the complainant, if necessary. Complaints are tracked to resolution/response directly by the Executive Assistant.

The District reports very few complaints are received on an annual basis as noted below for 2020/2021.

Quantity	Description/Type of Complaint
4	Dog Park Complaints (i.e. Grass cut to long, personal dog bowls missing, closures)
2	RV Reservation (i.e. double bookings, customers not leaving at check-out)
3	General Recreation Complaints (i.e. Beaumont Youth Baseball/Softball, Tennis Court usage, Soccer users)

The District performs annual employee evaluations for all District staff and management. Evaluations are performed by the General Manager, Executive Assistant, Assistant Maintenance Superintendent, and Activities Coordinator. The District maintains comprehensive Policies and Procedures for District operations and personnel.

SERVICES - FACILITIES - INFRASTRUCTURE

Service Overview

The BCVRPD provides access to a very wide variety of parks and other recreational facilities and programs throughout the District and links to these facilities and programs and activities each supports/provides. A listing of the major parks and facilities are listed in the “Facilities/Infrastructure” section below. The District provides a wide variety of recreational programs and services as noted as follows:

- Community Events:
 - ✓ 1K/5K Fun Run (Bogart Regional Park)
 - ✓ Welcome Home Vietnam Veterans (Noble Creek Regional Park)
 - ✓ Fishing Derby (Bogart Regional Park)
 - ✓ Spring Fling (Noble Creek Regional Park)
 - ✓ Arbor Day (Various Facilities depending on need)
 - ✓ Cinco de Mayo (Noble Creek Regional Park)

- ✓ Memorial Wall Dedication (Noble Creek Regional Park)
- ✓ Beers, Brats, and Bogart Bash (Bogart Park)
- ✓ Movies Under the Stars (Noble Creek Regional Park)
- ✓ Oktoberfest (Noble Creek Regional Park)
- ✓ Pumpkin Carve (Noble Creek Regional Park)
- ✓ Winterfest (Cherry Valley Grange Community Center)
- ✓ Market Night (Noble Creek Regional Park)
- ✓ Summer Concert Series (Noble Creek Community Center)
- Seven (7) Baseball/Softball Fields (Noble Creek Regional Park):
 - ✓ Beaumont Youth Baseball/Softball
 - ✓ Adult Softball
 - ✓ Tournaments
- Equestrian Arena (Noble Creek Regional Park)
 - ✓ Cherry Valley Horseman's Association Events
 - ✓ Sherriff's Pass Posse Practice
 - ✓ Community Use
- RC Track (Noble Creek Regional Park)
 - ✓ Thunder Alley
 - ✓ Open Daily for Community Use
 - ✓ Community Events
- RV Camping (Noble Creek Regional Park)
 - ✓ (24) Spaces – Full Hookups (Elec., Water & Sewer)
 - ✓ (9) Spaces – Dry Camping
 - ✓ (15) Spaces – Half Hookups (Water & Sewer)
- Small & Large Dog Park (Noble Creek Regional Park)
- Hockey/Roller Blading Court (Noble Creek Regional Park)
- Tennis/Pickle Ball Court (Noble Creek Regional Park)
 - ✓ Dog Training Classes
- Nine (9) Horseshoe Pits – One (1) ADA
- Playground/Swing Set (Noble Creek Regional Park)
- National Outside Fitness Court (Noble Creek Regional Park)
- Noble Creek Community Center/Franco Garden
 - ✓ Yoga Connection Classes
 - ✓ Story Time (Beaumont Library)
 - ✓ Tumbling & Acrobatics Classes

- ✓ Line Dancing Classes
- ✓ Delta Kappa Gama Meetings
- ✓ Community user events (Birthday Parties, Weddings etc.)
- ✓ Voting Drop-off/In-Person (when available)

- Beaumont Woman's Club
 - ✓ County COVID-19 Testing (last 2 years)
 - ✓ CAST Players (Auditions, Rehearsals & Performances)
 - ✓ Woman's Club (Meetings and Event)
 - ✓ San Gorgonio Historical Society (Meetings, Historical viewing room)
 - ✓ Community user events (Birthday Parties, Weddings, etc.)

- Cherry Valley Grange Community Center
 - ✓ Martial Arts Classes
 - ✓ Guitar Lesson Classes
 - ✓ Square Dancing Classes
 - ✓ San Gorgonio Garden Club Meetings
 - ✓ Church for Family
 - ✓ K-9 Training (Beaumont Police & Highway Patrol)
 - ✓ Acres & Neighbors Meetings
 - ✓ San Gorgonio MAC Board Meetings
 - ✓ Community user events (Birthday Parties, Weddings etc.)
 - ✓ Voting Drop-off/In-Person (when available)

- Bogart Regional Park
 - ✓ Fishing Pond
 - ✓ Playground
 - ✓ RV Camping
 - ✓ (27) RV Dry Camping Sites
 - ✓ (39) Tent Camping Sites
 - ✓ (3) Group Camping (Group A, Equestrian & Creekside)
 - ✓ Equestrian Area with Horse trough
 - ✓ Hiking Trails
 - ✓ Horse Trails
 - ✓ Bike Trails
 - ✓ Beaumont Mountain Bike Team
 - ✓ Boy Scout/Cub Scout
 - ✓ Candle Light (Lookout/View Point)
 - ✓ Pavilion
 - ✓ (3) Horseshoe Pits
 - ✓ Community user events (Birthday Parties, Weddings etc.)

The District also provides a wide variety of access to on-line programs and classes that are available on the District website.

The District provides contract services to the agencies listed below. The District reports that it does not contract for major services, however annual audit services and legal counsel are contracted as needed.

- Beaumont Unified School District – MOU – Emergency Evacuation (Noble Creek Regional Park)
- CalFire – Fire Camp (Noble Creek Regional Park and Facilities)
- CalFire – Conservation Camp - Grounds Maintenance (Noble Creek & Bogart Regional Parks)
- Beaumont-Cherry Valley Water District (Bogart Regional Park)
- County of Riverside Facility Management (Beaumont Woman's Club) County of Riverside – Fifth District Supervisor Office (Noble Creek Community Center)

Facilities/Infrastructure

The DRD District Office is located at 390 W. Oak Valley Parkway, Beaumont. CA 92223. Major facilities owned and operated by the District include:

Noble Creek Regional Park	Cherry Valley Grange Community Center
Noble Creek Community Center	Beaumont Woman's Club
Bogart Regional Park	Danny Thomas Ranch (Proposed future park)

Various infrastructure included in the facilities noted are listed in the previous section "Service Overview". The Danny Thomas Ranch is a 123-acre area that was donated to the District's non-profit Beaumont-Cherry Valley Recreation & Park Improvement Corporation (The Beaumont-Cherry Valley Foundation), with the District in discussions with the City of Beaumont and other potential partner organizations, and in the design process. Development of this park would greatly increase the District's overall park acreage and recreational opportunities.

Service Adequacy

The BCVRPD provides the services it has intended to provide with no significant issues since its establishment. The District does not have any capacity or service constraints and is capable of providing adequate services to the current District boundaries. The District reports that they have the capacity to provide services to planned development in its future growth area with no constraints, and no difficulty in providing services to support future growth.

The District reports that operations and productivity are evaluated routinely, and the District evaluates all special events and recreation programs with profit and loss summaries given to the Activities Coordinator, General Manager, Finance Committee and the Board of Directors. These programs are then revisited at 2-year Budget planning and Mid-Year Budget review, all reports are available for review by the public. The District does not track specific staff workload.

Long-term objectives and goals are established by the recommendations of the General Manager and reviewed and established by the Board of Directors utilizing the Budget Planning (Capital Improvements) process and the District Master Plan and 10-Year Capital Planning list. Additionally, in the 2021/2022 a New Regional Park Mailer survey was circulated and received by 9802 residents of Calimesa, Beaumont, Banning, and the Cabazon Communities along with the unincorporated area of Cherry Valley. The District reports 453 responses were received

Facilities/Infrastructure Needs

The BCVRPD utilizes a 10-Year Capital Improvement Needs List for projecting anticipated facilities or infrastructure improvements. The District indicates that it has sufficient capacity to provide service for the community with a total of over 483 acres of parks including: Noble Creek Regional Park, Bogart Regional Park and Danny Thomas Ranch (currently undeveloped). As growth has continued within the District boundaries, so has the District's Master Plan to grow with the community served. The District does not report any areas within the District boundaries that are difficult to serve currently or into the future.

The District reports that it has the capacity to provide services for growth, no constraints at this time with developer impact fees and the new acquired 123 acres that will assist to service the growth of the area. The District reports that current funding levels are sufficient to provide the current services and does not foresee funding issues for anticipated growth. The District is not aware of any existing or planned facilities duplicating existing or planned facilities of another provider. The District pursues revenue with Board Approval from Grants whenever possible. Examples include:

- Riverside HHPWS CDBG Program
- Laura May Stewart Foundation Trust
- County of Riverside CID Funding
- County of Riverside ARPA Funding

The District reports that the current level of reserves and capital funding are adequate to maintain and/or improve infrastructure and public facilities as needed for the foreseeable future.

Cooperative Programs

The DRD maintains cooperative programs with a myriad of agencies organizations for participating and supporting as noted:

- San Gorgonio Rotary Club (Event participation and/or District Facility Use)
- Boy Scouts Troop #233 (Use of Bogart Regional Park Camping for Volunteer work around the park)
- Cub Scouts Troop #233 (Use of Bogart Regional Park Camping for Volunteer work around the park)

- Habitat for Humanity (Event participation and/or District Facility Use)
- San Geronio Pass Historical Society (District Facility Use)
- Beaumont Woman's Club (District Facility Use)
- City of Beaumont (Event participation and/or District Facility Use)
- Highway Patrol K9 (District Facility Use)
- Beaumont Police K9 (District Facility Use)
- Beaumont Chamber of Commerce (Event participation and/or District Facility Use)
- Beaumont Lions Club (Event participation and/or District Facility Use)
- Beaumont Elks Lodge (District Property used i.e. Stage/Sandwich Boards)
- Beaumont Youth Baseball/Softball (Event participation and/or District Facility Use)
- Cherry Valley Horseman's (District Facility Use)
- Sheriffs Pass Posse (District Facility Use)
- CalFire (District Facility Use)
- San Bernardino Forestry (District Facility Use)
- Beaumont High School (District Facility Use)
- Glen View High School (District Facility Use)
- Mountain View Middle School (District Facility Use)
- San Geronio Middle School (District Facility Use)
- Dance Spectrum (Event participation and/or District Facility Use)
- West Side Ringers (Event participation and/or District Facility Use)
- Kiwanis (Event participation and/or District Facility Use)
- Banning Sportsman's Club (Event participation and/or District Facility Use)
- Thunder Alley Raceway (District Facility Use)
- San Geronio MAC (District Facility Use)
- CAST Players (Event participation and/or District Facility Use)

The District participates with Beaumont-Cherry Valley Water District (BCVWD) regarding the property and operating of Bogart Regional Park as the District has a joint powers authority agreement with the BCVWD for the park. The District has operational control of the park with funding through the fee schedule of the park. The district also is in communications with, and works with the Cities of Calimesa and Beaumont regarding parks and park planning. The District would like to increase the Foundation, sponsorships and special events and to that end, will continue to collaborate with all community groups and organizations.

FINANCIAL OVERVIEW

The BCVRPD carries all operational budgeting and accounting in one overall Governmental Fund which includes the General Fund and the Foundation Fund. Therefore, for Financial Statement reporting, all revenues and expenditures and other reporting requirements are identified to one single fund. Property Taxes comprise the most significant source of revenues for the Governmental Fund, followed by Program Service Fees, Intergovernmental Revenues, Interest Revenue and other Miscellaneous Revenue. Expenditures are primarily for Salaries and Benefits, Services and Supplies, and Capital Outlay. The District has no general debt, and no other significant long-term

liabilities other than a modest unfunded pension liability. The OPEB liability is currently overfunded and carried as an asset to the District in the financial statements.

The District generates a significantly detailed budget annually which clearly articulates in great detail all anticipated revenues and detailed expenditures for the Board of Directors to analyze and make sound budgeting decisions.

The District conducts an independent audit annually, the last three years reflecting an “unmodified” opinion and provides all required reporting to the State Controller’s Office as required by statutes. However, the audit opinions have also noted that the District fails to provide a “Management’s Discussion and Analysis” with the annual audit which is required by the Governmental Accounting Standards Board.

Overall, the financial position of the District is considered very stable at this time, with more than sufficient unassigned fund balance available for moderately long-term potential revenue declines. The District has noted that their funding level is adequate, but as the District is currently and continues to plan to service future customers who will use the District’s facilities and programs, the District will need to maintain a good balance of cost control relative to available revenues.

Table 1-2 following provides a snapshot of key financial data from the last three fiscal years. An analysis of the data related to several key financial status and financial health indicators follows.

Table 1-2- Financial Information – Beaumont-Cherry Valley Recreation and Park District

Financial Information (Actuals - Audited Financial Statements)			
	FY 20/21	FY 19/20	FY 18/19
General Fund Revenues	\$3,158,557	\$2,879,914	\$2,928,146
General Fund Expenditures	\$2,954,572	\$3,430,669	\$2,925,398
General Fund Surplus/(Deficit)	\$203,985	(\$550,655)	\$2,748
Foundation Fund Revenue	\$56,968	\$40,152	\$49,275
Foundation Fund Expenditures	\$26,961	\$27,743	\$31,504
Foundation Fund Surplus/(Deficit)	\$30,007	\$12,409	\$17,771
* Capital Expenditures	\$538,561	\$1,180,187	\$673,319
* Debt Service Expenditures	None	None	None
* Long Term Liabilities (excludes Pension)	\$343,542	\$27,868	\$165,190
* Unassigned Fund Balance	\$1,643,136	\$1,009,144	\$1,547,390
* Non-Spendable Fund Balance	None	None	None
* Capital Assets (Net of Depreciation)	\$12,416,700	\$3,790,605	\$2,781,839
* Unfunded Pension Liability	\$798,465	\$739,662	\$683,427
* Unfunded OPEB Liability	(\$100,542)	(108,432)	\$128,239
* Net Position	\$12,693,905	\$3,868,219	\$3,463,962
* Combined Governmental Funds- Note that the OPEB Liability is overfunded			

There are nine primary areas of criteria that have been utilized for this report to assess the present and future financial condition of the District's ability to provide efficient service operations as discussed below:

1. 3-Year Revenue/Expenditure Budget Trends
2. Ratios of Revenue Sources
3. Ratios of Reserves or Fund Balance to Annual Expenditures
4. Annual Debt Service Expenditures to Total Annual Expenditures
5. Net Position
6. Pension and OPEB Unfunded Liabilities
7. Capital Assets and Capital Improvement Plan
8. Fee Structure for Services Provided
9. Cost Avoidance Programs

3 Year Revenue/Expenditure Budget Trends

A trend analysis of revenues and expenditures provides a relatively quick snapshot of financial stability, and financial management of budgetary ebbs and flows over a short period of time. A review of the most recent 3 years of audited revenues and expenditures is utilized for this MSR.

The BCVRPD's revenue and expenditures have been relatively stable and tracking consistent with each other notwithstanding capital expenditures fluctuations. Two of the 3 fiscal years realized net surpluses with the one year deficit a result of a significant capital expenditure, The District maintains a very significant unassigned fund balance available, in proportion to annual expenditures which provides capability to absorb a moderate temporary economic downturn without impacts to services.

Ratios of Revenue Sources

Diversity of revenues is an indicator of any public agency's ability to withstand a major loss in one revenue stream without a significant impact to operations and services. Ideally, an agency should have 3-4 revenue streams that are as equally balanced as possible, however, that isn't always possible in some agencies.

The BCVRPD receives approximately 80% of its overall revenues in the form of property taxes, another 12% from charges for services, with the balance from intergovernmental revenues and investment income for the General Fund.

Since the District's revenue stream is not diversified to any extent, alternative sources of revenue would be ideal for absorbing a significant decrease in the one revenue source that is heavily reliant on for service provision.

However, alternative revenue sources are not readily available to the District other than higher charges for services to allow for further diversification. Notwithstanding, property taxes are a relatively stable revenue source and generally not subject to significant

impacts during an economic downturn. Overall, the revenue status of the District can be considered very sustainable.

Ratio of Reserves or Fund Balance to Annual Expenditures

An indicator of the ability to absorb an unexpected loss of revenue in a given fiscal year is exhibited by the amount of unrestricted cash reserve or fund balance the service fund maintains in relation to the annual fund expenditures. A ratio of 30% or greater of fund balance/reserve to annual expenditures is generally considered an adequate ratio to maintain.

The BCVRPD's combined General and Foundation Funds unassigned fund balance of \$1,643,136 for FY 20/21 is approximately 55% of expenditures. The previous two fiscal years exhibited similar ratios demonstrating a very stable trend. The District is in a good position to support a moderate term downturn in revenue, and maintain service levels.

Annual Debt Service Expenditures to Total Annual Expenditures

The ratio of annual debt service to total fund annual expenditures is an indicator of the District's ability to meet debt obligations in relation to service provision expenditures. Ideally, a ratio of 10% or less would reflect a very stable ratio.

The BCVRPD has no bond or other secured debt, therefore no ratio to assess, nor any current bond rating, which in turn a positive aspect to overall financial stability. The District does have unfunded pension liability requirements which is discussed further in this report.

Net Position

An agency's "Net Position" as reported in its audited financial statements represents the amount by which assets (e.g., cash, capital assets, other assets) exceed liabilities (e.g., debts, unfunded pension and OPEB liabilities, other liabilities). A positive Net Position generally provides an indicator of financial soundness over the long-term. However, Net Position also includes the value of capital assets that may or may not be easily liquidated. Therefore, Net Position could potentially be skewed when viewing it in the aspect of liquidity.

The FY 20/21 ending net position for the BCVRPD was calculated by the auditors at \$12,693,905 with \$304,803 identified as unrestricted. As compared to annual revenues and expenditures, this is a significant amount of net position, indicating stability with its ongoing governmental activities for the foreseeable future. It is noted that the annual net position over the past three fiscal years has been increasing annually, with a significant increase in FY 20/21. As capital assets are subject to depreciation, reductions of those asset valuations generally reflect negatively on net position. However, increases in other assets such as net cash or capital assets, or reduction in other long-term liabilities will offset some or all of those decreases.

Pension and OPEB Unfunded Liabilities

Unfunded pension and OPEB liabilities present one of the most serious fiscal challenges facing many public agencies in California today. When reporting required under Government Accounting Standards Board (GASB) Statement #68 was implemented, many public agencies were awakened by the reality of the long-term unfunded liability aspect of their respective pension and OPEB obligations.

The BCVRPD employees' retirement pensions are covered under the California Public Employees Retirement System (CalPERS) pension system, in the Miscellaneous Plan category. According to the most recent audit report ending June 30, 2021, the CalPERS actuarial report for the measurement period ending June 30, 2020, lists the current Unfunded Pension Liability at \$798,465. This liability comprises approximately 48.6% of the District's unassigned fund balance, a positive ratio.

The District employees' post employment benefits are covered under the California Employer's Retiree Benefit Trust (CBERT) administered by CalPERS. According to the most recent audit report ending June 30, 2021, CBERT reflects an overfunding of the District's participation of 100,542. Therefore there is no OPEB Unfunded Pension Liability.

Capital Assets and Capital Improvement Program

Capital assets must be adequately maintained and replaced over time and expanded as needed to accommodate future demand and respond to regulatory and technological changes. Depreciation typically spreads the life of a facility over time to calculate a depreciation amount for accounting purposes. The actual timing and amount of annual capital investments require detailed engineering analysis and will differ from the annual depreciation amount, although depreciation is a useful initial indicator of sustainable capital expenditures.

The BCVRPD's capital assets consist of parks and community facilities, inclusive of improvements, furniture and equipment. As of June 30, 2021 the District had \$13,855,917 in capital assets and \$1,439,217 in accumulated depreciation, resulting in \$12,416,700 net capital assets. The District maintains a long-range Capital Improvement Plan as funding for Capital Improvements are budgeted as necessary and available during the budget adoption cycle.

The District indicates that it's current level of reserves and capital funding are adequate to maintain and or improve infrastructure and public facilities as needed and planned.

Fee Structure for Services Provided

Most public agencies charge fees for various services provided.

The BCVRPD maintains an extensive fee schedule and policy for providing fee based recreational programs and classes, rental for community facilities, and campground

facilities. The current fee schedules include fees for administrative type requests, and hourly and fixed rate fees for programs, classes and facilities dependent on the activity and scope of the request. Most program and facility rental fees are available on the District website. Fee revenues comprise approximately 12% of General Fund revenue.

Cost Avoidance Programs

The BCVRPD does not have any specific formal cost avoidance programs in place, however, looks for and implements cost avoidance measures wherever possible. The District reports that, however does not have any formal programs. The District reports that they routinely searches for and applies for grants such as those listed below:

- Riverside HHPWS CDBG Program
- Laura May Stewart Foundation Trust
- County of Riverside CID Funding
- County of Riverside ARPA Funding

The District indicates that they continuously monitor the parks for costs and improvements, have taken measures to install LED lighting, abide by water restrictions in place, have removed non-essential grass, and tightened workforce hours when needed.

DISADVANTAGED UNINCORPORATED COMMUNITIES

LAFCO has determined that there are five Disadvantaged Unincorporated Communities (DUCs) associated with the Cherry Valley area, and are within the District boundaries, therefore is served by the District.

STATUS OF ISSUES IDENTIFIED IN MOST RECENT MSR

The last MSR for the BCVRPD was conducted in 2006. The MSR identified one item that would be considered noteworthy.

- The District standard for park and recreational facilities is 5 acres per 1,000 population. The District was providing substantially less at 2.46 acres per 1,000 population during the last MSR process. The District has improved tremendously on that standard and reports it currently provides 6.8 acres of developed parkland and facilities per 1,000 population.

GOVERNMENT STRUCTURE ALTERNATIVES

There is only one government structure alternative that would be appropriate and applicable to the BCVRPD at this time:

Maintain the status quo.

The BCVRPD's government structure currently in place is sufficient to provide the appropriate governance structure for the District. The District maintains an adequate staff,

is efficient in delivery of services and appears to be diligent in not overextending. Therefore, the District's current structure should be maintained at this time.

RECOMMENDED MUNICIPAL SERVICE REVIEW DETERMINATIONS

Based on the information, issues, and analysis presented in this report, proposed MSR determinations pursuant to Government Code section 56430 are presented below for the LAFCO Commission's consideration:

1) *Growth and population projections for the affected area.*

- The BCVRPD currently services a population estimated at 52,736 over a geographical area of approximately 64.4 square miles. The District encompasses the City of Beaumont, a small portion of the City of Calimesa, and surrounding unincorporated communities including the Cherry Valley communities and unincorporated areas west of the Cities of Calimesa and Beaumont.
- The BCVRPD has no land use authority and is subject to the development actions and projections of the individual Cities and the County. It is anticipated that recreational and park facilities will see increased demands proportionate with population growth.
- The District's service area has potential for growth, primarily within the cities currently served, and within the unincorporated areas within the District's boundaries, in particular in the Cherry Valley area.
- The District projects major growth will occur with the future development of the Danny Thomas Ranch area and anticipates population to grow between 2017 – 2025 to 97,485 residents within the District boundaries.

2) *The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.*

- There are five Disadvantaged Unincorporated Communities associated with the Cherry Valley Area north of the City of Beaumont and are within the BCVRPD jurisdictional boundaries.

3) *Present and planned capacity of public facilities, adequacy of public services and infrastructure needs or deficiencies, including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.*

- The BCVRPD's current facilities are adequate to support current services and absorb limited future growth. Additional facilities may be required in the future

for anticipated growth inside and outside the District's current boundaries and SOI.

- Present capacity of the District's services is considered adequate at this time, however, anticipated future growth will necessitate additional resources to support maintaining the level of services desired.
- The BCVRPD does not provide sewer, water nor fire protection services. There are no deficiencies of District services related to the DUCs within the District jurisdictional boundary as the DUCs are already served by the District.

4) *Financial ability of agencies to provide services.*

- Overall, the financial position of the District is considered very stable at this time, with more than sufficient unrestricted fund balance available for moderately long term potential revenue declines.
- The annual net position over the past three fiscal years has been increasing annually, most notably in unrestricted cash fund balance.
- The District maintains a very significant unassigned fund balance available, in proportion to annual expenditures which provides capability to absorb a moderate temporary economic downturn without impacts to services.
- The District's current level of reserves and capital funding is adequate to maintain and or improve infrastructure and public facilities as needed and planned.

5) *Status of, and opportunities for, shared facilities.*

- The District collaborates with a number of agencies and organizations for sharing facilities in support of mutual activities either through agreements and MOUs, or through sponsorships for events.

6) *Accountability for community service needs, including governmental structure and operational efficiencies.*

- The BCVRPD is governed by a five-member Board of Trustees, elected at large to four-year staggered terms, with sufficient staffing to support service delivery.
- In general, the District website is very well organized and hosts a wide variety of information regarding recreation and park facilities and services and activities for public access.
- The website contains direct email addresses to contact Board of Director members for direct access, and all contact information for District management

staff is included. Meeting agendas and staff reports are posted on the District's website along with all Board approved minutes. Pertinent financial information such as annual budgets and annual audits are accessible on the District website.

- No alternative government structure options are considered superior to the current structure at this time.

7) *Any other matter related to effective or efficient service delivery, as required by commission policy.*

- No additional matters have been identified.

RECOMMENDED SPHERE OF INFLUENCE DETERMINATIONS

Existing Sphere of Influence

The BCVRPD's existing sphere of influence is coterminous with its boundaries.

Sphere of Influence Analysis

One of LAFCO's objectives is to eliminate illogical boundaries and associated service inefficiencies, where these issues exist. The District anticipates that future growth will occur near the Danny Thomas Ranch area which already is within the District boundaries.

Additional growth is likely to occur in areas adjacent to the District's SOI in the future. Expansion of the District's SOI in the future may be warranted for appropriate planning of any growth that may occur in these areas.

Sphere of Influence Options

Two options are identified with respect to the BCVRPD's SOI.

Option #1: Maintain the current coterminous SOI.

Should the LAFCO Commission wish to continue to reflect the intention to maintain the District's existing SOI, then reaffirmation of a coterminous SOI would be appropriate.

Option #2: Expanded SOI.

The LAFCO Commission may wish to consider at some point adjusting the District's SOI as noted in the analysis above when sufficient future development information is available for making specific recommendations.

Sphere of Influence Determinations

Following are the five recommended determinations for the LAFCO Commission's consideration as required by Government Code section 56425(e):

- 1) ***The present and planned land uses in the area, including agricultural and open-space lands.***
 - The BCVRPD is not an authorized land use planning authority. The Cities of Calimesa and Beaumont are responsible for land use planning within each city's boundaries, and the County of Riverside in unincorporated areas within the District's jurisdictional boundaries.
 - Current land use and zoning is a mix of residential, commercial, recreational and open space uses. It is likely future land use decisions will mostly reflect development that will require District services.
- 2) ***The present and probable need for public facilities and services in the area.***
 - Current facilities and services are adequate to support the area, including support of moderate future growth in the area.
 - Expansion of services due to growth within and adjacent to the District boundaries will require an parks and other facilities which will require sufficient revenues to support the cost of service expansion.
- 3) ***The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.***
 - Sufficient capacity of parks and facilities exists to support providing adequate public services authorized and being provided.
 - Long term services will require additional parks and additional facilities due to potential growth within and adjacent to the District boundaries.
- 4) ***The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.***
 - A segment of the population that is served is economically disadvantaged, in particular, the disadvantaged unincorporated communities within the District boundaries.
 - The population served contains a varied mix of ethnic minorities, and fixed income residents.

- The District provides all of their services to these communities of interest.
- 5) ***For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.***
- The BCVRPD does not provide the listed services. The District does provide its services into the five disadvantaged unincorporated communities which are within the District's boundaries.

Chapter 2- Desert Recreation District

OVERVIEW / BACKGROUND

The Desert Recreation District (DRD or District), formerly known as Coachella Valley Recreation and Park District, was formed on December 18, 1950. It was established under authority of the California Public Resources Code Sections 5780 et seq. and has served Coachella Valley for over 72 years.

Within its current boundaries, the District provides services within the Cities of Palm Desert, Indian Wells, La Quinta, Indio and Coachella, and a portion of the City of Rancho Mirage. The District also provides services to the unincorporated communities of Thousand Palms, Thermal, Mecca, Bermuda Dunes, Sun City, Oasis, North Shore, Salton Sea, Indio Hills and Vista Santa Rosa. Total area served is approximately 1,861.5 square miles. The District estimates that it serves a population of over 334,000, 294,000 permanent residents and 400,000 seasonal residents.

The District is the largest park and recreation district in California, and manages, maintains and assists in maintaining over 30 parks and recreation facilities. The District's responsibilities include creating and delivering quality programs, services and classes, and facilitate leisure opportunities through partnerships with private and public agencies and entities. The District strives to ensure members of the public receive personal benefits such as physical fitness, relaxation and revitalization; social benefits in the form of stronger and healthier families and enriching the lives for persons with disabilities, and economic benefits through more productive and healthier citizens and increased tourism.

The District's current Sphere of Influence extends to encompass the remainder of the City of Rancho Mirage, and the Cities of Palm Springs, Desert Hot Springs, and Cathedral City.

Mission Statement

"Desert Recreation District's mission is to enrich the quality of life for Coachella Valley residents by acquiring, developing, operating and maintaining a community-focused parks and recreation system and preserving it for future generations."

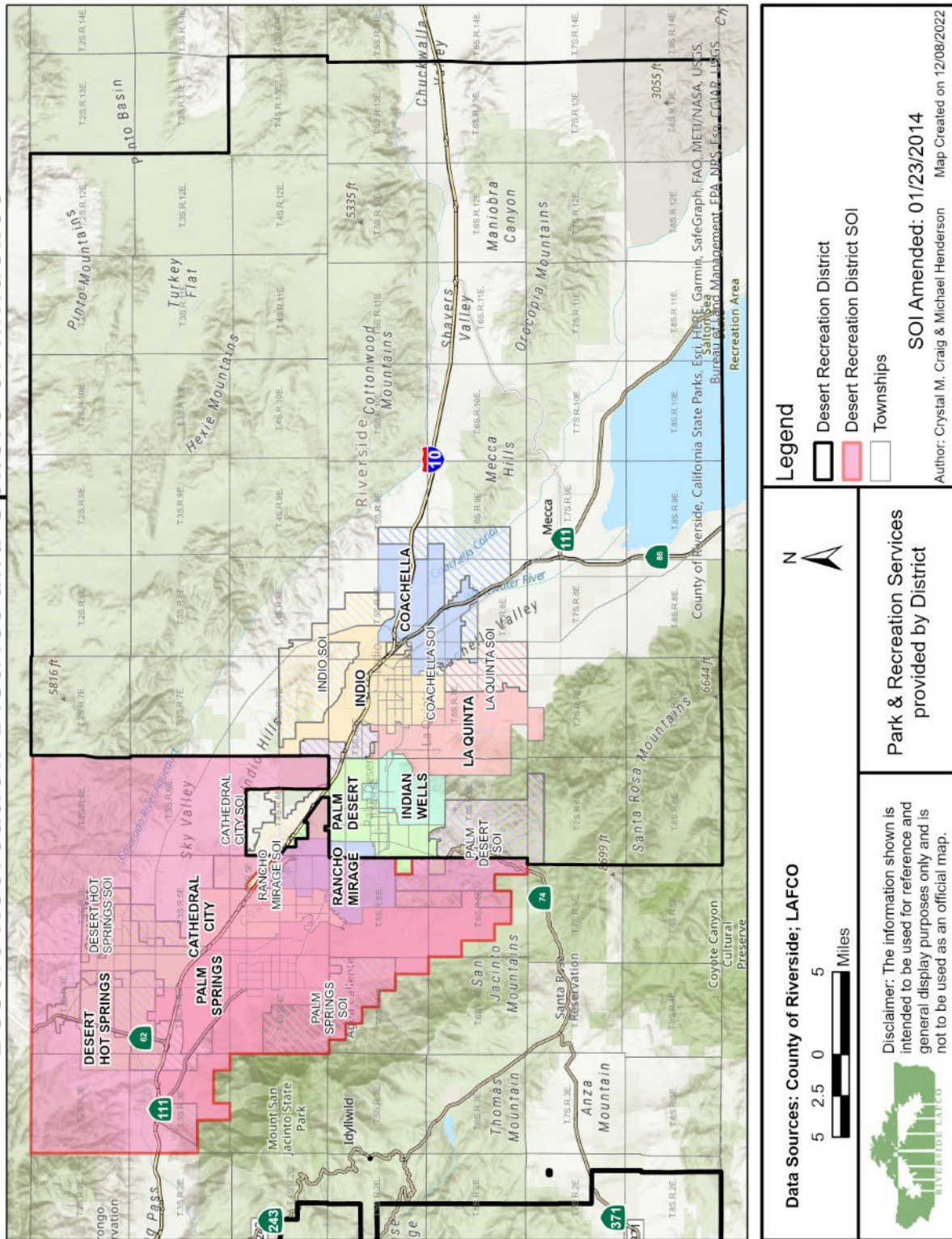
Table 2-1 on Page 34 provides a snapshot profile of the DRD. A map of DRD's current boundary and SOI is shown in **Figure 2-1** on Page 35.

Table 2-1- Profile- Desert Recreation District

General Information			
Agency Type	Municipal – Recreation & Park District		
Principal Act	California Public Resources Code Sections 5780 et seq.		
Date Formed	1950		
Services Provided	Recreation & Park Services		
Location	City of Indio office location: 43-305 Oasis Street, Indio, CA 92201 (760) 347-3484		
Sq. Miles/Acres	Approximately 1,861.5 sq. miles		
Contact	Kevin Kalman, General Manager, kkalman@drd.us.com		
Website	www.myrecreationdistrict.com		
Population Served	Approximately 334,000 permanent and seasonal		
Last SOI Update	2014		
Governance/Staffing			
Governing Body	5-member Board of Directors, elected by Division		
Terms	4-year staggered terms		
Meeting Information	2 nd and 4 th Wednesday each month at 6:00pm at the Indio Community Center, 45-871 Clinton Street in Indio		
Total Staff	76 full time, and 97 part time employees		
Staff Categories	Administrative, Community Services, Public Works		
Facilities/Other Infrastructure			
Facilities	District Office, 35 various recreational facilities and parks		
Other Infrastructure	Maintenance of 19 trail systems		
Financial Information- FY 20/21 Actuals (Audited Financial Statements)			
	Revenues**	Expenditures**	Net Surplus/(Deficit)
General Fund	\$10,577,438	\$10,695,728	(\$118,290)
Special Assessment Fund	\$3,298,508	\$3,247,002	\$51,506
Combined Funds	\$13,875,946	\$13,942,730	(\$66,784)
	FY 20/21	Long Term Planned Expenditures	
Capital Expenditures	\$2,495,213	\$85,350,000	
General Fund Balance	\$10,760,665	June 30, 2021 Financial Statement	
Special Assessment Fund Balance	\$585,068	June 30, 2021 Financial Statement	
Unrestricted Net Assets*	\$9,674,540	June 30, 2021 Financial Statement	
Capital Assets*	\$31,779,175	June 30, 2021 Financial Statement	
Net Position*	\$27,780,310	June 30, 2021 Financial Statement	
Debt & Unfunded Pension/OPEB Liabilities- Year Ending June 30, 2021			
Long Term Debt	\$1,577,816 (Lease Payables)		
Unfunded Pension Liability	None- Pension system is a Defined Contribution system.		
Unfunded OPEB Liability	\$678,311		
Notes			
* Combined Governmental Funds-			
** Expenses and Revenues include Transfers In/Out			

Figure 2-1- Boundary/SOI Map – Desert Recreation District

Desert Recreation District and Sphere of Influence



GROWTH AND POPULATION PROJECTIONS

The DRD currently services a population of approximately 334,000, 294,000 permanent residents and 400,000 seasonal residents, over a geographical area of approximately 1,861.5 square miles. The District encompasses the Cities of Palm Desert, Indian Wells, La Quinta, Indio and Coachella, and a portion of the City of Rancho Mirage, and the unincorporated communities of Thousand Palms, Thermal, Mecca, Bermuda Dunes, Sun City, Oasis, North Shore, Salton Sea, Indio Hills and Vista Santa Rosa. The District's current sphere of influence extends to encompass the remainder of the City of Rancho Mirage, and the Cities of Palm Springs, Desert Hot Springs, and Cathedral City.

The District's service area has potential for growth, primarily within the cities currently served, and within the District's current sphere of influence. The Center for Demographics has projected 14% growth in Riverside County's population during this present decade and an additional 10% growth during the 2030s. The DRD estimated that population served is anticipated to grow by 1.3% annually between 2019 and 2024. The communities that are anticipated to grow faster are Indio (1.5%), Rancho Mirage (1.7%), Indio Hills (3.1%), and Mecca (4.1%).

The District had indicated intentions to annex Cathedral City, currently in the District Sphere of Influence, into the District boundaries pending passage of the City of Cathedral City's 2022 ballot Measure K for funding facilities. However, the ballot measure failed passage, and the District reports that research is underway for alternative funding

Although the District does not retain any land use planning and entitlement authority as those functions are reserved the cities, and the county for unincorporated areas, the District must anticipate and forecast future demands. It is anticipated that recreational and park facilities will see increased demands proportionate with population growth. The District works closely with the cities and the county on growth and planning projections.

ACCOUNTABILITY AND GOVERNANCE

Governance

The DRD is governed by a five-member Board of Directors, elected by Division to four-year staggered terms. The Board of Directors meets the second and fourth Wednesday of each month with the closed session at 5:30 p.m. and the regular session follows at 6 p.m. at the Indio Community Center, 45-871 Clinton Street in Indio. The public is encouraged to attend and to provide input on facilities and program needs.

The District's Board of Directors consists of a President, a Vice-President, and three Directors. There are no vacancies on the Board of Directors. There are four Standing Committees that meet to provide more specified leadership in certain areas. These committees comprise the Finance, Personnel, Retirement, and Legislative Advocacy Committees. One member of the Board of directors also is appointed to the following

boards that the District is a member or supports- Desert Recreation Foundation, Coachella Valley Youth Golf Foundation, California Joint Powers Insurance Authority, and the Coachella Valley Desert and Mountains Recreation and Conservation Authority. Additionally, the Board of Directors establishes Ad-Hoc Committees as necessary to address specific issues that arise.

Desert Recreation District Board of Directors	Term Expires
Luis Espinoza	2024
Rudy Gutierrez	2024
Laura McGalliard	2024
Rudy Acosta	2026
Natalia Gonzales	2026

Generally, the powers the Board of Directors may exercise are to establish, equip, and maintain parks and recreation facilities, and provide recreational services for enjoyment of the population served by the District. The District reports that all Board members are current on their required ethics training and the Fair Political Practices Commission Form 700 Conflict of Interest Statements.

Website Transparency

In general, the DRD website is well organized and hosts a wide variety of information regarding park and other recreational facilities and recreational services. Information provided includes announcements for various recreational events, website pages for specific information on all parks and other recreational facilities, a customer portal for direct customer access to their account, and various links to other information and media portals. Additionally, the District publishes periodic newsletters, also available on-line, and utilizes social media for the public containing relevant current information on events, and other items of interest.

Meeting agendas are posted on the District's website, inclusive of staff reports and backup information, and Board of Directors approved minutes. Also posted to the website is information on the Board of Directors including direct email addresses to contact Board members for direct access. Direct email access to key staff personnel is also available on the website. The website provides access to all pertinent financial information for the District including budgets, annual audits and key Board of Directors and staff compensation information.

Customer/Constituency Communication

The DRD maintains a comprehensive website and provides outreach services throughout its jurisdiction. The District reports that communication and constituency outreach consists of many avenues as noted following:

- *Public Board of Directors Meeting with agendas posted in compliance with The Brown Act.*
- *District Staff attending public meetings (e.g., City Council, Community Council, Commissions, etc.)*
- *Press Releases*
- *Outreach/Community Meetings*
- *Surveys*
- *RFP and RFQ Advertisements in local paper and trade publications*
- *Flyers and Posters*
- *Website*
- *Email Blasts*
- *Social Media Posts (Facebook, Twitter, Instagram)*
- *Banners on District operated facilities*
- *Television and radio advertisements (English and Spanish)*
- *Weekly 2-minute spot on noon news television program (English)*
- *3-time per year Activity & Program Guide mailed to customers/constituents (English & Spanish)*
- *Annual Stewardship Report*
- *Postcards for special events (Palm Desert Senior Games, Operation Splash free Children's Swim Scholarships)*
- *Informational mailers*
- *Rental Guides (English & Spanish)*
- *Annual Financial Assistance Brochures (English & Spanish)*

The District also supports and promotes the Desert Recreation Foundation and the Coachella Valley Youth Golf foundation, non-profit organizations that support recreational activities throughout the District.

Customer/Constituency Accountability

The Board of Directors receives and publishes an annual Stewardship Report outlining statistical information and basic financial information on the District's performance during the year. The District publishes an email newsletter that constituents can sign up for and issues press releases and other announcements for disseminating information to the public for their consumption.

All District meetings are held pursuant to the Brown Act. The District encourages public participation by maintaining a website and publishing their Board of Directors meeting schedule and agendas in addition to approved minutes.

Customers dissatisfied with the DRD's services, can submit complaints by several methods. Options for submitting a complaint include email, webform, mail, telephone, direct message, and in-person.

The DRD reports very few complains being formally received for tracking as noted in the following table:

Quantity	Year	Description / Type of Complaint
2	2020	COVID closure related
1	2020	Class cancelation – late notification
1	2020	Remove from mailing list
1	2021	Remove from public opinion polling phone list

The DRD employees are empowered to resolve customer issues at the point of first contact. Should a complaint be unresolved at first contact, it will be escalated to the employee's direct supervisor and so on until resolution is achieved. Should a complaint be lodged through a board member, it is referred to the General Manager for resolution. Simple complaints are handled immediately and not tracked. The District uses various methods for tracking other complaints, including written documentation (Incident Form) if not immediately resolved.

District employees receive an annual work plan, mid-year review, and annual performance evaluation. The employee's direct supervisor prepares and administers the performance review process utilizing a very detailed evaluation form under the supervision of the Human Resources Manager.

The District maintains a very comprehensive and extensive Policies and Procedures Manual, an Administrative Policies Manual and Employment Handbook for staff utilization.

SERVICES - FACILITIES - INFRASTRUCTURE

Service Overview

DRD provides a vast array of services to the communities within the District and in the surrounding area. Desert Recreation District routinely provides services at more than 85 parks, schools, and other facilities located from the Palm Desert/Cathedral City area all the way to the Salton Sea. Services provided by the District include:

- Provision of recreational programs and community events.
- Planning, construction, maintenance and operation of park and recreation facilities.
- Maintenance of streetscape, water retention facilities, and streetlighting.
- Development and maintenance of trails.
- Recreational access and maintenance of Conservation/Open Space resource areas.
- Facilitation of food distribution and mobile medical services, cooling centers, and emergency shelters.

The District website contains a map and links to the recreational facilities and the programs and activities each supports/provides. The District publishes a comprehensive Activities Guide which is available for the public's reference. The District provides these recreational programs and services at a wide variety of venues as noted following:

Facility Name	Community	Relationship	Services Provided
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City of Indian Wells

Mountain View Villas	Indian Wells	Programming By DRD (owned by City of Indian Wells, operated by Winn Companies)	Weekly yoga class for senior residents
Indian Wells Villas	Indian Wells	Programming By DRD (owned by City of Indian Wells, operated by Winn Companies)	Weekly yoga class for senior residents
IW Club	Indian Wells	Programming By DRD (owned by City of Indian Wells, operated by Troon Golf)	Back 9 Walks and seasonal ice rink operations
Indian Wells Park	Indian Wells	Joint Project DRD/City of Indian Wells	Passive neighborhood park under development

City of Indio

Administration Building	Indio	Owned & Operated by DRD	Administration Headquarters
Indio Community Center and Park	Indio	Owned & Operated by DRD	Recreation, senior services, food distribution, community events, adaptive programs, tiny tots, camps, fitness, weight room, racquetball courts, indoor walking track, gymnastics, sports, special interest classes, afterschool, art and music classes, teen leadership, voting center, community meetings, rentals, cooling center, emergency shelter
Pawley Pool Family Aquatics Center	Indio	Owned & Operated by DRD	Recreation, sports, special interest, swim lessons, job skills development, food distribution
Desert Regional Park	Indio	Operated by DRD (owned by Bureau of Reclamation)	280 acres - open space, trails, horse rescue
The Lights at Indio - Public Golf Course	Indio	Programming by DRD (owned and operated by the City of Indio)	First Tee - Youth Golf Program
Carrillo Ranch Elementary School	Indio	Operated by DRD (owned by Desert Sands Unified School District)	ASES Afterschool Program
Dr. Carreon Academy	Indio	Operated by DRD (owned by Desert Sands Unified School District)	ASES Afterschool Program

Herbert Hoover Elementary School	Indio	Operated by DRD (owned by Desert Sands Unified School District)	ASES Afterschool Program
Andrew Jackson Elementary School	Indio	Operated by DRD (owned by Desert Sands Unified School District)	ASES Afterschool Program
John F. Kennedy Elementary School	Indio	Operated by DRD (owned by Desert Sands Unified School District)	ASES Afterschool Program
James Madison Elementary School	Indio	Operated by DRD (owned by Desert Sands Unified School District)	ASES Afterschool Program
Richard Oliphant Elementary School	Indio	Operated by DRD (owned by Desert Sands Unified School District)	ASES Afterschool Program
Theodore Roosevelt Elementary School	Indio	Operated by DRD (owned by Desert Sands Unified School District)	ASES Afterschool Program
Martin Van Buren Elementary School	Indio	Operated by DRD (owned by Desert Sands Unified School District)	ASES Afterschool Program
Villa Hermosa Apartments	Indio	Operated by DRD (owned by Coachella Valley Housing Coalition)	Kids Club Afterschool Program
Desert Meadows Apartment Complex	Indio	Operated by DRD (owned by National CORE Funded by Hope for Housing Corporation)	Kids Club Afterschool Program
Mountain Vista Elementary School	Indio	Operated by DRD (owned by Coachella Valley Unified School District)	Afterschool Program
Indio Teen Center	Indio	Programming By DRD (owned and operated by the City of Indio)	Sports, fitness, recreation, senior services, K9 classes, specialty camps, community specialty activities.
Davis Field	Indio	Programming By DRD (owned and operated by the City of Indio)	Softball Tournaments

City of Coachella

Placitas de la Paz Park/streetscape/lighting	Coachella	Owned & Operated by DRD	Neighborhood Park, drainage facilities, right of way landscape maintenance, street lights
Public Works Corporation Yard	Coachella	Operated by DRD (Lease)	Public Works/ maintenance headquarters

Bagdouma Park Community Center	Coachella	Operated by DRD (owned by City of Coachella)	Recreation, senior services, food distribution, community events, fitness, sports, special interest classes, afterschool, teen leadership, community meetings, rentals, cooling center, emergency shelter
Bagdouma Park Pool	Coachella	Operated by DRD (owned by City of Coachella)	Recreation, sports, fitness, special interest, swim lessons, job skills development
Coachella Library	Coachella	Programming by DRD (owned by City of Coachella)	Teen leadership and youth programming.
Las Casas Apartment Complex	Coachella	Operated by DRD (owned by Coachella Valley Housing Coalition)	Kids Club Afterschool Program
Imagine Schools Riverside County	Coachella	Programming by DRD (owned by Imagine Schools Riverside County)	Recreation, community events, fitness, sports, and special interest classes.

City of La Quinta

La Quinta Community Center and Park	La Quinta	Owned & Operated by DRD	Weight room, recreation, senior services, food distribution, community events, K9 classes, fitness, sports, special interest classes, community meetings, rentals, emergency shelter
La Quinta Fritz Burns Pool	La Quinta	Operated by DRD (owned by City of La Quinta)	Recreation, sports, fitness, special interest, swim lessons, job skills development
Coral Mountain Regional Park	La Quinta	Operated by DRD (owned by Bureau of Reclamation)	620 acres - open space, trails, historic preservation
Vista Dunes Apartments	La Quinta	Operated by DRD (owned by National CORE Funded by Hope for Housing Corporation)	Kids Club Afterschool Program
Harry Truman Elementary School	La Quinta	Operated by DRD (owned by Desert Sands Unified School District)	ASES Afterschool Program

City of Palm Desert

Golf Center at Palm Desert	Palm Desert	Owned & Operated by DRD	16 acre 9-hole public golf course, driving range, clubhouse, First Tee youth program, adaptive golf, adult lessons
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Palm Desert Community Center	Palm Desert	Operated by DRD (owned by City of Palm Desert)	Recreation, senior services, food distribution, community events, fitness, sports, special interest classes, adaptive programs, afterschool, teen leadership, community meetings, rentals, cooling center, emergency shelter
Portola Community Center	Palm Desert	Operated by DRD (owned by City of Palm Desert)	Recreation, senior services, food distribution, community events, fitness, sports, special interest classes, afterschool, teen leadership, community meetings, rentals, cooling center, emergency shelter
Abraham Lincoln Elementary School	Palm Desert	Operated by DRD (owned by Desert Sands Unified School District)	ASES Afterschool Program
Ronald Reagan Elementary School	Palm Desert	Operated by DRD (owned by Desert Sands Unified School District)	ELOP Afterschool Program
Palm Desert Civic Center Park	Palm Desert	Operated by DRD (owned by City of Palm Desert)	Reservations, park supervision and custodial services
Civic Center Skateboard Park	Palm Desert	Operated by DRD (owned by City of Palm Desert)	membership park supervision and custodial services
Freedom Park	Palm Desert	Operated by DRD (owned by City of Palm Desert)	Reservations, park supervision and custodial services
Magnesia Falls City Park	Palm Desert	Operated by DRD (owned by City of Palm Desert)	Reservations, park supervision and custodial services
Palm Desert Soccer Park	Palm Desert	Operated by DRD (owned by City of Palm Desert)	Reservations, park supervision and custodial services
University Park	Palm Desert	Operated by DRD (owned by City of Palm Desert)	Reservations, park supervision and custodial services
Cahuilla Hills Park	Palm Desert	Operated by DRD (owned by City of Palm Desert)	Reservations, park supervision and custodial services
Joe Mann Park	Palm Desert	Operated by DRD (owned by City of Palm Desert)	Reservations, park supervision and custodial services
Palma Village Park	Palm Desert	Operated by DRD (owned by City of Palm Desert)	Reservations, park supervision and custodial services
Ironwood Park	Palm Desert	Operated by DRD (owned by City of Palm Desert)	Reservations, park supervision and custodial services

Homme Adams Park	Palm Desert	Operated by DRD (owned by City of Palm Desert)	Trail Head
Community Gardens	Palm Desert	Operated by DRD (owned by City of Palm Desert)	Park supervision, custodial services
Washington Charter Elementary Park	Palm Desert	Operated by City of Palm Desert Contract to DRD (Owned by DSUSD)	park supervision

City of Cathedral City

Cathedral City High School Pool	Cathedral City	Operated by DRD (owned by PSUSD Funded by City of Cathedral City)	Recreation, sports, fitness, special interest, swim lessons, job skills development
River Canyon Apartment Complex	Cathedral City	Operated by DRD (owned by National CORE Funded by Hope for Housing Corporation)	Kids Club Afterschool Program

Unincorporated Communities

Mecca Community Center, pool and Park	Mecca	Owned & Operated by DRD/North Field JUA w/ CVUSD	Recreation, senior services, food distribution, community events, swimming lessons, fitness, sports, special interest classes, afterschool, teen leadership, community meetings, rentals, cooling center, emergency shelter
Huerta de Mecca Park/streetscape/drainage	Mecca	Owned & Operated by DRD	Neighborhood Park, drainage facilities, right of way landscape maintenance
Mecca Sports Park	Mecca	To Be Determined	Community Park under construction
Paseo de Los Heroes III Apartment Complex	Mecca	Operated by DRD (owned by Coachella Valley Housing Coalition)	Kids Club Afterschool Program
Boys & Girls Club of Mecca	Mecca	Programming by DRD (Owned by Boys & Girls Club)	Youth sports and programming.
North Shore Park	N. Shore	Owned & Operated by DRD	Community Sports Park
Parque de Pueblo	N. Shore	Owned & Operated by DRD	Neighborhood Park
N. Shore Yacht Club Community Center	N. Shore	Operated by DRD (owned by Riverside County)	Recreation, senior services, food distribution, community events, fitness, sports, special interest classes, afterschool, teen leadership, community meetings, rentals, cooling center, emergency shelter
Oasis del Desierto	Oasis	Owned & Operated by DRD	15-acre Community Park

Thermal Community Park	Thermal	Owned & Operated by DRD	Community Park under development
Jerry Rummonds' Senior & Community Center	Thermal	Operated by DRD (owned by CVUSD)	Recreation, senior services, food distribution, community events, fitness, sports, special interest classes, afterschool, teen leadership, community meetings, rentals, cooling center, emergency shelter
La Familia High School	Thermal	Programming by DRD (Owned by CVUSD)	Youth sports, programming, and community events.
Coachella Valley Unified School District	Thermal	Programming by DRD (Owned by CVUSD)	Community events.
Canal Regional Park	Thermal	Operated by DRD (owned by Bureau of Reclamation)	260 acres - open space, radio-controlled airport, special events, limited camping
Thousand Palms Community Center and Park	Thousand Palms	Operated by DRD - Improvements owned by DRD (Land owned by PSUSD)	Recreation, senior services, food distribution, community events, fitness, sports, special interest classes, camps, teen leadership, community meetings, rentals, voting center, emergency shelter, community council meeting location.
Thousand Palms Legacy Park	Thousand Palms	Owned & Operated by DRD	13 acres for future community park expansion
Indio Hills Community Center and Park	Indio Hills	Operated by DRD (owned by Riverside County)	Recreation, senior services, food distribution, community events, fitness, sports, special interest classes, afterschool, community meetings, rentals, voting center, emergency shelter, community council meeting location.
Bermuda Dunes Community Center	Bermuda Dunes	Operated by DRD (owned by Riverside County)	Recreation, senior services, community events, fitness, adaptive programs, special interest classes, community meetings, K9 classes, rentals, voting center, emergency shelter, community council meeting location.
James Monroe Elementary School	Bermuda Dunes	Operated by DRD (owned by Desert Sands Unified School District)	Afterschool Program

The District contracts for annual audit services and for legal counsel as needed. Additionally the District reports that it contracts with over 50 Independent Contractors that

provide various recreation classes from music, arts, sports and martial arts disciplines. Significant contracts include:

- Landmark Golf Limited Partnership – Golf Center Operations/Management
- Kirkpatrick Landscape Services, Inc. - Landscape Services
- Vintage Associates, Inc. - Landscape Services

The District provides, and developing agreements to provide, contract type services to many public agencies and non-governmental organizations through various agreements. These agencies and organizations and agreements include:

• City of Coachella	Aquatics Facility Operation
• City of Coachella	Programming MOU
• City of La Quinta	Aquatic Facility Operation
• City of La Quinta	Programming MOU
• City of Indian Wells	Park Development Agreement
• City of Indian Wells	Programming MOU
• City of Palm Desert	Rec Services Agreement
• City of Palm Desert	Community Center Lease
• City of Indio	Teen Center Operation
• City of Indio	Park Facility Management (In Development)
• City of Cathedral City	JCFA – New CFD
• Cathedral City/Palm Springs USD	Aquatics Facility Operation
• Desert Sands USD	ASES – Afterschool Program
• Desert Sands USD	Reagan Afterschool Program
• Desert Sands USD	Monroe Afterschool Program (In Development)
• Coachella Valley USD	Mt. Vista Afterschool-Facility Use (In Development)
• Coachella Valley USD	Mecca Joint Use Agreement
• Coachella Valley USD	Rummonds Community/Senior Center
• Riverside County	Indio Hills Community Center O&M
• Riverside County	N. Shore Yacht Club Center O&M
• Riverside County	Bermuda Dunes Center O&M
• Riverside County	Emergency Response Team (In Development)
• Riverside County/Palm Springs USD	Thousand Palms Joint Use Agreement
• Bureau of Reclamation	Coral Mountain Regional Park - Lease
• Bureau of Reclamation	Canal Regional Park - Lease
• Bureau of Reclamation	Desert Regional Park - Lease
• Coachella Valley Conservation Commission	Open Space Maintenance
• Coachella Valley Mountains Conservancy	Open Space Maintenance
• The First Tee Coachella Valley	Programming Agreement The Golf Center
• The First Tee Coachella Valley	Programming Agreement The S at Rancho Mirage

- The First Tee Coachella Valley
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- The First Tee Coachella Valley
- The First Tee Coachella Valley
- Cal State San Bernardino CSUSB
- Cal State San Bernardino CSUSB

Programming Agreement Tahquitz Creek
 Programming Agreement Desert Falls CC
 Programming Agreement Mission Hills CC
 Programming Agreement Classic Club
 Programming Agreement The Lights at Indio Municipal
 Programming Agreement Eagle Falls
 Programming Agreement Woodhaven CC
 Internship Kinesiology Department/Adaptive
 Programming Agreement for Outdoor Education (In Development)

Facilities/Infrastructure

The DRD is responsible for a wide variety of facilities, parks and trail systems throughout the District boundaries, The District maintains, assists in maintaining, and operates a total of 35 community facilities and parks throughout the District totaling approximately 1,478 acres. The District is currently operating approximately 4.4 acres per 1,000 residents for the District as a whole. The District also operates and maintains 26 community trail systems totaling approximately 131 miles.

Community facilities, parks and trails are noted as follows:

Parks

Bagdouma Park
 Civic Center Skateboard Park
 Coral Mountain Park
 Freedom Park
 Indio Community Park
 Indio Hills Community Park
 La Quinta Community Park
 Mecca Community Park
 North Shore Community Park
 Oasis del Desierto Park
 Olsen Ball Field
 Palm Desert Civic Center Park
 Palm Desert Soccer Park
 Parque De Pueblo
 Rancho Las Flores Park
 Thousand Palms Community Park
 University Park

Community Facilities

Bagdouma Community Pool in Coachella

Bagdouma Park Community Center in Coachella
Bermuda Dunes Community Center
Cathedral City High School Swimming Pool
Fritz Burns Pool in La Quinta
Indio Community Center
Indio Hills Community Center
Jerry Rummond's Senior & Community Center in Thermal
La Quinta Community Fitness Center
Mecca Community Center
Mecca Community Pool
North Shore Beach & Yacht Club
Palm Desert Community Center & Gymnasium
Pawley Pool Family Aquatic Complex in Indio
Portola Community Center in Palm Desert
The Golf Center at Palm Desert
Thousand Palms Community Center

Thermal Community Park (In Design Stage)- The Thermal Community Park is a 10-acre site designed by local residents with the assistance of Desert Recreation District and Kounkuey Design Initiative (KDI). It will be the first community park in Thermal and is centrally located so outdoor recreation and programming is easily accessible to all residents. Funds for the park, already in the design stage, will help propel the project to construction. DRD recently received a \$4.5 million grant for the Thermal Community Park project.

Trails (*District assists public to identify the trail systems however does not have primary responsibility for maintenance*)

Ed Hastey Trail, Palm Desert
Painted Canyon Trail, Mecca
Roadrunner Trail, Rancho Mirage
Squaw Hill Trail, Thousand Palms
Bump and Grind, Palm Desert
Carrizo Canyon Trail, Palm Desert
Chuckwalla Trail Loop, Rancho Mirage
Dead Indian Canyon Trail, Palm Desert
Gabby Hayes Trail, Palm Desert
Herman's Hike Trail, Thousand Palms
Hidden Palms Loop, Thousand Palms
Hopalong Cassidy Trail, Palm Desert
Indian Palms Trail, Thousand Palms
Jack Rabbit Trail, Rancho Mirage
La Quinta Cove to Lake Cahuilla Trail, La Quinta
Magnesia Springs Canyon Trail, Rancho Mirage
Martinez Canyon Trail, Mecca
Mike Schuler Trail, Palm Desert
Moon Country Trail, Thousand Palms

Pushwalla Palms Loop, Thousand Palms
Randall Henderson Loop Trail, Rancho Mirage
Willis Palms Loop, Thousand Palms
Art Smith Trail, Palm Desert
Bear Creek Canyon Trail, La Quinta
Boo Hoff Trail
Meccacopia OHV Trail, Mecca

Service Adequacy

Since its existence, the DRD has provided the services it has intended to provide with no significant issues. The District does currently have sufficient capacity to provide services, however, with future growth expected across the service area, ongoing planning is always necessary to meet the future demands. The District maintains a Community Parks and Recreation Masterplan that is reviewed annually and updated every five years for approval of the County Board of Supervisors. Nearer term goals and objectives are addressed in our annual strategic planning process which is a 5-year rolling plan.

The District reports that there have been no difficulties in providing services in the current District boundaries. The District reports that they have capacity to provide services to planned development in its future growth area and do not see any areas within the District or its SOI that would be difficult to service.

DRD's operations and productivity of the various services offered by the District are routinely evaluated. The District's Board of Directors, and the public, are provided with an annual report developed by District staff on District activities. The District's Strategic Plan incorporates Key Performance Indicators for each major division of the operation. The District tracks this through a recently implemented strategic planning software. As the District becomes more accustomed to the software, they intend to link it as a dashboard on the District website so the public can view the progress in real time.

The District reports that each program and event are evaluated at its conclusion, participants complete surveys, and feedback is incorporated in subsequent programs and events. Participation rates are tracked and used for program lifecycle determinations. Nonservice related items are also tracked such as employee turnover rates, earned revenue growth, partnership agreements, etc.

The District reports that every 5 years the District has an independent third-party evaluation of organizational structure, compensation, and benefits. As part of the process all class descriptions are reviewed and edited to correspond with current work being performed by a given class. The results determine current and future needs of the District human resources. It also outlines potential efficiencies that could be achieved through altering our service model/team structure.

The District utilizes various methods of community engagement and outreach, and master planning includes a statistically valid needs assessment identifying service gaps,

stakeholder focus groups, and current on trends in the Parks and Recreation industry.

Facilities/Infrastructure Needs

The DRD maintains a formal five-year Capital Improvement Program and maintains a comprehensive Community Parks and Recreation Master Plan adopted in 2020. Parkland requirements are based on 5 acres per thousand as the District standard. The District utilizes the two plans for making annual decisions on capital improvements based on availability of financial resources. The District reports that current capital reserves are adequate for current needs. The District reports that it continues to grow its revenues for the continued expansion of services and facilities. The District utilizes partnerships, grants, the two 501c3 supporting foundations and JPAs to accomplish district objectives.

The District had placed two revenue measures on the November 2022 ballot to raise additional revenues for parks, facilities, and associated operations and maintenance within two cities.

- “Formation of a city-wide community facilities district in the City of Indio. This measure is split between bonded indebtedness and maintenance and operations. The bonded portion is to replace aging infrastructure and fund facility expansion in the city. The maintenance and operations portion will continue to support the high level of services provided within the city as well as assist the city in managing and maintaining the city owned parks.”
- “Formation of a city-wide community facilities district in the City of Cathedral City. This measure is split between bonded indebtedness and maintenance and operations. Bonded portion will provide the funds necessary to cover deferred maintenance at city parks as well as the development of a new community recreation center in the city. The maintenance and operations portion will enable the District to take over responsibility for the parks and fund programming within the city.”

Neither ballot measure was able to attain the 2/3rds majority necessary to pass, therefore both ballot measures were defeated. The District had indicated that an annexation application to LAFCO was intended to be submitted after results of the November election were certified for the Cathedral City measure however that is now delayed as the District researches alternative funding options.

Cooperative Programs

As noted above, the DRD provides services under various agreements with a myriad of public agencies and private organizations. Additionally, the District supports the Desert Recreation Foundation, a 501(c)(3) organization which works behind the scenes to ensure that all residents in the Coachella Valley have access to quality recreational resources, facilities, parks, and programs that serve today's needs and those for generations to come. The Desert Recreation Foundation:

- Generates funds through individual gifts, business and corporate, and grants
- Leads the fundraising efforts to support Desert Recreation Scholarship Fund, which provides financial assistance to families and individuals in the community who may otherwise be unable to participate in recreational activities.
- Assists with the purchase of new park lands through fundraising, donations, legacy gifts and endowments
- Purchases equipment and other items for the District's parks and facilities.

The District is a member of one local Joint Powers Authority (JPA), the Coachella Valley Desert and Mountains Recreation and Conservation Authority, and are also members of two self-insurance pools that are JPAs. California Association for Park & Recreation Insurance and the California Joint Powers Insurance Authority.

The District actively participates in regional plans and programs as evidenced by the many collaborative agreements with the various public agencies previously noted. In addition, the District notes that they work with each municipality, the county, CVAG, school districts and other public agencies for the benefit of the communities we serve to ensure the most efficient delivery of public infrastructure and services. For example – District Trails Plan is the basis from which the 56-mile CV Link multimodal trail system was derived and is being implemented by CVAG.

FINANCIAL OVERVIEW

The DRD carries all operational budgeting and accounting in two separate fund categories of governmental funds, the General Fund and the Special Assessment Fund (comprising 5 separate Assessment Districts) Therefore, for Financial Statement reporting, all revenues and expenditures, Net Position and other reporting requirements are identified to each fund and totaled as Governmental Funds.

Property taxes comprise the most significant source of revenues for the General Fund, followed by registration fee revenue and intergovernmental fee revenue. Special assessment revenue comprises all of the Special Assessment Fund.

General Fund expenditures are primarily for salaries and benefits, facilities and maintenance, services and supplies, and capital expenditures (which vary annually). Expenditures from the Special Assessment Funds are primarily for salaries and benefits, facilities and maintenance and materials and services. The District has no bond or loan debt, although does have debt related to lease obligations and some compensated absence liabilities and unfunded OPEB long-term liabilities.

The DRD also supports and partners with the Desert Recreation Foundation, a California nonprofit public benefit corporation. The specific and primary purposes of the Foundation are to initiate, sponsor, promote and carry-out plans, programs, policies and activities that tend to further park and recreational projects within the jurisdictional limits of the District. The foundation is audited covering a 2-year period and most recently the FY 19/20 and 20/21 period reflects a stable financial situation.

The District generates a significantly detailed budget annually which clearly articulates in great detail all anticipated revenues and detailed expenditures for the Board of Directors to analyze and make sound budgeting decisions.

In 2021, the District changed the basis of accounting of the Golf Center Fund from the enterprise basis of accounting to the governmental basis to more fully reflect the nature of the Fund's operations and funding sources. Appropriate adjustments were made for this change and the financial statements reflect those changes as of June 30, 2021.

The District conducts an independent audit annually, the last three years reflecting an "unmodified" opinion, and provides all required reporting to the State Controller's Office as required by statutes. Additionally, the District maintains a detailed reserve policy for managing fund balances.

Overall, the financial position of the District is considered very stable at this time, with more than sufficient committed, assigned and unassigned fund balance available for moderately long term potential revenue declines if they were to occur.

Table 2-2 following, provides a snapshot of key financial data from the last three fiscal years. An analysis of the data related to several key financial status and financial health indicators follows.

Table 2-2- Financial Information – Desert Recreation District

Financial Information (Actuals - Audited Financial Statements)			
	FY 20/21	FY 19/20	FY 18/19
General Fund Revenues/Transfers In	\$10,577,438	\$10,014,138	\$13,792,050
General Fund Expenditures/Transfers Out	\$10,695,728	\$7,838,377	\$11,321,909
General Fund Surplus/(Deficit)	(\$118,290)	\$2,175,761	\$2,470,141
Special Assessment Fund Revenue/Transfers In	\$3,298,508	\$2,998,598	\$3,386,878
Special Assessment Fund Expenditures/Transfers Out	\$3,247,002	\$3,373,435	\$3,346,884
Special Assessment Fund Surplus/(Deficit)	\$51,506	(\$374,837)	\$39,994
* Capital Expenditures	\$2,495,213	\$197,567	\$2,582,792
* Debt Service Expenditures (Leases)	\$235,936	\$195,570	\$877,942
* Long Term Liabilities	\$2,277,802	\$2,367,536	\$2,696,447
* Unassigned Fund Balance	\$827,431	\$4,441,418	\$6,163,627
* Non-Spendable Fund Balance	\$229,666	\$63,580	\$50,528
* Capital Assets (Net of Depreciation)	\$19,280,604	\$17,985,774	\$17,936,030
* Unfunded Pension Liability	N/A	N/A	N/A
* Unfunded OPEB Liability	\$678,311	\$595,910	\$748,309
* Net Position	\$27,780,310	\$26,361,655	\$26,249,628
* Reflects Combined Governmental Funds- Pension system is a Defined Contribution system.			

There are nine primary areas of criteria that have been utilized for this report to assess the present and future financial condition of the District's ability to provide efficient service operations as discussed below:

1. 3-Year Revenue/Expenditure Budget Trends
2. Ratios of Revenue Sources
3. Ratios of Reserves or Fund Balance to Annual Expenditures
4. Annual Debt Service Expenditures to Total Annual Expenditures
5. Net Position
6. Pension and OPEB Unfunded Liabilities
7. Capital Assets and Capital Improvement Plan
8. Fee Structure for Services Provided
9. Cost Avoidance Programs

3 Year Revenue/Expenditure Budget Trends

A trend analysis of revenues and expenditures provides a relatively quick snapshot of financial stability, and financial management of budgetary ebbs and flows over a short period of time. A review of the most recent 3 years of audited revenues and expenditures is utilized for this MSR.

For the DRD the General Fund revenue trend has fluctuated somewhat over the last 3 fiscal years, however, remains stable. Similarly, the expenditure trend has also fluctuated. Most of this fluctuation is related to the transition of the Golf Center Fund from an enterprise fund to the governmental funds category, which affects the representations in the financial statements, however, not the actual fiscal affects.

The Special Assessment Fund exhibits similar fluctuations annually, however, in general remains stable. Overall, the revenue and expenditure trend is stable for all funds. Additionally, there is sufficient assigned, committed and unassigned fund balance available, which will be available to offset any shortfalls that may occur in the foreseeable future.

Ratios of Revenue Sources

Diversity of revenues is an indicator of any public agency's ability to withstand a major loss in one revenue stream without a significant impact to operations and services. Ideally, an agency should have 3-4 revenue streams that are as equally balanced as possible, however, that isn't always possible in some agencies.

The DRD generally receives approximately 70% of its overall Governmental Funds revenues in the form of property taxes and special assessments. Approximately 17% is from registration fee revenue and intergovernmental fee revenue. with the remaining 13% from various miscellaneous sources. As previously mentioned, there are 5 Special Assessment Districts that are categorized into the Governmental Funds category with the General Fund.

Since the District's revenue stream is not as diversified as it ideally should be, additional alternative sources of revenue would be beneficial for absorbing a significant decrease in the one revenue source that is heavily reliant on for service provision. However, additional alternative revenue sources are not readily available to the District to allow for further diversification.

Overall, given that property tax and special assessment revenues are relatively stable revenue sources, revenue status of the DRD can be considered sustainable for the foreseeable future.

Ratio of Reserves or Fund Balance to Annual Expenditures

An indicator of the ability to absorb an unexpected loss of revenue in a given fiscal year is exhibited by the amount of unrestricted cash reserve or fund balance the service fund maintains in relation to the annual fund expenditures. A ratio of 30% or greater of fund balance/reserve to annual expenditures is generally considered an adequate ratio to maintain.

DRD's General Fund overall fund balance is \$10,760,665 for FY 20/21 of which \$10,531,399 is unrestricted. This comprises approximately 98% of General Fund expenditures. This ratio, which has fluctuated over the last 3 years, far exceeds the desired ratio threshold reflecting the District being in a good position to support a short-term downturn in revenue and maintain service levels. It should be noted that as the District has no unfunded pension liability, which is generally a significant liability for most public agencies, this exhibits a positive fiscal position.

Annual Debt Service Expenditures to Total Annual Expenditures

The ratio of annual debt service to total fund annual expenditures is an indicator of the District's ability to meet debt obligations in relation to service provision expenditures. Ideally, a ratio of 10% or less would reflect a very stable ratio.

The DRD has not issued Bonds since 2001 and they have been retired. Therefore, the District has no bond or other secured debt, therefore no ratio to assess, which in turn a positive aspect to overall financial stability. The District does not have a current bond rating. The District does carry two lease obligations as debt in the Financial Statements, however, with the total obligation for the two lease obligations totaled \$1,577,816. The projected annual lease payments total for 2022 was projected at \$240,058. This represents a ratio of approximately 2% of debt to expenditures.

Net Position

An agency's "Net Position" as reported in its audited financial statements represents the amount by which assets (e.g., cash, capital assets, other assets) exceed liabilities (e.g., debts, unfunded pension and OPEB liabilities, other liabilities). A positive Net Position generally provides an indicator of financial soundness over the long-term. However, Net

Position also includes the value of capital assets that may or may not be easily liquidated. Therefore, Net Position could potentially be skewed when viewing it in the aspect of liquidity.

The FY 20/21 ending overall net position for the DRD was calculated by the auditors at \$27,780,310 with \$9,674,540 identified as unrestricted. As compared to annual revenues and expenditures, this is a significant amount of net position, indicating stability with its ongoing governmental activities for the foreseeable future.

It is noted that the District's annual net position over the past three fiscal years has steadily increased on an annual basis. And the fact that the Net Position reported is significantly cash and receivables, this reflects a positive trend in fiscal stability for the short term, and most likely the long term.

Pension and OPEB Unfunded Liabilities

Unfunded pension and OPEB liabilities present one of the most serious fiscal challenges facing many public agencies in California today. When reporting required under Government Accounting Standards Board (GASB) Statement #68 was implemented, many public agencies were awakened by the reality of the long-term unfunded liability aspect of their respective pension and OPEB obligations.

The DRD employees are covered by the Desert Recreation District Defined Contribution Plan. As a defined contribution plan, the District does not incur any unfunded pension liability.

The District provides a defined benefit OPEB plan providing medical, dental, vision and insurance benefits for eligible retirees. The auditors calculated the unfunded OPEB liability for FY 20/21 at \$678,311. This amount has fluctuated over the last 3 years, however, is not considered a significant amount as compared to the District's Net Position.

Capital Assets and Capital Improvement Program

Capital assets must be adequately maintained and replaced over time and expanded as needed to accommodate future demand and respond to regulatory and technological changes. Depreciation typically spreads the life of a facility over time to calculate a depreciation amount for accounting purposes. The actual timing and amount of annual capital investments require detailed engineering analysis and will differ from the annual depreciation amount, although depreciation is a useful initial indicator of sustainable capital expenditures.

The DRD's capital assets consist primarily of the District office and community facilities, and parks and park improvements. As noted previously, the District maintains a formal five year Capital Improvement Program and maintains a comprehensive Community

Parks and Recreation Master Plan adopted in 2020. Capital projects scheduled for a particular fiscal year are addressed during the annual budget process.

The District maintains adequate reserves to fund maintenance and improvements to existing public facilities. The District utilizes a combination of aggressive grant seeking, partnerships, park mitigation fees, and financing to develop new facilities.

Net capital assets, after applying accumulated depreciation has shown a recent significant increase in FY 20/21 noting additional assets being added. Total Capital Assets were \$31,779,175 with accumulated depreciation at \$12,498,571 for net capital assets of \$19,280,604

Fee Structure for Services Provided

Most public agencies charge fees for various services provided.

The DRD maintains an extensive fee schedule and policy for providing fee based recreational programs and classes and rental for facilities. The current fee schedule includes fees for administrative type requests, and hourly and fixed rate fees for programs and facilities dependent on the activity and scope of the request. Most program and facility rental fees are available on the District website. Fee revenues comprise approximately 26% of General Fund revenue.

Although not considered “fees for services” for the General Fund, Special Assessment revenues are utilized for services provided by the five Special Assessment Districts operated by the DRD. The 5 Assessment Districts are:

97-1, Thousand Palms Landscape and Lighting
93-1, Coachella Valley Landscape and Lighting
02-1, Coachella Landscape and Lighting
03-1, Mecca Landscape and Lighting
01-1, Indio Community Center and Park Landscape and Lighting

These assessment districts provide landscape and lighting maintenance services to their specified assessment areas, and some also providing operations and maintenance for their community centers. The revenues derived from the assessments are restricted to use within the specific assessment district from which it was derived, with some administrative cost charges allowed. The District holds annual public hearings for setting the assessment rates based on independent assessment engineering reports which compare projected costs and required revenues. Rates are set based on the rate structures and maximum rate restrictions contained within each specific assessment district’s current voter authorized rate setting parameters.

Cost Avoidance Programs

The DRD reports that they continuously evaluate District operations for efficiencies,

evaluates the effectiveness of services, and prioritizes resource allocation based on the strategic priorities of the Board of Directors. This process takes place annually as part of the budget process.

The District utilizes Maintenance Programs from various vendors for servicing of infrastructure and equipment, such as weight room equipment regular maintenance contracts, for air conditioning equipment regular service contracts. In addition, the District has altered its fleet vehicles from owned vehicles to corporate leases to decrease overall maintenance costs.

The DRD states that one of the District's core values is Excellence. They define excellence as continuously striving for perfection. The District states that they are constantly evaluating each area of their operations and adjusting to become more efficient in their provision of services, filling gaps in service, and anticipating future needs. The District's service model is based on collaboration and the District states that they do an outstanding job of working with other agencies/entities both public and private. The District is conscious of other service providers and making sure District services are complimentary and not duplicative through regular communication with the District's many partners.

DISADVANTAGED UNINCORPORATED COMMUNITIES

LAFCO has determined that there are seven Disadvantaged Unincorporated Communities (DUCs) associated with the cities encompassed within the DRD boundaries, therefore being served by the District. Additionally, there are 16 areas of unincorporated territory within the District boundaries and SOI that are not associated with cities, however are considered disadvantaged communities.

STATUS OF ISSUES IDENTIFIED IN MOST RECENT MSR

The last MSR for the DRD was conducted in 2013. The MSR report did not identify any service issues however did note the District's budgets and annual audits are not posted on its website and have not been posted on its website in the past. It was suggested that the District post these documents on their website.

The District has corrected this discrepancy and all items noted are available on the District website.

GOVERNMENT STRUCTURE ALTERNATIVES

There is only one government structure alternative that would be considered practical and applicable at this time:

Maintain the status quo.

The DRD's government structure currently in place is sufficient to provide the appropriate governance structure for the District for oversight of administration and operations. The

District maintains adequate staffing to support efficient delivery of services and appears to be diligent in not overextending. Therefore, the District's current structure should be maintained at this time.

RECOMMENDED MUNICIPAL SERVICE REVIEW DETERMINATIONS

Based on the information, issues, and analysis presented in this report, proposed MSR determinations pursuant to Government Code section 56430 are presented below for the LAFCO Commission's consideration:

1) *Growth and population projections for the affected area.*

- The DRD currently services an estimated population of approximately 334,000 over a geographical area of approximately 1,861.5 square miles. The District's service area has potential for growth, primarily within the cities and county unincorporated territory encompassed within its boundaries and sphere of influence.
- The DRD has no land use authority and is subject to the development actions and projections of the individual Cities and the County. It is anticipated that recreational and park facilities will see increased demands proportionate with population growth.
- The DRD estimated that population served is anticipated to grow by 1.3% annually between 2019 and 2024. The communities that are anticipated to grow faster are Indio (1.5%), Rancho Mirage (1.7%), Indio Hills (3.1%), and Mecca (4.1%).

2) *The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.*

- There are seven Disadvantaged Unincorporated Communities (DUCs) associated with the cities encompassed within the DRD boundaries, therefore being served by the District.
- There are 16 areas of unincorporated territory within the District boundaries and SOI that are not associated with cities, however are considered disadvantaged communities and are being serviced by the District,
- The DUCs are generally situated in rural areas with some suburban and urban level of development.

3) *Present and planned capacity of public facilities, adequacy of public services and infrastructure needs or deficiencies, including needs or deficiencies related to sewers, municipal and industrial water, and structural*

fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

- The DRD's current parks and facilities are adequate to support current services and to sustain a moderate level of future growth.
- The District's present capacity for providing future parks, facilities and services somewhat constrained by revenues keeping pace with expenditures, however, revenues associated with future new development.
- The DUCs associated with the cities and unincorporated areas contained within the District's jurisdictional boundaries are currently receiving park and recreational services from the District.

4) *Financial ability of agencies to provide services.*

- The DRD has the financial ability to provide the current level of services provided into the foreseeable future.
- The District maintains a significant cash fund balance/net position to cover short term revenue shortfalls that may arise.
- The District operates efficiently with adequate staff.
- The District is proactive at soliciting and obtaining alternative revenue sources such as grants and donations to augment the base revenue streams the District receives.

5) *Status of, and opportunities for, shared facilities.*

- The District provides services in several venues not owned by the District.
- District facilities are not available for long-term sharing with other agencies or entities as they are for providing recreational and special event activities.

6) *Accountability for community service needs, including governmental structure and operational efficiencies.*

- The DRD is governed by a five-member Board of Directors, elected by Division for four year staggered terms. Staffing is currently at approximately 173 full time and part time personnel.
- Service needs are being met to an adequate level, with very few complaints or other service issues. Operational efficiencies are optimized to as great an extent as practicable.

- The District primarily conducts outreach via its website, newsletters, social media and direct contact at facilities and through programs. The Board of Directors receives and publishes an annual Stewardship Report outlining statistical information and basic financial information on the District's performance during the year.
- Direct contact information is listed for Board of Directors and key staff personnel, and staff reports are provided with the agendas that are posted on the District website.
- The website provides access to all pertinent financial information for the District including budgets, annual audits and key Board of Directors and staff compensation information.
- No alternative government structure options are considered superior to the current structure at this time.

7) *Any other matter related to effective or efficient service delivery, as required by Commission policy.*

- No additional matters have been identified.

RECOMMENDED SPHERE OF INFLUENCE DETERMINATIONS

Existing Sphere of Influence

The DRD's existing sphere of influence extends beyond its jurisdictional boundary in the western portion of the District encompassing the City of Palm Springs, the City of Desert Hot Springs, the City of Cathedral City and most of the City of Rancho Mirage. The remaining SOI to the north, east, and south is conterminous with the District's jurisdictional boundaries.

Sphere of Influence Analysis

One of LAFCO's objectives is to eliminate illogical boundaries and associated service inefficiencies, where these issues exist. Based on the jurisdictional and geographical boundary constraints that exist to the east, north and south, and further west, expansion of the current SOI is not considered appropriate at this time.

The District reports that the current SOI was increased during the last MSR to accommodate the assistance the District has provided cities outside the current jurisdictional service boundaries. The District has provided services on a contractual basis for the Cities of Desert Hot Springs and Cathedral City, and Desert Healthcare District in Palm Springs.

The District had indicated intentions to annex Cathedral City, currently in the District

Sphere of Influence, into the District boundaries pending passage of the City of Cathedral City's 2022 ballot Measure K for funding facilities. However, this ballot measure failed to receive the 2/3rds majority and failed passage, and the District reporting that annexation of the city would be contingent on the passage of the ballot measure. Therefore, that is now delayed as the District researches alternative funding options.

Sphere of Influence Options

Only one option is identified with respect to DRD's SOI.

Option #1: Maintain the current SOI.

Should the LAFCO Commission wish to continue to reflect the intention to maintain the DRD's existing SOI, then reaffirmation of the current SOI would be appropriate.

Sphere of Influence Determinations

Following are the five recommended determinations for the LAFCO Commission's consideration as required by Government Code section 56425(e):

- 1) ***The present and planned land uses in the area, including agricultural and open-space lands.***
 - The DRD is not an authorized land use planning authority. The cities serviced are responsible for land use planning within the cities' boundaries, and the County in unincorporated areas within the District's jurisdictional boundaries.
 - Current land use and zoning throughout the District is a mix of residential, commercial, recreational and open space uses. It is likely future land use decisions will mostly reflect development that will require District services.
- 2) ***The present and probable need for public facilities and services in the area.***
 - The DRD maintains a formal five-year Capital Improvement Program and maintains a comprehensive Community Parks and Recreation Master Plan.
 - The District reviews and addresses needed capital projects during each annual budget process.
 - Expansion of services will require sufficient revenues to support the cost of any park, facility and recreational programs expansion.
- 3) ***The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.***

- The DRD parks and facilities are adequate to support the services provided.
- Recreational programming provided by the District is sustained at an adequate level to provide the wide variety of recreational opportunities for all segments of the population served.

4) *The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.*

- A large segment of the population that is served is economically disadvantaged, in particular, the disadvantaged unincorporated communities within the District boundaries.
- A large segment of the population served are largely ethnic minorities.
- The DRD provides all of their services to these communities of interest.
- The District offers a Financial Assistance Program for qualifying households through the Desert Recreation Foundation.

5) *For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.*

- The DRD does not provide the listed services. The District does provide its services to the residents of all the disadvantaged unincorporated communities within the District boundaries.

Chapter 3- Jurupa Area Recreation and Park District

OVERVIEW / BACKGROUND

The Jurupa Area Recreation and Park District (JARPD or District) was formed on October 1, 1984, established under authority of the California Public Resources Code Sections 5780 et seq., and has served the Jurupa area for over 38 years. The JARPD currently services a population of approximately 117,175 over a geographical area of approximately 46.4 square miles. The District encompasses the entire City of Jurupa Valley and a portion of Eastvale from the city limits west to Hamner Ave.

The District manages, maintains and assists in maintaining over 38 parks and recreation facilities. The District's responsibilities include creating and delivering quality programs, services and classes, and providing a wide variety of recreational opportunities to the general public. The District states that their charter is simple: "To provide parks and recreational facilities for current and future families in the 91752 and 92509 zip code areas." The District notes that this objective may sound fairly straightforward on the surface, but it barely hints at the complex interactions between JARPD and various developers, as well as local and state agencies.

The District notes that it is proud of their service to the Jurupa community over the last 38 years. But even more importantly, their ongoing efforts will continue to ensure the availability and quality of recreational opportunities as the area continues to grow.

The District's sphere of influence is coterminous with its jurisdictional boundaries.

Mission Statement

From the JARPD By-Laws Manual-

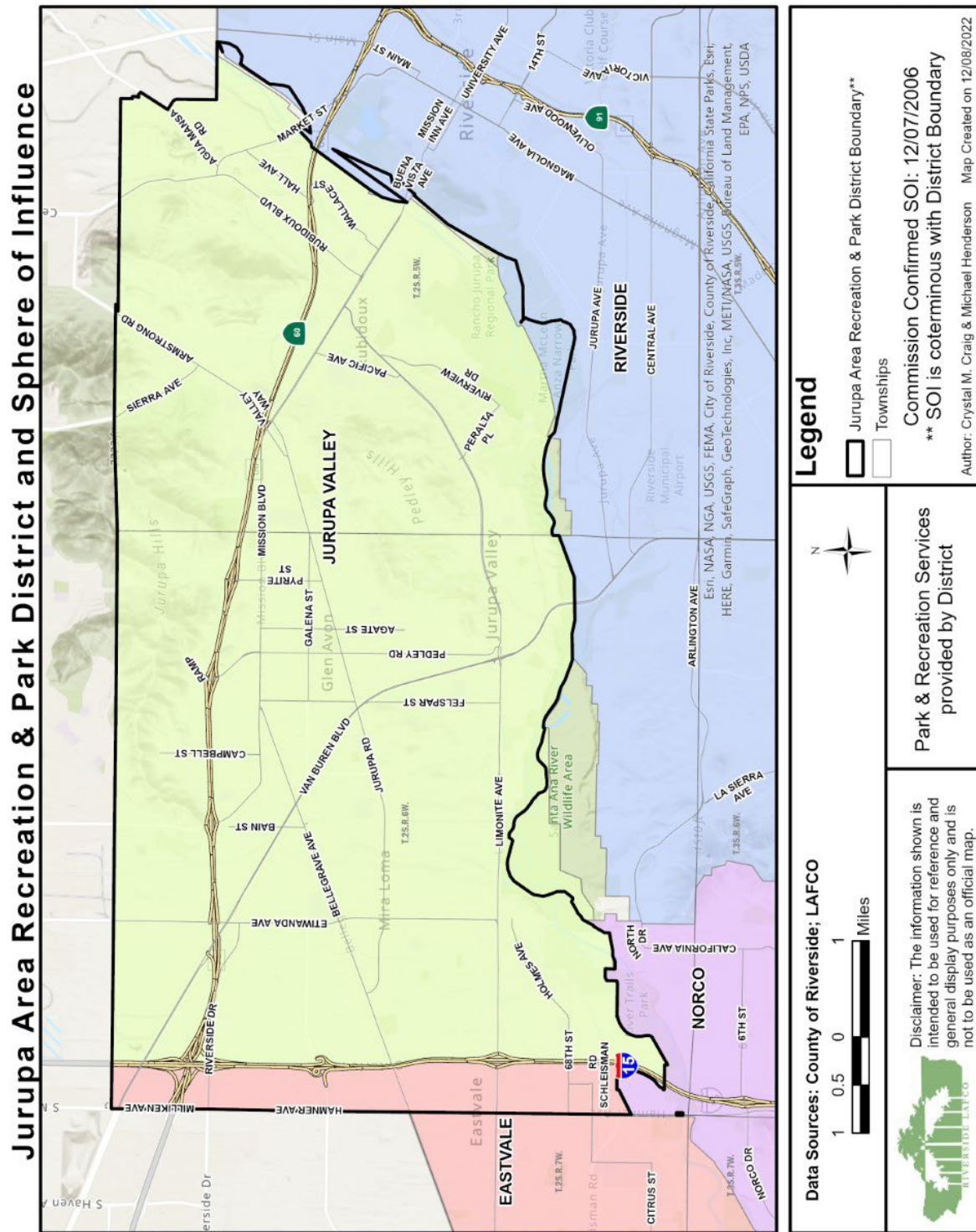
"The purpose of the Jurupa Area Recreation and Park District is to provide a well-rounded, wholesome program of leisure time activities for all people residing within the district. This shall be accomplished by acquisition and development of recreation and park areas and facilities; the development of recreation programs; construction and maintenance of recreation and park facilities; and cooperative efforts with other agencies and groups in the area which provide like services."

Table 3-1 on Page 64 provides a snapshot profile of the JARPD. A map of the JARPD's current boundary and SOI is shown in **Figure 3-1** on Page 65.

Table 3-1- Profile- Jurupa Area Recreation and Park District

General Information			
Agency Type	Municipal – Recreation & Park District		
Principal Act	California Public Resources Code Sections 5780 et seq.		
Date Formed	1984		
Services Provided	Recreation & Park Services		
Location	City of Jurupa Valley. Office location: 8621 Jurupa Rd., Jurupa Valley, CA 92509 (951) 361-2090		
Sq. Miles/Acres	Approximately 46.4 sq. miles		
Contact	Colby Diuguid General Manager colby@jarpd.org		
Website	www.jarpd.org		
Population Served	Approximately 117,175		
Last SOI Update	2006		
Governance/Staffing			
Governing Body	5-member Board of Trustees, elected by Division		
Terms	4-year staggered terms		
Meeting Information	2 nd and 4 th Thursday each month at 6:30pm at the District Office- 8621 Jurupa Rd., Jurupa Valley, CA 92509		
Total Staff	Approximately 60 full/part time employees plus seasonal staff		
Staff Categories	District Director, Administrative, Park Maintenance, Recreation		
Facilities/Other Infrastructure			
Facilities	District Office, 5 Community Centers, 38 Park Facilities		
Other Infrastructure	Landscape Maintenance of trails/open space in designated areas		
Financial Information- FY 20/21 Actuals (Audited Financial Statements)			
	Revenues	Expenditures	Net Surplus/(Deficit)
General Fund	\$2,351,663	\$1,095,646	\$1,256,017
Capital/Special Assessment Funds	\$13,154,185	\$11,002,542	\$2,151,643
Combined Funds	\$15,505,848	\$12,098,188	\$3,407,660
	FY 20/21	Long Term Planned Expenditures	
Capital Expenditures	\$8,484,318	None Identified.	
General Fund Balance	\$90,327	June 30, 2021 Financial Statement	
Capital/Special Assessment Funds Balance	\$7,819,578	June 30, 2021 Financial Statement	
Unrestricted Net Assets	\$2,992,413	June 30, 2021 Financial Statement	
Capital Assets	\$61,286,607	June 30, 2021 Financial Statement	
Net Position	\$67,679,337	June 30, 2021 Financial Statement	
Debt & Unfunded Pension/OPEB Liabilities- Year Ending June 30, 2021			
Long Term Debt	The JARPD has no long-term bond or secured debt		
Unfunded Pension Liability	The JARPD has \$666,761 in unfunded pension liability.		
Unfunded OPEB Liability	The JARPD has no unfunded OPEB liability		
Notes			

Figure 3-1- Boundary/SOI Map – Jurupa Area Recreation and Park District



GROWTH AND POPULATION PROJECTIONS

The JARPD currently services a population of approximately 117,175 over a geographical area of approximately 46.4 square miles. The District encompasses the entire City of Jurupa Valley and a portion of Eastvale from the city limits west to Hamner Ave. The District's current sphere of influence is coterminous with its jurisdictional boundaries.

The District's service area has potential for growth, primarily within the cities currently served. The City of Jurupa Valley has been experiencing steady growth over the last several years, in particular in the residential sector, and is projected to continue that pattern into the future. With this growth, District services will expand proportionately to support the population increases anticipated.

Although the District does not retain any land use planning and entitlement authority as those functions are reserved for the cities, the District must anticipate and forecast future demands. It is anticipated that recreational and park facilities will see increased demands proportionate with population growth. The District notes that creating community parks and recreation facilities requires a great deal of advance planning, strategizing and educated guesswork regarding what the future holds for the service area.

ACCOUNTABILITY AND GOVERNANCE

Governance

The JARPD is governed by a five-member Board of Directors, elected by Division to four-year staggered terms. The Board of Directors meets on the 2nd and 4th Thursday each month at 6:30pm at the District Office- 8621 Jurupa Rd., Jurupa Valley, CA 92509.

The District's Board of Directors consists of a President, a Vice-President, a Secretary and two Directors. There are no current vacancies on the Board. Additionally, there are four Standing Committees that meet to provide more specified leadership in certain areas. The Standing Committees include the Budget/Personnel, the Park Planning, Trails, Arenas & Development, the Park Maintenance System & Safety, the Recreation, Special Events & Facility Policy, and the Strategic Planning,

JARPD Board of Directors	Term Expires
Rebecca Rodarte-Bryne	2024
Kim Jarrell Johnson	2024
Jose Luis Godinez	2024
Ross Leja	2026
Edgar Castelan	2026

Generally, the powers the Board of Directors may exercise are to establish, equip, and maintain parks and recreation facilities, and provide recreational services for enjoyment of the population served by the District. The District reports that all Board members are current on their required ethics training and the Fair Political Practices Commission Form 700 Conflict of Interest Statements.

Website Transparency

In general, the JARPD website is organized and hosts a wide variety of detailed information regarding recreation and park activities and facilities for public access. Information provided includes announcements for special events, program information, notification of important District updates, various District policies, and links to other associated local agencies.

All Board of Directors meeting agendas, staff reports and meeting minutes are posted on the District's website, including committee meetings. JARPD live streams all Board Meetings and recordings are available on the web site. All meetings are posted online 72 hours in advance and residents can sign up to receive notification of any and all meetings.

The website contains direct email addresses to contact Board of Directors members and management staff for direct access. The website contains information available regarding various programs, specifics for park and other recreational facilities, and an on-line portal for program and class registration. All pertinent financial information for the District including budgets, annual audits and current staff compensation are available on the website.

Customer/Constituency Communication

The District employs avenues such as the website, social media, email and telephone and the "JARPD Connect App" for communicating information to the public, and for the public to report items of concern or with questions. Public Comment opportunities at Board of Directors meetings, District special events, and events with other community organizations are all avenues of communication available to the public. The District supports various activities sponsored by other agencies such as the Cities of Jurupa Valley and Eastvale, the Jurupa Unified School District, the Jurupa Citizens Corp, and other community organizations.

Customer/Constituency Accountability

JARPD maintains a high level of transparency with respect to availability of District financial and other related information, direct access to staff and the Board of Directors, and the communication avenues available to the public. Residents have a number of ways to contact the District to report concerns or communicate information and requests: website, social media, phone/email, and the primary source for tracking all service requests- the JARPD Connect App.

Residents can submit concerns from their mobile device and include photos and comments. Requests are updated in real time. Any request received via the JARPD Connect App is tracked and acknowledged within one business day. JARPD strives to correct issues within 48 hours. Any request received via phone or email is added to the JARPD Connect App. Residents can then track the service request. JARPD receives approximately 250 service requests a year. Occasionally complaints are received for

programs and facilities. Staff strives to correct these issues within the first contact with the resident. Requests for new facilities are often forwarded to the Board of Directors. Concerns received about programs and services are submitted to the appropriate supervisor.

The District conducts employee performance reviews annually. Reviews are performed by the employee's direct supervisor and reviewed by the department head and General Manager. The General Manager is evaluated by the Board of Directors. The District maintains a very comprehensive and extensive By-Laws Manual which contains Policies and Procedures, and a comprehensive Personnel Manual for staff utilization.

SERVICES – FACILITIES - INFRASTRUCTURE

Service Overview

The JARPD provides park and recreation services to the entire City of Jurupa Valley and a portion of the City of Eastvale. Services include special events, recreation classes and programs, park and landscape maintenance, trail maintenance, open space maintenance and park development.

The District provides an online registration system for registering for classes and programs and for reserving various park facilities. Recreational opportunities and programs include a wide variety of programs for all ages. These programs include:

After School Programs	Winter Break Camp
Tot Time	Easy Cooking for Kids
Folklorico Dance	Tap & Ballet Dance
Acrylic Painting	Adult Sports
Youth Sports	Tae Kwon Do
Cheerleading Classes	Tumbling Classes
Health & Wellness Classes	Red Cross Safety Courses

Special Events include:

Breakfast with Santa
Snow Day
JARPD Market Nights

Maintenance activities include park and facility maintenance, and trail and open space landscape maintenance in specified areas within the District.

The District does not contract for major services other than annual audit services and legal counsel as needed. The District contracts with the City of Jurupa Valley for operation of the Eddie Dee Smith Senior Center.

Facilities/Infrastructure

The JARPD owns and/or maintains and operates 38 park and community facilities throughout the District with various amenities such as baseball/softball fields, soccer fields, community gardens, playground facilities, equestrian facilities, splash pads, picnic shelters and restrooms. Specific information on each park and the trails, including maps, is listed on the District website. Various parks include:

City of Jurupa Valley

Rancho Mira Loma Park	Cantera Park
Quarry Park	Glen Avon Heritage Park
Abigail Tot Lot	Shaylor Park
Avalon Park/Wanamaker Gym	Centennial Park
Sky Park	Knowles Field
Serrano Ranch Park	Horseshoe Lake Park
Felspar Arena	Rick Thompson Arena
Clay Park	Agate Park/Harvey Field
Esplande Park	Vernola Family Park
Laramore Park and Arena	Pleasant Valley
Turnleaf Community Park	Mountain Vista Park
Harvest Village Park	Limonite Meadows Park
Riverbend Park	Veterans Memorial Community Park
Skyview Event Center	Jurupa Community Center/Jurupa Skate Park
Eddie D Smith Senior Center	Rancho Jurupa Regional Sports Park
Adventure Park	Discovery Park
Shadow Rock Park	

City of Eastvale

Cambria Park	Harmony Park
Moon River Park	Delaware Greenbelt

The JARPD District Office is located at 8621 Jurupa Rd., Jurupa Valley, CA 92509. The District also owns and/or maintains and operates community center facilities as follows:

- Skyview Event Center
- Jurupa Community Center
- Veterans Memorial Community Center
- Eddie Dee Smith Senior Center
- Avalon Community Center/Wanamaker Gymnasium

The JARPD also maintains four separate riding facilities within the District at the following parks:

- Rick Thompson Arena

- Horseshoe Lake Park
- Felspar Arena
- Laramore Park

Service Adequacy

Since its existence, the JARPD has provided the services it has intended to provide with no significant issues, other than funding constraints preventing acquisition of needed park land to meet the District standard of 5 acres per 1,000 in population. The District provides recreational and other services in an above adequate level and are well received by the District's constituency. The District supports and helps sponsor several community events each year, and provides a wide variety of program opportunities for all ages.

The District does not specifically track workload by staff however does evaluate services and programs in several ways. All recreation program participants are surveyed at the completion of a course. These evaluations are used to ensure the District is providing top quality programs and activities. Performance measures vary from program to program and by facility. Community feed back, budgets and operating costs are reviewed regularly.

The District constantly is monitoring current trends and adapts programs as available. The JARPD notes that the Board of Directors has identified the community of Rubidoux, Mira Loma and Jurupa Hills as being park poor and has prioritized land acquisition in these areas. The challenges facing the District are the lack of large usable parcels available in these areas.

The District notes that it has the capacity to provide parks within planned areas of growth. All new developments are required to provide park facilities or pay park development impact fees in lieu of the park development.

Facilities/Infrastructure Needs

The JARPD has identified a District standard of providing 5 acres of park and other facilities for every 1,000 of population. The District has historically been unable to meet that standard due to various reasons, including primarily lack of financing to acquire and maintain the parks.

The District reports that it has seen extensive growth over the past 10 years and foresees further growth in the future. Currently the District has 10 parks in some form of design or construction. All are based on proposed construction.

In addition, the District is currently in negotiations for two separate parcels to ultimately bring park and recreation services to severely underserved communities of the District. The District's Parks & Recreation Master Plan is utilized as the "road map" for future development, and priorities are set by the Board of Directors.

Cooperative Programs

The JARPD does not identify any specific cooperative programs with other agencies, although the District does participate in local planning efforts with the Cities of Jurupa Valley and Eastvale, and has entered into an agreement with the Jurupa Unified School District for sharing recycled water which will assist in reducing the District's reliance on using potable water for irrigation. The District is not a member of any Joint Powers Authority.

FINANCIAL OVERVIEW

The JARPD carries all operational budgeting and accounting in three main fund categories: General Fund, Special Revenue Funds (Maintenance Assessment Districts and Community Facilities Districts) and Capital Projects Fund which comprise the overall Governmental Funds. Therefore, for Financial Statement reporting, all revenues and expenditures, Net Position and other reporting requirements are identified to each fund and totaled as Governmental Funds.

Property taxes and assessments comprise the most significant source of revenues for the General Fund and Special Assessment Funds. Charges for Services, Facility Fees and other miscellaneous revenues comprise the remainder of the General Fund revenues. Development Impact Fees and Intergovernmental Revenue comprise the bulk of funds for the Capital Projects Fund. Salaries and Benefits comprise the most significant expenditures for the District's General Fund and Special Assessment Funds, followed by Services and Supplies. Capital expenditures is a significant expenditure from the Capital Outlay Fund. The District has no bond debt, however has other significant long-term liabilities, including unfunded pension liability with CalPERS. The District conducts an independent audit annually, the last three years reflecting an "unmodified" opinion, and provides all required reporting to the State Controller's Office as required by statutes.

Overall, the financial position of the District is considered relatively stable at this time, however, the limited unrestricted fund balance available for short term potential revenue/expenditure deficits is of some concern. However, increased revenues reflected in the General Fund, Special Assessment Funds and the Capital Fund are positive indicators of the long-term financial stability of the District. The District did receive a significant state grant for renovation of existing and construction of new parks and community facilities, and have actively utilized those resources on several major projects.

The District generates a significantly detailed budget annually which clearly articulates in great detail all anticipated revenues and detailed expenditures for the Board of Directors to analyze and make sound budgeting decisions.

Table 3-2 following, provides a snapshot of key financial data from the last three fiscal years. An analysis of the data related to several key financial status and financial health indicators follows.

Table 3-2- Financial Information – Jurupa Area Recreation and Park District

Financial Information (Actuals – Audited Financial Statements)			
	FY 20/21	FY 19/20	FY 18/19
General Fund Revenues	\$2,351,663	\$2,120,623	\$2,173,697
General Fund Expenditures	\$1,095,646	\$3,081,489	\$1,181,174
General Fund Surplus/(Deficit)	\$1,256,017	(\$960,866)	\$992,523
Capital & Special Assessment Funds Revenue	\$13,154,185	\$9,915,185	\$5,019,944
Capital & Special Assessment Funds Expenditures	\$11,002,542	\$9,873,882	\$5,185,856
Capital & Special Assessment Funds Surplus/(Deficit)	\$2,151,643	\$41,303	(\$165,912)
Capital Expenditures	\$8,484,318	\$9,157,945	\$3,183,910
Debt Service Expenditures	None	\$419,040	None
Long Term Liabilities (Excludes Pension)	\$1,134,451	\$1,129,053	\$1,534,608
Unassigned Fund Balance	\$87,327	(\$1,101,138)	(\$1,679,695)
Non-Spendable Fund Balance	\$3,000	\$3,000	\$16,668
Capital Assets (Net of Depreciation)	\$61,286,607	\$54,879,517	\$38,818,068
Unfunded Pension Liability	\$666,761	\$627,220	\$589,145
Unfunded OPEB Liability	None	None	None
Net Position	\$67,679,337	\$60,397,835	\$43,822,009

There are nine primary areas of criteria that have been utilized for this report to assess the present and future financial condition of the District's ability to provide efficient service operations as discussed below:

1. 3-Year Revenue/Expenditure Budget Trends
2. Ratios of Revenue Sources
3. Ratios of Reserves or Fund Balance to Annual Expenditures
4. Annual Debt Service Expenditures to Total Annual Expenditures
5. Net Position
6. Pension and OPEB Unfunded Liabilities
7. Capital Assets and Capital Improvement Plan
8. Fee Structure for Services Provided
9. Cost Avoidance Programs

3 Year Revenue/Expenditure Budget Trends

A trend analysis of revenues and expenditures provides a relatively quick snapshot of financial stability, and financial management of budgetary ebbs and flows over a short period of time. A review of the most recent 3 years of audited revenues and expenditures is utilized for this MSR.

For the JARPD, the General Fund revenue trend has been generally increasing over the last three fiscal years, however, is higher in FY 20/21 than in FY 18/19. The expenditure

trend has decreased annually over the same period of time. The exception is in FY 19/20 expenditures greatly exceeded revenues. The unassigned fund balance reflected significant deficits for FY 18/19 and FY 19/20. FY 20/21 achieved a significant General Fund surplus bringing the unassigned fund balance into a positive status. The District has committed to keeping this as a positive trend.

However, the limitations on expanding the District revenues coupled with potential future cost increases could over time create a potential for decreased services. As noted, the District has a very limited unassigned fund balance available, however, when viewed with the District's unfunded pension liabilities and recognizing unanticipated major expenditures could arise, any drawdown of the current fund balance will certainly place the General Fund in extremis.

Revenues associated with the Special Assessment Fund (Maintenance Assessment Districts and Community Facilities Districts) and the Capital Fund have exhibited significant and steady growth over the last 3 fiscal years.

Ratios of Revenue Sources

Diversity of revenues is an indicator of any public agency's ability to withstand a major loss in one revenue stream without a significant impact to operations and services. Ideally, an agency should have 3-4 revenue streams that are as equally balanced as possible, however, that isn't always possible in some agencies.

The JARPD receives approximately 91.3% of its overall non-capital revenues in the form of property taxes and special assessments. The remaining 8.7% comes from charges for services, intergovernmental revenues, facility rental fees and other miscellaneous sources. Capital revenues are primarily from intergovernmental sources and development impact fees. A significant source of intergovernmental revenues received over the last few years are reflective of the significant state grant funding the District received several years ago.

Since the District's revenue stream is not diversified to any extent, alternative sources of revenue would be ideal for absorbing a significant decrease in the one revenue source that is heavily reliant on for service provision. However, alternative revenue sources are not readily available to the District to allow for further diversification. Property taxes and special assessments are generally a relatively stable revenue source, however, as cost increases for service provision continue upward, these revenues must keep pace with those increases. Overall, the revenue status of the JARPD can be considered sustainable for the foreseeable future.

Ratio of Reserves or Fund Balance to Annual Expenditures

An indicator of the ability to absorb an unexpected loss of revenue in a given fiscal year is exhibited by the amount of unrestricted cash reserve or fund balance the service fund maintains in relation to the annual fund expenditures. A ratio of 30% or greater of fund

balance/reserve to annual expenditures is generally considered an adequate ratio to maintain.

The JARPD's General Fund unassigned fund balance of \$87,327 for FY 20/21 is approximately 8% of expenditures. The District is below the threshold of a reasonable reserve, however, the trend over the last three fiscal years has been upward, at a fairly significant pace. The District reports that it is working on building its reserves in the General Fund by keeping expenditures lower than revenues.

In the prior year, the General Fund went into a deficit fund balance because of project expenses related to the Sky View Event Center. Future revenues and lower expenditures are planned to bring the General Fund into a higher positive fund balance. The main item affecting fund balance is deferred inflows of pass-through payments remaining to repay the long term debt to County of Riverside for various park improvements.

The District is considered in reasonably good position to support a short-term downturn in revenue and maintain service levels given the positive revenue trend and prudent budgeting decisions for the General Fund. It should be noted that although these ratios are fairly adequate, unfunded pension liabilities, could in time require utilization of a potentially significant portion of this fund balance to maintain services.

Annual Debt Service Expenditures to Total Annual Expenditures

The ratio of annual debt service to total fund annual expenditures is an indicator of the District's ability to meet debt obligations in relation to service provision expenditures. Ideally, a ratio of 10% or less would reflect a very stable ratio. The PVVDL has no bond or other secured debt, therefore no ratio to assess, which in turn a positive aspect to overall financial stability.

The JARPD has no bonded or secured debt, therefor has no debt service requirements related to bonds or other secured assets. This is a positive position, in particular given the overall financial structure and funding constraints under which the District is required to operate. However, At the end of the FY 21/22 fiscal year, the District did have long term debt consisting of a note payable to the County of Riverside in the amount of \$1.05 million, future pass-through payments pledged to the County of Riverside totaling approximately \$3.37 million, a net pension liability of \$666,761 and compensated absences of \$80,804. There was no change to the note payable to the County of Riverside since payments on the note are contingent from development fees from the area around Vernola Park. No significant amount of developer fees were received in the 2021 fiscal year to pay down the note. The pass-through payments liability with the County of Riverside decreased by \$93,951.

As noted above, the District does has unfunded pension liability requirements. The District does not have unfunded OPEB liabilities. These liabilities are discussed further below.in this report.

Net Position

An agency's "Net Position" as reported in its audited financial statements represents the amount by which assets (e.g., cash, capital assets, other assets) exceed liabilities (e.g., debts, unfunded pension and OPEB liabilities, other liabilities). A positive Net Position generally provides an indicator of financial soundness over the long-term. However, Net Position also includes the value of capital assets that may or may not be easily liquidated. Therefore, Net Position could potentially be skewed when viewing it in the aspect of liquidity.

The FY 20/21 ending net position for the JARPD was calculated by the auditors at \$67,679,337 with \$2,992,413 identified as unrestricted net assets, with an unassigned fund balance of \$87,327. As compared to annual revenues and expenditures, this reflects a very good amount of net position, indicating reasonable stability with its ongoing governmental activities for the foreseeable future.

It is noted that the annual net position over the past three fiscal years has increased significantly. As capital assets are subject to depreciation, reductions of those asset valuations reflect negatively on net position. However, increases in capital assets (parks and the Sky View Event Center) have contributed significantly to those increases.

Pension and OPEB Unfunded Liabilities

Unfunded pension and OPEB liabilities present one of the most serious fiscal challenges facing many public agencies in California today. When reporting required under Government Accounting Standards Board (GASB) Statement #68 was implemented, many public agencies were awakened by the reality of the long-term unfunded liability aspect of their respective pension and OPEB obligations.

The JARPD employees' retirement pensions are covered under the California Public Employees Retirement System (CalPERS) pension system, in the Miscellaneous Plan category. According to the most recent audit report ending June 30, 2021, the CalPERS actuarial report for the measurement period ending June 30, 2020, lists the current Unfunded Pension Liability at \$666,761.

This liability comprises approximately 763.5% of the District's unassigned fund balance, a significant negative ratio. Mitigation of the current unfunded liability and taking into consideration of potential liability increases should be considered by the District. However, the District provided the projected unfunded liability from CalPERS for FY 21/22 as \$287,066. In discussions with one independent auditor, for the upcoming reporting period, the overall Miscellaneous Fund achieved significant return on investment during the year. However, for the current FY 22/23, the fund will experience significant losses due to the economic downturn, therefore those decreased liabilities will be short lived.

The JARPD does not contribute to other Post-Employment Benefits for retirees. Therefore, the District does not incur any OPEB unfunded liabilities.

Capital Assets and Capital Improvement Program

Capital assets must be adequately maintained and replaced over time and expanded as needed to accommodate future demand and respond to regulatory and technological changes. Depreciation typically spreads the life of a facility over time to calculate a depreciation amount for accounting purposes. The actual timing and amount of annual capital investments require detailed engineering analysis and will differ from the annual depreciation amount, although depreciation is a useful initial indicator of sustainable capital expenditures.

The JARPD's capital assets include the office facility, the District's parks and community centers and equipment/furniture, a large portion of which are subject to depreciation. As of June 30, 2021 the District had \$69,701,999 in capital assets and \$8,415,392 in accumulated depreciation, resulting in \$61,286,607 net capital assets. Depreciable assets include the park and community facilities and improvements, and equipment.

The District considers that the current capital reserves and level of funding are adequate to maintain current capital requirements. The District does not maintain a long-range Capital Improvement Plan, however does maintain a Community Park & Recreation Master Plan adopted in 2016 that identifies priorities for providing parks and services. The District does require new development to develop a park(s) or payment of fees for park development and are required to form or annex into an existing Community Facilities District for the maintenance of the facilities being provided. This ensures the viability of the parks being built.

Fee Structure for Services Provided

Most public agencies charge fees for various services provided.

The JARPD has a significant schedule of fees for administrative requests for services, rental fees for community facilities for private and/or public events, and recreational program and class fees. However, fee revenue comprises a minimal amount of the overall General Fund and Special Assessment Fund revenues. Fees take the form of fixed fees, hourly fees, and deposit based actual costs, all dependent on the service or facility being provided. The District's entire fee schedule is available on the District website.

Cost Avoidance Programs

The JARPD does not list any specific cost avoidance programs in place, however the District reports that the District continues to look at grant funds for development and program costs to assist in funding facilities and programs.

Additionally, the JARPD reports that it is constantly looking for partnerships and sponsorships for community events, programs, and activities. The District notes that these partnerships not only reduce District costs but strengthen the community. During

the budgeting process each year, significant attention is paid to looking for those opportunities within the budget to reduce costs without affecting service delivery.

DISADVANTAGED UNINCORPORATED COMMUNITIES

LAFCO has determined that there are no Disadvantaged Unincorporated Communities (DUCs) associated with the Cities of Jurupa Valley or Eastvale, therefore no DUCs associated with the JARPD boundaries.

STATUS OF ISSUES IDENTIFIED IN MOST RECENT MSR

The last MSR for the JARPD was conducted in 2005. Clearly after 17 years, much has changed within the District over that period of time. The MSR report identified two areas of note:

1. “The District provides 1.5 acres of park land per 1,000 population, not including County facilities. This ratio is far below the District’s standard of five acres per 1,000 population. The District has not historically met this standard.”

The District remains well behind in meeting the District standard, however recognizes that there are underserved areas and are striving to acquire funding and opportunities for land acquisition in an effort to improve on that standard.

2. “Even though the Jurupa CSD and the Jurupa Park and Recreation District boundaries overlap, park services are not overlapping. However, overlapping authority to provide park services does exist, as the principal act provides the Jurupa CSD the ability to provide park services. The two Districts should coordinate plans for future facilities to ensure that an efficient provision of service continues to be provided. Likewise, the District should also coordinate with the County Park and Open Space District to ensure that overlapping services do not occur.”

This previous issue is addressed in the SOI Analysis that follows later in this report.

GOVERNMENT STRUCTURE ALTERNATIVES

There is only one government structure alternatives that would be considered practical and applicable at this time:

Maintain the status quo.

The JARPD’s government structure currently in place is sufficient to provide the appropriate governance structure for the District. The District maintains a small staff, utilizes seasonal only staff and volunteer support to the greatest extent possible and is generally efficient in delivery of services. Therefore, the District’s current structure should be maintained at this time.

RECOMMENDED MUNICIPAL SERVICE REVIEW DETERMINATIONS

Based on the information, issues, and analysis presented in this report, proposed MSR determinations pursuant to Government Code section 56430 are presented below for the LAFCO Commission's consideration:

1) *Growth and population projections for the affected area.*

- The JARPD currently services a population of approximately 117,175 over a geographical area of approximately 46.4 square miles. The District encompasses the entire City of Jurupa Valley and a portion of Eastvale from the city limits west to Hamner Ave. The District's current sphere of influence is coterminous with its jurisdictional boundaries.
- The District's service area has potential for growth, primarily within the cities currently served.
- The City of Jurupa Valley has been experiencing steady growth over the last several years, in particular in the residential sector, and is projected to continue that pattern into the future. With this growth, District services will expand proportionately to support the population increases anticipated.

2) *The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.*

- There are no Disadvantaged Unincorporated Communities associated with the City of Jurupa Valley or Eastvale, therefore no DUCs associated with the JARPD boundaries.
- The area is a mix of residential, commercial, industrial, and rural with a segment of the population in the lower and below median level categories for income.

3) *Present and planned capacity of public facilities, adequacy of public services and infrastructure needs or deficiencies, including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.*

- The JARPD's current facilities are generally adequate to support current recreational program services being provided.
- The District has identified a District standard of providing 5 acres of park and other facilities for every 1,000 of population. The District has historically been unable to meet that standard due to various reasons, including primarily lack of financing to acquire and maintain the parks.

- The District maintains a Parks & Recreation Master Plan and has prioritized obtaining land and resources for creating more parks in several underserved communities within the District.
- The restrictive nature of revenue sources for the District restricts the ability to provide additional park facilities the District desires to provide, unless a part of new development.
- There are no disadvantaged unincorporated communities associated with the Cities of Jurupa Valley or Eastvale.

4) *Financial ability of agencies to provide services.*

- The JARPD has the financial ability to provide the current level of services provided into the foreseeable future.
- The District's current cash fund balance is very low due to reductions recently to support construction activities related to the Skyview Events Center, which inhibits the ability to cover short term revenue shortfalls that may arise.
- The District should ensure that sufficient budgetary actions are taken to increase the District's unassigned cash fund balance.
- The District operates efficiently with adequate staff given the budget constraints.
- The District has no real ability for obtaining alternative revenue sources that the District does not already receives for their capital projects, administrative and program activities.

5) *Status of, and opportunities for, shared facilities.*

- The JARPD is the only provider of Park and Recreation Facilities within the District, with the exception of the overlapping area in the City of Eastvale with the Jurupa Community Services District. The City of Jurupa Valley does operate a Dog Park, but all new park development falls under JARPD.
- The District does not indicate any current or near term future opportunity to share facilities with other agencies given the nature of the functions provided from the District facilities.

6) *Accountability for community service needs, including governmental structure and operational efficiencies.*

- The JARPD is governed by a five-member Board of Directors, elected by Division.

- Service needs are being met to an adequate level. Operational efficiencies are optimized as best as practicable within existing financial resources available.
- The District primarily conducts outreach via its website, social media, and direct interaction with the public. The website contains information available regarding various programs, specifics for park and other recreational facilities, and an on-line portal for program and class registration. All pertinent financial information for the District including budgets, annual audits and current staff compensation are available on the website.
- All Board of Directors meeting agendas, staff reports and meeting minutes are posted on the District's website, including committee meetings. JARPD live streams all Board Meetings and recordings are available on the web site. Direct contact information is listed for the Board of Directors and management staff.
- No alternative government structure options are considered superior to the current structure at this time.

7) *Any other matter related to effective or efficient service delivery, as required by Commission policy.*

- No additional matters have been identified.

RECOMMENDED SPHERE OF INFLUENCE DETERMINATIONS

Existing Sphere of Influence

The JARPD's existing sphere of influence is coterminous with its jurisdictional boundary.

Sphere of Influence Analysis

One of LAFCO's objectives is to eliminate illogical boundaries and associated service inefficiencies, where these issues exist. Currently the JARPD's service boundary overlaps the Jurupa Community Services District (JCSD) in the City of Eastvale, east of Hamner Ave. JCSD provides recreation and park services to the remainder of the City of Eastvale.

At some future JARPD and JCSD should discuss a potential re-alignment of the JARPD boundary eastward to the city limits and eliminate two service providers serving the same city,

Additionally, the District's jurisdictional boundary crosses the Santa Ana River and into the City of Riverside in several areas. As the City of Riverside provides parks and recreation services within the city, appropriate adjustments to the JARPD boundaries to the City of Riverside city limits should be discussed between the two agencies for elimination of the overlap.

Sphere of Influence Options

Only one option is identified with respect to the JARPD's SOI at this time. However, as noted above, consideration should be given in the future for potential re-alignments as noted in the SOI Analysis above.

Option #1: Maintain the current SOI which is coterminous with the District's jurisdictional boundaries.

Should the LAFCO Commission wish to continue to reflect the intention to maintain the JARPD's existing boundary, then reaffirmation of the current SOI would be appropriate.

Sphere of Influence Determinations

Following are the five recommended determinations for the LAFCO Commission's consideration as required by Government Code section 56425(e):

1) *The present and planned land uses in the area, including agricultural and open-space lands.*

- Although the District does not retain any land use planning and entitlement authority as those functions are reserved for the cities, and the county for unincorporated areas, the District must anticipate and forecast future demands. It is anticipated that recreational and park facilities will see increased demands proportionate with population growth.
- The District works closely with the Cities of Jurupa Valley and Eastvale regarding future development and services needs.
- Current land use and zoning is a mix of residential, commercial, industrial, and rural uses. It is likely future land use decisions will mostly reflect development that will require District services.

2) *The present and probable need for public facilities and services in the area.*

- Current facilities are inadequate to support the area due to lack of parks in several underserved areas within the District. The District standard for park acreage per 1,000 population has historically been unmet.
- Long term, there is a need for expansion of park facilities and recreational services to accommodate existing and future population growth.
- Expansion of park facilities and recreational services will require sufficient revenues to support the cost of any expansion. District policy requires new

development projects are required to form or join an existing Community Facilities District for park facilities and maintenance.

3) *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*

- Sufficient capacity of facilities in general exists to support providing adequate public services authorized and being provided.
- Several areas within the District are underserved with respect to park facilities which has been an ongoing issue.
- Recreational and other community services are provided at an adequate level with good quality.

4) *The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.*

- A fairly large segment of the population that is served is economically disadvantaged. These areas have been underserved for a long period of time.
- The District has recognized the communities of Jurupa Hills, Rubidoux and portions of Mira Loma as priorities to address the park deficiencies.

5) *For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.*

- There are no Disadvantaged Unincorporated Communities associated with the City of Jurupa Valley or Eastvale, therefore no DUCs associated with the JARPD boundaries.

Chapter 4- Valley Wide Recreation and Park District

OVERVIEW / BACKGROUND

The Valley Wide Recreation and Park District (VWRPD or District) was formed in July 1972, established under authority of the California Public Resources Code Sections 5780 et seq. and serves the central portion of western Riverside County. In 2022, the District celebrated its 50th year of successful service to the community with the mission to responsibly provide exceptional programs and quality park facilities that promote community involvement and healthy lifestyles. Within its current boundaries, the District provides services within the Cities of Hemet, San Jacinto, portions of the City of Menifee, and to the unincorporated communities of Aguanga, French Valley, Homeland, Romoland, Sage, Valle Vista and Winchester. The current total area served is approximately 530 square miles. The District estimates that it serves a population of approximately 282,100.

VWRPD operates and/or maintains over 100 parks and facilities, including: 10 community centers/gymnasiums, 1 aquatic center, 1 golf course, 6 off leash dog park enclosures, 61 ballfields, 46 soccer fields, 69 playgrounds, 19 horseshoe pits, 17 tennis courts, 19 pickleball courts, 64 basketball courts, 8 volleyball courts, various trail systems, over 60 miles of streetscapes, conservation/open space resource areas, and basin water quality features. The District's responsibilities include creating and delivering quality programs, services, classes, and facilitate leisure opportunities through partnerships with private and public agencies and entities. Services include setting and implementing park and landscaping construction standards, organizing recreational programs and special community events, maintaining parks, landscaping, and recreational facilities, and developing and managing Capital Improvement and Maintenance Plans. The District strives to ensure members of the public receive benefits such as community connectivity that support active life styles and quality life measures that augment physical fitness, relaxation and revitalization; social benefits in the form of stronger and healthier families and enriching the lives of all persons within all populations; and, economic benefits through beautification of communities and more productive and healthier citizens.

The District's current Sphere of Influence extends to encompass several areas to the east, south and west of the District's current boundaries primarily within unincorporated territory and within the majority of the City of Menifee.

Mission Statement

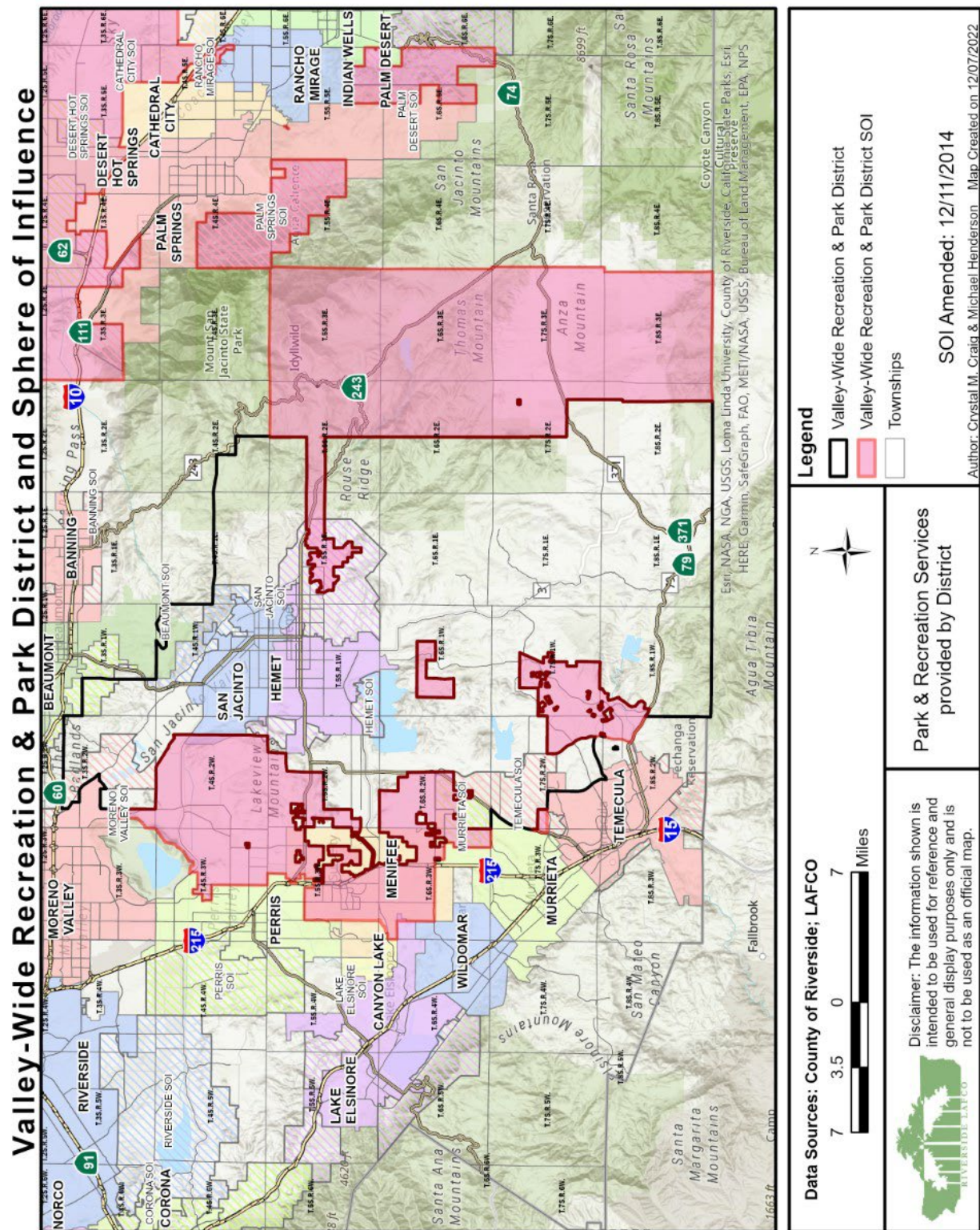
"The mission of Valley-Wide Recreation and Park District is to responsibly provide exceptional programs and quality park facilities that promote community involvement and healthy lifestyles."

Table 4-1 on Page 84 provides a snapshot profile of the VWRPD. A map of the VWRPD's current boundary and SOI is shown in **Figure 4-1** on Page 85.

Table 4-1- Profile- Valley Wide Recreation and Park District

General Information			
Agency Type	Municipal – Recreation & Park District		
Principal Act	California Public Resources Code Sections 5780 et seq.		
Date Formed	1972		
Services Provided	Recreation and Park Services- See Section- “Services – Facilities – Infrastructure”		
Location	Areas Served: Cities of Hemet, San Jacinto, portion of City of Menifee, and the unincorporated communities of Aguanga, French Valley, Homeland, Romoland, Sage, Valle Vista and Winchester. District Office/Headquarters: 901 W. Esplanade Avenue, San Jacinto, CA 92582 (951) 654-1505		
Sq. Miles/Acres	Approximately 530 sq. miles		
Contact	Dean Wetter, General Manager Fun@GoRecreation.org		
Website	www.GoRecreation.org		
Population Served	Approximately 282,100		
Last SOI Update	2014		
Governance/Staffing			
Governing Body	5-Member Board of Directors, elected by division		
Terms	4-year staggered terms		
Meeting Information	3 rd Monday of each month, at 5:30 p.m. at the District Office, 901 W. Esplanade Ave, San Jacinto, CA 92582		
Total Staff	31 full time and approximately 180 part time employees		
Staff Categories	Administrative/Management, Finance, Planning, Recreation Coordinators & Supervisors, Park/Facility Maintenance Supervisors and personnel		
Facilities/Other Infrastructure			
Facilities	District Office, Community Centers, Aquatic Center- See Section- “Services – Facilities – Infrastructure”.		
Other Infrastructure	Park/Recreational equipment, Ballfields, Soccer Fields, Playgrounds, Pickleball, Tennis, Basketball, and Volleyball Courts- See Section- “Services – Facilities – Infrastructure”.		
Financial Information- FY 20/21 Actuals (Audited Financial Statements)			
	Revenues	Expenditures	Net Surplus/(Deficit)
General Fund	\$6,553,875	\$5,138,468	\$1,415,407
All Other Funds	\$15,261,889	\$14,968,406	\$293,483
Combined Funds	\$21,815,764	\$20,106,874	\$1,708,890
	FY 20/21	Long Term Planned Expenditures	
Capital Expenditures	\$1,889,635	Gymnasiums and park acquisition	
General Fund Balance	\$8,124,290	June 30, 2021 Financial Statement	
All Other Funds	\$15,673,202	June 30, 2021 Financial Statement	
Unrestricted Net Assets	(940,087)	June 30, 2021 Financial Statement	
Capital Assets	\$142,677,720	June 30, 2021 Financial Statement	
Net Position	\$124,792,608	June 30, 2021 Financial Statement	
Debt & Unfunded Pension/OPEB Liabilities- Year Ending June 30, 2021			
Long Term Debt	Long Term Debt includes Compensated Absences		
Unfunded Pension	VWRPD has \$4,499,490 in unfunded pension liability		
Unfunded OPEB	VWRPD has \$5,421,702 in unfunded OPEB liability		

Figure 4-1- Boundary/SOI Map – Valley Wide Recreation and Park District



GROWTH AND POPULATION PROJECTIONS

The VWRPD currently services a population of approximately 282,100 over a geographical area of approximately 530 square miles. The District encompasses the Cities of Hemet, San Jacinto, portions of the City of Menifee, and the unincorporated communities of Aguanga, French Valley, Homeland, Romoland, Sage, Valle Vista and Winchester. The District's current Sphere of Influence extends to encompass several areas to the east, south and west of the District's current boundaries primarily within unincorporated territory with portions of the City of Menifee.

The District's service area has significant potential for growth, primarily within the cities currently served, and within the District's current Sphere of Influence. The Center for Demographics has projected 14% growth in Riverside County's population during this present decade and an additional 10% growth during the 2030s. The District anticipates population served will grow by 1.45% annually to 2024. If projected District growth rates continue, the population could reach more than 330,000 by 2032. Future growth is anticipated to occur in the unincorporated communities of French Valley, Homeland, Romoland, Lakeview, Nuevo, Valle Vista, and Winchester, and the Cities of Hemet, San Jacinto, and Menifee.

Although the District does not retain any land use planning and entitlement authority as those functions are reserved to the cities, and the county for unincorporated areas, the District must anticipate and forecast future demands. It is anticipated that recreational and park facilities will see increased demands proportionate with population growth.

ACCOUNTABILITY AND GOVERNANCE

Governance

The VWRPD is governed by a five-member Board of Directors, elected by division to four-year staggered terms. The Board of Directors meets on the third Monday of each month, at 5:30 p.m. at the District Office, 901 W. Esplanade Ave, San Jacinto, CA 92582 in the Board Chambers (unless the date and/or location are specified otherwise). Standing Committee meetings are held quarterly at the same location. The District's Board of Directors consists of a President, a Vice-President, a Secretary and two Directors. There are no current vacancies on the Board. Additionally, there are four Standing Committees, which are the Planning, Personnel, Finance/Budget, and Public Information Committees.

VWRPD Board of Directors	Term Expires
Jan B. Bissell	2026
Nick Schouten	2026
Angela D. Little	2024
Steve Simpson	2024
Mike Juarez	2024

Generally, the powers the Board of Directors may exercise are to establish, equip, and maintain parks and recreation facilities, and provide recreational services for enjoyment of the population served by the District. For the VWRPD, the primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are delegated to the professional staff members. The District reports that all Board members are current on their required ethics training and the Fair Political Practices Commission Form 700 Conflict of Interest Statements.

Website Transparency

In general, the VWRPD website is well organized and hosts a wide variety of information regarding park and other recreational facilities and recreational services. Information provided includes announcements for various recreational events, website pages for specific information on all parks and other recreational facilities, and various links to other information and media portals. Additionally, the District publishes periodic electronic newsletters, and utilizes social media for the public containing relevant current information on events, and other items of interest.

The District reports that the website provides a service friendly one-stop shop general mailbox that is actively monitored and checked multiple times a day to ensure community engagement is a positive experience; therefore, continuing to meet the District's high customer service standards. Board members and staff members have no direct email access to each individual provided through the website, thus must be contacted through the general mailbox.

Meeting agendas, staff reports, and Board approved minutes are posted on the District's website. Draft Board minutes of the previous meeting are posted within each subsequent month's Board Packet. Board policies, financial information (budgets, audits, staff compensation, etc.) along with informational announcements are also available on the website.

Customer/Constituency Communication

Public participation is encouraged by maintaining the District's website, where public meeting documents are published. In addition to the Board of Directors meeting details, information about District activities and programs can also be found on the website. Press releases are periodically released on the website and/or on the District's various social media platform accounts.

The VWRPD maintains a comprehensive website and provides outreach services throughout its jurisdiction. The District reports that communication and constituency outreach consists of many avenues as noted following:

- Public Board of Directors Meeting with agendas posted in compliance with The Brown Act.

- District Staff attending public meetings (e.g., City Council, Community Council, Commissions, etc.)
- Press Releases
- RFP and RFQ Advertisements in local paper and trade publications
- Flyers and Posters
- Website
- Social Media Posts (Facebook, Instagram, YouTube)
- Banners on District operated facilities
- Seasonal Published Activity & Program Brochure
- Annual Stewardship Report

The District publishes new brochures seasonally and can be obtained at all District community centers, gymnasiums, the Echo Hills Golf Course, Diamond Valley Lake Aquatic Center, and the District Administrative Office. Staff at these facilities are also a resource for inquiries and obtaining information. Commuters can see District information displayed on a jointly shared digital marquee sign on the southwest corner of Domenigoni Parkway and Searl Parkway in Hemet, CA.

Customer/Constituency Accountability

VWRPD publishes an annual Stewardship Report highlighting District activities throughout the year, including statistical information on programs and park/facilities usage, in addition to the budget and annual audits available on the District website. The District maintains an extensive catalog of Board policies regarding all facets of operations and fiduciary responsibilities.

All District meetings are held pursuant to the Brown Act. The District encourages public participation by maintaining a website and publishing their Board of Directors meeting schedule and agendas in addition to approved minutes.

Customers dissatisfied with the VWRPD's services, can submit complaints by several methods. Options for submitting a complaint include email, webform, mail, telephone, direct message, and in-person.

Constituent/customer requests for services and activity and/or program dissatisfaction are reviewed by the staff member that received the communication to determine the appropriate department and/or staff member that it is dispatched to (assignment of Service Request). The assignee evaluates the Service Request for the proper remedial action and they, or their designee, respond to the claimant.

VWRPD reports very few complaints being formally received for tracking; however, unsatisfied cases may result to a complaint and coordinated/addressed pursuant to District policy. Request for services and activity/program dissatisfaction that are not satisfied at the supervisory staff level and elevated to the management level are infrequent as noted below:

Quantity	Description / Type of Complaint (2020 and 2021)
2	Tree Leaf Litter
1	After Hours Use of Park by Constituents / Park Users
1	Water Features Near wall
1	Lead Times for Play Structure Replacement Components
2	General Recreation Program Complaints (i.e. sports officials making bad calls and child not on team with requested coach or player)

Non-recreation program related complaints are tracked through created Service Requests and assigned to the appropriate department and or staff member for their evaluation. Service Requests are tracked to completion by the assignee, and District Administration are informed and notified of actions to address the complaint and communications with the claimant.

Recreation program related complaints follow the same guidelines and flow of communication referenced above. These types of complaints are primarily received, tracked, and resolved directly by the Recreation Supervisor responsible for administering the respective program.

The VWRPD employees are empowered to resolve customer issues at the point of first contact. Should a complaint be unresolved at first contact, it will be escalated to the employee's direct supervisor and so on until resolution is achieved. Should a complaint be lodged through a board member, it is referred to the General Manager for resolution. Simple complaints are handled immediately and not tracked. The District uses various methods for tracking other complaints, including written documentation (Incident Form) if not immediately resolved.

Employee evaluations are performed on an annual basis by the individual's direct supervisor. The General Manager is evaluated by the Board of Directors annually. The evaluations are conducted in accordance with District policy.

SERVICES - FACILITIES - INFRASTRUCTURE

Service Overview

As further detailed in the "Facilities/Infrastructure" on the following pages, the VWRPD operates and/or maintains over 100 parks and facilities, including: 10 community centers/gymnasiums, 1 aquatic center, 1 golf course, 6 off leash dog park enclosures, 61 ballfields, 46 soccer fields, 69 playgrounds, 19 horseshoe pits, 17 tennis courts, 19 pickleball courts, 64 basketball courts, 8 volleyball courts, and over 60 miles of streetscapes within an approximate 530 square mile service area. Services provided by the District include:

- Provision of special community events and recreational programs;
- Development and maintenance of park systems;
- Development and maintenance of landscapes;

- Development and maintenance of trails systems;
- Maintenance and operation of recreation facilities;
- Maintenance of Water Quality features of basins;
- Maintenance of Conservation/Open Space resource areas; and
- Creation and implementation of park and landscape construction standards.

A wide variety of programs, classes, sports activities, and special events are offered throughout the District, and information can be found on the District website and in the very detailed seasonally published Activities Guide. A full listing of all current and planned future parks and facilities, and available amenities, are listed below under Facilities/Infrastructure. Programs and classes include but are not limited to:

Dance Classes	Educational Classes
Fitness/Exercise Classes	Martial Arts Classes
Swim Lessons	Open Swim
Lifeguard Training	Family Swim
Children's Classes	Health and Leisure Classes
Gymnastics	Sports Camps
Adult Classes	Adult Sports
Social Classes	Youth Basketball League
Youth Volleyball League	Adult Co-ed Volleyball League
Youth Indoor Soccer League	Youth Basketball League
Echo Hills Youth Golf Lessons	Youth Flag Football League
Youth Water Polo Classes	Wood Carving
Sewing Clubs	Kayak Club
Senior Softball League	Adult Basketball League
Mom & Me Toddler Classes	Oldlympics
Youth Baseball League	Youth Softball League
Bingo	Adult Slo-Pitch Softball League

The District contracts with San Jacinto Unified School District (SJUSD) to provide staff at various school sites for its O.A.S.I.S. After School Program. The District contracts for services for work not performed in-house such as, but not limited to, landscape maintenance, sports officials, security, on-call contract services, the annual audit, governmental finance consulting, and legal counsel, as needed.

Facilities/Infrastructure

The District Office is located at 901 W. Esplanade Ave, San Jacinto, CA 92581. The French Valley Recreation Headquarters is located at 31757 Browning Street, Murrieta, CA 92562.

A complete listing of all parks and recreational facilities and amenities are listed on the following pages:

SITES AT A GLANCE	Total Acres	Gym/Community Ctr.	Ballfields	Lighted Fields	Soccer Fields	Basketball Courts	Tennis Courts	Volleyball Courts	Pickleball Courts	Horseshoe Pits	Play Areas	Restrooms	Picnic Structures	Fitness Trails	Dog Park
MENIFEE VALLEY SITES															
Aldergate Park	7.37	N	1						2		1	Y		N	Y
Autumn Breeze Park	2	N									1	N		N	N
Brindle Mills Park	0.37	N									1	N	1	N	N
Desert Green Park	0.5	N										N		N	N
Discovery Park	8	N	1			2					1	Y	1	N	N
El Dorado Park	4	N	1								2	N	2	N	N
Eller Park	5	N	1	1		2					2	Y	1	Y	N
Fitness Trail - Heritage Lake Paseos	-	N										N		Y	N
Fitness Trail - Railroad	-	N										N		Y	N
Grand Vista Park	0.3														
Heritage Heights Pocket Park	0.5	N									1	N	1	N	N
Heritage Park	5	N				2					2	N	2	N	N
Heritage Lake Sports Park	20	N			6	3	3		2		1	Y	2	Y	N
Hidden Meadows Park	2.5	N						1			1	N		N	N
Lago Vista Sports Park	20	N	3	3	1	2					1	Y	1	Y	N
La Paloma Park	5	N									1	Y		N	N
Mahogany Creek Park	6	N				2					1	N	1	Y	N
Mahogany Creek Pocket Park	0.22	N										N		N	N
Marion V. Ashley Community Center & Park	12	Y	2	2							1	Y	1	Y	N
McCall Canyon Park	4	N				2					1	N		N	N
Menifee Community Center & Wheatfield Park	25	Y	6	2		2	2	1		2	2	Y	1	N	N
Menifee Gymnasium	-	Y										Y		N	N
Menifee South Tot Lot	2	N									1	N		N	N
Mira Park	5.66	N	1			2					1	N	1	N	N
Mosaic Park	1.6	N				2					1	N	1	N	N
Pepita Square Park	0.5	N										N		N	N
Rolling Hills Park	2.5	N									1	N	1	N	N
Sunrise Park	11	N	2			2					2	Y	1	Y	N
Woodbine Park	5	N			1	2					2	N		N	N
SITES UNDER DEVELOPMENT															
None															
FUTURE PLANNED SITES															
Country View Park	3.7	N													
Mountain Gate Park	10	N													

SITES AT A GLANCE	Total Acres	Gym/Community Ctr.	Ballfields	Lighted Fields	Soccer Fields	Basketball Courts	Tennis Courts	Volleyball Courts	Pickleball Courts	Horseshoe Pits	Play Areas	Restrooms	Picnic Structures	Fitness Trails	Dog Park
FRENCH VALLEY SITES															
Abelia Sports Park	17	N	2	1	1	2	1	1	1		1	Y	2	Y	N
Adeline's Farm Park	1	N									2	N	1	N	N
Avignon Park	0.5	N				1						N		N	N
Brookfield Park	12	N	1		1	2		1			1	N	1	Y	N
Butterfield Park	5	N	1		1	2					1	Y		N	N
Capri Pocket Park	0.5	N										N		N	N
Crown Valley Park	11	N	1	2	2	2	2		2		2	Y	1	N	N
Emerald Park	5	N	1		1	2					1	Y		N	N
Fieldview Park	7	N	1		1	2					1	Y	1	Y	N
Fitness Trail – Benton Channel	-	N										N		Y	N
Fitness Trail – Shrimp Lane	21.2	N										N		Y	N
Heritage Ranch Park	11	N	1	2	1						1	Y	1	N	N
Heroes Park	16	N			1							Y	2	Y	Y
Honey Pine Park	0.58	N									1	N	1	N	N
Kona Park	1	N									1	N		N	N
Leon Park and Fitness Trail	5	N			1	2					2	N	1	Y	N
Linear Park and Fitness Trail	11	N									2	N	1	Y	N
Linear Workout Park	1	N										N		Y	N
Mahogany Meadows Park	5	N	1		1	1					2	Y	3	Y	N
Mahogany Meadows Pocket Park	0.22	N									1	N	1	N	N
Northfield Pocket Park	1	N										N		N	N
Pompei Pocket Park	0.34	N										N		N	N
Pourroy Fields	9	N			4							N		N	N
Primrose Park	3	N						1			1	N	1	N	N
Rancho Bella Vista Gymnasium & Park	7	Y	1	1	1	2					1	Y	1	Y	N
Rancho Bella Vista II Center & Park	5	Y			1	1					1	Y	1	N	N
Sheffield Park	14	N	2		4							Y		Y	N
Sicily Pocket Park	0.34	N										N		N	N
Spencer's Crossing Sports Park	12	N	2	3	2	1					1	Y	3	Y	N
Tucalota Park	4.5	N	1		1	1					1	Y	1	N	N
Victory Park	5	N	1		1	1					1	Y	1	N	N
Wagon Wheel Pocket Park	1	N									1	N		N	N
Washington Park	5	N	1		1	2					1	Y	1	N	N
Watermill Pocket Park	1	N										N		N	N
SITES UNDER DEVELOPMENT															
Eagle Crest Park	5	N	1		1	1					1	Y	Y	N	N

Eagle Vista Park	1	N						1				2	N	1	N	N
FUTURE PLANNED SITES																
Belle Terre Park	3.8	N														
Coventry Road Pocket Park	1.5	N														

SITES AT A GLANCE	Total Acres	Gym/Community Ctr.	Ballfields	Lighted Fields	Soccer Fields	Basketball Courts	Tennis Courts	Volleyball Courts	Pickleball Courts	Horseshoe Pits	Play Areas	Restrooms	Picnic Structures	Fitness Trails	Dog Park
HEMET & SAN JACINTO SITES															
Aquatic Center (DVL)	5	N									1	Y	1	N	N
Bill Gray Park	5	N	1			2					1	N		N	N
Keller-Harris Community Center & Cottonwood Park	10	Y	1			1		1			1	N	1	Y	N
Diamond Valley Lake Sports Park	85	N	8	10	3				4			Y	3	Y	N
Echo Hills Golf Course	28	N										Y	1	N	N
Jim Venable Exchange Club	8	N				2	2	2	4	6	1	Y	3	Y	N
Michael Paul Gymnasium & Regional Park	36	Y	7	4	6	1	6		2	9	4	Y	3	Y	N
Jerry Searl Community Center & Park	11	Y	3	3	1						1	Y		N	N
Valle Vista (Fire Station) Park	7	N				1				2	1	N		N	N
Valle Vista Community Center & Louis M. Jackson Park	10	Y	3								1	Y	4	N	N
SITES UNDER DEVELOPMENT															
None															
FUTURE PLANNED SITES															
San Jacinto River Park	52	N													
WINCHESTER SITES															
Conestoga Park	4.9	N			1	4			2		1	Y	2	N	N
Francis Domenigoni Center & Winchester-Domenigoni Park	20	Y	3	3	1	2	1				1	Y	2	N	N
Winchester Trails Park	2	N				2					1	N	1	N	N
SITES UNDER DEVELOPMENT															
Braverde Veteran's Park	9.49	N	2	3	1	2			2		2	Y	1		Y
FUTURE PLANNED SITES															
Canter Wood Park	9.2	N													
Keller Crossing Park	5	N													
Pleasant Valley Park	1.5	N													
Prairie Crossing Pocket Park	0.25	N													
Settlers Pocket Park	1.12	N													
Stone Gate	8.2	N													
Winchester Ranch Sports Park	34	N													
Winchester Ridge Park	5	N													

Service Adequacy

Since its existence, VWRPD has provided the services it has intended to provide with no significant issues. The District does not have any capacity or service constraints at this time and is fully capable of providing robust services to the current District boundaries, its SOI, and surrounding areas. However, with future growth expected across the service area, ongoing planning is always necessary to meet the future demands. As of the District's 2020 Master Plan, the District reports that there were approximately 4.9-acres of park land per 1,000 population in the District's service area. The District continues to strive to maintain this ratio as they add facilities to meet population growth.

The District is the sole service provider within its boundaries and as development continues to occur, staff works with the developers to provide parks as they are a necessary component of life and active communities. The District reports that there have been no difficulties in providing services in the current District boundaries and has capacity to provide services to planned development in its future growth areas.

The District is a recipient of numerous accolades such as Outstanding Large District, Environmental Excellence, Best New Facility, and Community Landmark awards from California Association of Recreation and Park District, Champion of the Community awards from California Parks and Recreation Society, and recognition by Eastern Municipal Water District for the District's commitment toward responsible water use and conservation.

The District reports that services and operations are routinely evaluated. The District evaluates all special events and recreation programs at the conclusion of each program. Evaluations are noted and revisited during the planning phase of the subsequent special event and recreation program years. Public participation of the District special events and (registration in) recreation programs are tracked in monthly reports that are incorporated into Board of Directors meeting packages. The District quantifies performance by public participation and attendance, which it is estimated that 10,000 people per day visit a District facility. The District does not track direct workload by staff members.

Long-term objectives and goals are referenced in the District's 2020 Master Plan, which are derived from the Master Plan planning process that incorporates community input. Additionally, the District's Board of Directors periodically hold public Strategic Planning Workshops that establish objectives and goals that may not be in the 2020 Master Plan. The District's 2020 Master Plan also provides a needs assessment. This is used in addition to the projected development and population growth used to forecast service needs.

Facilities/Infrastructure Needs

The VWRPD does not have a specific 5-Year Capital Improvement Plan (CIP), however the District maintains a Capital Asset Replacement Report for planning capital asset replacement/refurbishment, and maintains a comprehensive Community Parks and

Recreation Master Plan adopted in 2020. The District utilizes the two plans for making annual decisions on capital improvements based on availability of financial resources. The District reports that it continues to grow its revenues for the continued expansion of services and facilities. The District utilizes partnerships, grants, and 501c3 supporting foundations to accomplish District objectives. The District does currently have sufficient capacity to provide services with current infrastructure. As of the District's 2020 Master Plan, there were approximately 4.9 acres of park land per 1,000 population in the District's service area. As development continues to occur in the District, staff works with the developers to provide parks in accordance with its detailed standards and specifications, which is available on the District website to aid the planning process.

Facilities are evaluated on a low-frequency and high-frequency basis to ensure deficiencies, if any, are addressed and the facilities continue to meet standards. The District reports sufficient capacity to provide services to planned growth areas. The District continues to seek funding and collaborative efforts to provide additional community center and gymnasium facilities for the overall community. The District does not report any areas within its future growth areas that would be difficult or expensive to serve.

The District indicates that funding levels are currently sufficient, however, rising equipment/construction/labor costs are of particular economic interest to the District operational planning efforts and capital schedules. The District reports its reserves and capital funding are adequate to maintain and enhance facilities and services. The District's efficiencies are due to its large service area and economies of scale realized as a result.

Cooperative Programs

The District is a member of California Association for Park & Recreation Indemnity, a Joint Powers Authority in the form of a self-insurance pool. It is not a member of any other Joint Powers Authorities and does not identify any specific cooperative programs in place. However, the District does partner with various other agencies and organizations for service provision, events, cooperative facility uses, etc. The VWRPD provides services under various agreements with a myriad of public agencies and private organizations. Additionally, the District cross-supports the Friends of Valley-Wide Foundation, a 501(c)(3) organization which works behind the scenes to ensure that all residents in the District have access to quality recreational resources, facilities, parks, and programs that serve today's needs and those for generations to come. The Friends of Valley-Wide Foundation:

- Generates funds through individual gifts, business and corporate, and grants;
- Leads the fundraising efforts to support youth scholarships, which provides financial assistance to families and individuals in the community who may otherwise be unable to participate in recreational activities;
- Assists with the development of new park lands through fundraising, donations, legacy gifts, and endowments; and

- Purchases equipment and other items for the District's parks and facilities.

Various partners include the Friends of Valley-Wide Foundation, Soboba Foundation, Western Science Center, San Jacinto Unified School District, Hemet Unified School District, Eastern Municipal Water District, Lake Hemet Municipal Water District, Hemet-San Jacinto Chamber of Commerce, Healthy Valley Foundation, Cal Fire, City of Hemet, City of San Jacinto, County of Riverside and the Exchange Club of Hemet-San Jacinto Valley.

The District participates in regional planning and programming regarding strategic planning and growth/service projects by actively engaging in the Riverside County planning process, the Winchester-Homeland Land Use Committee, Special Districts Association of Riverside County (SDARC) and coordination and communication with supervisory staff of County Supervisors of 3rd and 5th Districts.

FINANCIAL OVERVIEW

The VWRPD carries all operational budgeting and accounting in four main fund categories: General Fund, Special Revenue Funds, Capital Projects Fund and Other Governmental Funds. The Special Revenue Funds are comprised of several Landscape Maintenance Districts and Community Facilities Districts (Special Finance Districts). However, for Financial Statement reporting, all revenues and expenditures, Net Position and other reporting requirements are identified to each fund and totaled as Governmental Funds.

Property taxes and assessments comprise approximately 49.9% of the overall General Fund revenues. Approximately 44.7% comes from intergovernmental and other revenues, with the remainder from facility rental fees and charges for services. The Special Revenues are derived from the various Special Finance Districts and are restricted to expenditures related to the specific Finance District boundaries. Capital revenues are primarily from development fees and grant funds.

Contract services comprise the most significant expenditures for the District's General Fund and Special Revenue Funds, followed by a myriad of administrative, services and supplies, contract labor, salaries and benefits, and certain program expenditures. Capital expenditures are a significant expenditure, as expected, from the Capital Projects Fund. The District has no bond debt, however, has other significant long-term liabilities, including unfunded pension and OPEB liabilities with CalPERS as discussed later in this report.

The District generates a detailed two-year budget which clearly articulates in great detail all anticipated revenues and detailed expenditures for the Board of Directors to analyze and make sound budgeting decisions. The District conducts an independent audit annually, the last three years reflecting an "unmodified" opinion, and provides all required reporting to the State Controller's Office as required by statutes.

Overall, the financial position of the District is considered stable at this time, with sufficient committed, assigned and unassigned fund balances available for capital asset replacements, Dry Period funding, and long-term potential revenue declines if they were to occur. The District receives Special Revenue distributions twice per Fiscal Year, once in January and once in May. The period between the beginning of the Fiscal Year (July 1) and the first distribution in January is called the “Dry Period.”

Dry Period funding is necessary for the District to fund operations and maintenance through this period. General Fund revenues remain steady with slight growth, and expenditures are maintained below revenues reflecting annually planned cash residuals from expenditure control measures, set aside for proactive labor stabilization and the District’s maintenance needs of aging infrastructure.

For purposes of the Table below, the “Combined All Other Funds” includes the Special Revenue Funds, the Capital Projects Funds and the Other Governmental Funds.

Table 4-2 following, provides a snapshot of key financial data from the last three fiscal years. An analysis of the data related to several key financial status and financial health indicators follows.

Table 4-2- Financial Information – Valley Wide Recreation and Park District

Financial Information (Actuals – Audited Financial Statements)			
	FY 20/21	FY 19/20	FY 18/19
General Fund Revenues	\$6,553,875	\$6,514,656	\$6,627,836
General Fund Expenditures	\$5,138,468	\$5,809,913	\$5,826,610
General Fund Surplus/(Deficit)	\$1,415,407	\$704,743	\$801,226
Combined All Other Fund Revenue	\$15,261,889	\$15,340,016	\$11,849,500
Combined All Other Fund Expenditures	\$14,968,406	\$13,551,175	\$13,073,670
Combined All Other Funds Surplus/(Deficit)	\$293,483	\$1,788,841	(\$1,224,170)
Capital Expenditures	\$1,889,635	\$1,893,383	\$2,454,962
Debt Service Expenditures	None	\$32,329	None
Long Term Liabilities * (Excludes Pension/OPEB)	\$64,598	\$81,358	\$81,282
Unassigned General Fund Balance	\$8,040,431	\$6,608,037	\$6,268,541
Non-Spendable General Fund Balance	\$83,859	\$100,847	\$4,384
Capital Assets (Net of Depreciation)	\$109,950,410	\$92,930,559	\$83,755,551
Unfunded Pension Liability	\$4,499,490	\$4,197,145	\$3,879,198
Unfunded OPEB Liability	\$5,421,702	\$4,626,988	\$4,698,974
Net Position (Governmental Funds)	\$124,792,608	\$106,553,680	\$95,494,767
* Long Term Liabilities includes Compensated Absences.			

There are nine primary areas of criteria that have been utilized for this report to assess the present and future financial condition of the District’s ability to provide efficient service operations as discussed below:

1. 3-Year Revenue/Expenditure Budget Trends
2. Ratios of Revenue Sources
3. Ratios of Reserves or Fund Balance to Annual Expenditures
4. Annual Debt Service Expenditures to Total Annual Expenditures
5. Net Position
6. Pension and OPEB Unfunded Liabilities
7. Capital Assets and Capital Improvement Plan
8. Fee Structure for Services Provided
9. Cost Avoidance Programs

3 Year Revenue/Expenditure Budget Trends

A trend analysis of revenues and expenditures provides a relatively quick snapshot of financial stability, and financial management of budgetary ebbs and flows over a short period of time. A review of the most recent 3 years of audited revenues and expenditures is utilized for this MSR.

For the VWRPD, the General Fund revenue trend has been relatively stable over the last three fiscal years. The expenditure trend has remained stable over the last 3 years despite the impacts of the worldwide COVID-19 pandemic. The unassigned fund balance reflected steady increases over the same period, proactively planned to prepare for labor stabilization and the District's maintenance needs of aging infrastructure.

Revenues and expenditures associated with the Special Revenue Funds and the Capital Projects Fund have fluctuated over the last 3 fiscal years, however, remain in a positive status overall.

Ratios of Revenue Sources

Diversity of revenues is an indicator of any public agency's ability to withstand a major loss in one revenue stream without a significant impact to operations and services. Ideally, an agency should have 3-4 revenue streams that are as equally balanced as possible, however, that isn't always possible in some agencies.

The VWRPD receives approximately 49.9% of its overall General Fund revenues in the form of property taxes and regional assessments. Approximately 44.7% comes from intergovernmental and other revenues, with the remainder from facility rental fees and charges for services. Special Assessment revenues are derived from the various assessment districts and are restricted to expenditures related to those specific assessment district boundaries. Capital revenues are primarily from development fees.

The District's revenue stream is somewhat diversified although increasing additional revenue streams to any extent would strengthen the District's ability to withstand a decrease in one or more of the major revenue sources during an economic downturn. The District reports that it is not pursuing any new ongoing revenue sources at this time,

however, does continuously seek alternative sources of revenue for providing programs and capital improvements.

Special Revenue Funds are generally a relatively stable revenue source, however, as cost increases for service provision continue upward, these revenues must keep pace with those increases. Overall, the revenue status of the VWRPD can be considered sustainable for the foreseeable future.

Ratio of Reserves or Fund Balance to Annual Expenditures

An indicator of the ability to absorb an unexpected loss of revenue in a given fiscal year is exhibited by the amount of unrestricted cash reserve or fund balance the service fund maintains in relation to the annual fund expenditures. A ratio of 30% or greater of fund balance/reserve to annual expenditures is generally considered an adequate ratio to maintain.

The VWRPD's General Fund unassigned fund balance of \$8,040,431 for FY 20/21 is approximately 156% of expenditures. The District is well above the threshold of a reasonable reserve, and the trend over the last three fiscal years has been upward, reflecting annually planned cash residual from expenditure control measures set aside for proactive labor stabilization and the District maintenance needs of aging infrastructure. This ratio reflects that the District is in a good position and exhibits a positive fiscal position. The combined Special Revenue Funds and Capital Projects Funds denote all fund balances as restricted totaling \$15,782,285.

As noted, the District maintains a significant unassigned fund balance for the General Fund as compared to annual expenditures. However, when viewed with the District's unfunded pension and OPEB liabilities and recognizing unanticipated major expenditures could arise, any drawdown of the current fund balance could have a significant impact on the General Fund.

The District is considered in a good position to support a short-term downturn in revenue and maintain service levels given the positive revenue trend and prudent budgeting decisions for the General Fund. It should be noted that although these ratios are adequate, unfunded pension and OPEB liabilities, could in time require utilization of a portion of this fund balance to maintain services.

Annual Debt Service Expenditures to Total Annual Expenditures

The ratio of annual debt service to total fund annual expenditures is an indicator of the District's ability to meet debt obligations in relation to service provision expenditures. Ideally, a ratio of 10% or less would reflect a very stable ratio.

The VWRPD has no bonded or secured or debt, therefore has no debt service requirements related to bonds or other secured assets. This is a positive position with respect to financial stability. The only long term liability is Compensated Absences which

is very minimal. The District does have unfunded pension liability requirements and unfunded OPEB liabilities, as discussed further below in this report.

Net Position

An agency's "Net Position" as reported in its audited financial statements represents the amount by which assets (e.g., cash, capital assets, other assets) exceed liabilities (e.g., debts, unfunded pension and OPEB liabilities, other liabilities). A positive Net Position generally provides an indicator of financial soundness over the long-term. However, Net Position also includes the value of capital assets that may or may not be easily liquidated. Therefore, Net Position could potentially be skewed when viewing it in the aspect of liquidity.

The FY 20/21 ending net position for the VWRPD was calculated by the auditors at \$121,792,608 with (\$940,087) identified as unrestricted net assets, and a General Fund unassigned fund balance of \$8,040,431. As compared to annual revenues and expenditures, this reflects a very good amount of net position, indicating reasonable stability with its ongoing governmental activities for the foreseeable future. The negative unrestricted net assets does not necessarily reflect a negative operational position for the District.

As noted in the FY 20/21 financial statements, much of net assets are either capital assets, or other assets restricted for parks and recreation and other liabilities such as unfunded pension and OPEB liabilities. The audit notes that the District had \$19,789,599 in cash and investments assets as of June 30, 2021.

It is noted that the annual net position over the past three fiscal years has increased. As capital assets are subject to depreciation, reductions of those asset valuations reflect negatively on net position. However, increases in capital assets and cash fund balances have contributed to those increases.

Pension and OPEB Unfunded Liabilities

Unfunded pension and OPEB liabilities present one of the most serious fiscal challenges facing many public agencies in California today. When reporting required under Government Accounting Standards Board (GASB) Statement #68 was implemented, many public agencies were awakened by the reality of the long-term unfunded liability aspect of their respective pension and OPEB obligations.

The VWRPD employee retirement pensions are covered under the California Public Employees Retirement System (CalPERS) pension system, in the Miscellaneous Plan category. According to the most recent audit report ending June 30, 2021, the CalPERS actuarial report for the measurement period ending June 30, 2020, lists the current Unfunded Pension Liability at \$4,499,490. This liability comprises approximately 56% of the District's General Fund unassigned fund balance.

The District provides Post-Employment Benefits for retirees pursuant to the California Public Employees Medical and Hospital Care Act (PEMHCA). As of the measurement date of June 30, 2020, 31 current and former employees were covered under the District's plan. The District's actuarial report calculates the current OPEB Unfunded Liability at \$5,421,702.

The District reports that it is proactively managing assigned fiscal resources towards satisfying the actuarial analysis of the District's 30-year pension and OPEB liability projection through the establishment of a 115 Trust Account.

Capital Assets and Capital Improvement Program

Capital assets must be adequately maintained and replaced over time and expanded as needed to accommodate future demand and respond to regulatory and technological changes. Depreciation typically spreads the life of a facility over time to calculate a depreciation amount for accounting purposes. The actual timing and amount of annual capital investments require detailed engineering analysis and will differ from the annual depreciation amount, although depreciation is a useful initial indicator of sustainable capital expenditures.

As detailed in Section "Services – Facilities – Infrastructure", The VWRPD capital assets include a robust inventory including: the District's office facility, parks and community centers, aquatic center, golf course, and equipment/furniture and amenities, a large portion of which are subject to depreciation.

As of June 30, 2021, the District had \$142,677,720 in capital assets and \$32,727,310 in accumulated depreciation, resulting in \$109,950,410 net capital assets. Depreciable assets include the office facility, park and community facilities and amenities/improvements, and furniture and equipment.

The District considers that the current capital reserves and level of funding are adequate to maintain current capital requirements. The District does not maintain a long-range Capital Improvement Plan, however, does maintain a Master Plan updated in 2021 to guide future capital decisions, and a comprehensive Capital Asset Replacement Report for planning for capital asset replacement.

Fee Structure for Services Provided

Most public agencies charge fees for various services provided.

The VWRPD maintains an extensive fee schedule for providing fee based recreational programs and classes, and community facility use rentals. The current fee schedules include hourly and fixed rate fees for programs, classes and facility use rentals dependent on the activity and scope of the request. Most program and facility rental information is available on the District website. Fee revenues comprise approximately 5.5% of General Fund revenue.

Cost Avoidance Programs

The VWRPD is continually looking for alternative funding opportunities, such as grant funding (i.e., Community Development Block Grants) to enhance and improve the District's programs and facilities. Any awarded funds augment the District's finances and efforts to serve the community.

The VWRPD reports that they continuously evaluate District operations for efficiencies, evaluates the effectiveness of services, and prioritizes resource allocation based on the strategic priorities of the Board of Directors. This process takes place annually as part of the budget process.

The District utilizes Maintenance Programs from various vendors for servicing of infrastructure and equipment, such as maintenance contracts for air conditioning equipment and landscape maintenance on-call services. In addition, the District has altered its fleet vehicles to incorporate corporate leases to decrease overall maintenance costs.

The District has partnered with Eastern Municipal Water District's Recycled Water Accelerated Retrofit Program to retrofit irrigation systems to recycled water in select areas. This conserves potable water resources and reduces water utility costs. The District also utilizes Calsense controls for irrigation systems, which monitors, analyzes, and manages water usage to better accommodate to each improvement area's microclimate. This system assists in conserving water by notifying the District of abnormalities in water consumption and allows staff to efficiently address issues.

Additionally, the District is under contract with Centrica Business Solution Services, Inc. for the performance of energy efficiency projects at various locations, which will result in less energy use and reduce electricity costs.

The District is exploring opportunities to expand city, county, and school district partnerships to provide gymnasium space throughout the District, which is a successful model after the District's Meniffee Gymnasium). Additionally, increasing sponsorship and volunteerism for special events and recreation programs to continue to enhance public participant experiences.

The District will continue collaboration with Eastern Municipal Water District and its Recycled Water Accelerated Retrofit Program which is crucial to combat drought and provide services in the service jurisdiction. The District continues to work towards resource conservation and financial saving measures.

DISADVANTAGED UNINCORPORATED COMMUNITIES

LAFCO has determined that there are 14 Disadvantaged Unincorporated Communities (DUCs) associated with the area cities served, and are within or adjacent to the District boundaries, therefore are served by the District.

STATUS OF ISSUES IDENTIFIED IN MOST RECENT MSR

The last MSR for VWRPD was in 2014. The 2014 MSR identified two items that the District could improve upon:

- Budgets and Annual Audits not posted on the District website. Budget and Audit information are now on the District website.
- Park acreage to population ratio of 5 acres to 1,000 population per the District's standard was not being met. The District reports that a ratio of 4.9 acres to 1,000 population is now provided.

As noted throughout the MSR discussions, these items have been rectified and are not considered a concern.

GOVERNMENT STRUCTURE ALTERNATIVES

There is only one government structure alternative that would be appropriate and applicable to the VWRPD at this time:

Maintain the status quo.

The VWRPD's government structure currently in place is sufficient to provide the appropriate governance structure for the District. The District maintains appropriate level staffing for the services provided, is efficient in delivery of services and appears to be diligent in not overextending. Therefore, the District's current structure should be maintained at this time.

RECOMMENDED MUNICIPAL SERVICE REVIEW DETERMINATIONS

Based on the information, issues, and analysis presented in this report, proposed MSR determinations pursuant to Government Code section 56430 are presented below for the LAFCO Commission's consideration:

1) *Growth and population projections for the affected area.*

- The VWRPD currently services a population of approximately 282,100 over a geographical area of approximately 530 square miles. The District encompasses the Cities of Hemet, San Jacinto, and portions of the City of Menifee, and the unincorporated communities of Aguanga, French Valley, Homeland, Romoland, Sage, Valle Vista and Winchester.
- The District's service area has significant potential for growth, primarily within the cities currently served, and within the District's current sphere of influence.

- The District anticipates population served will grow by 1.45% annually to 2024. If projected District growth rates continue, the population could reach more than 330,000 by 2032. Future growth is anticipated to occur in the unincorporated communities of French Valley, Homeland, Romoland, Lakeview, Nuevo, Valle Vista, and Winchester, and the Cities of Hemet, San Jacinto, and Menifee.
- The District does not retain any land use planning and entitlement authority as those functions are acknowledged to rest with the cities, and the county for unincorporated areas; therefore, the District must anticipate and forecast future demands. It is anticipated that recreational and park facilities will see increased demands proportionate with population growth.

2) *The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.*

- There are 14 Disadvantaged Unincorporated Communities (DUCs) associated with the area cities served and are within or adjacent to the District boundaries.

3) *Present planned capacity of public facilities, adequacy of public services and infrastructure needs or deficiencies, including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.*

- The VWRPD's current parks and facilities are adequate to support current services and to sustain a moderate level of future growth.
- The District has present capacity for providing future parks, facilities and services from development conditions associated with future new development.
- The DUCs associated with the cities and unincorporated areas contained within the District's jurisdictional boundaries are currently receiving park and recreational services from the District.

4) *Financial ability of agencies to provide services*

- Overall, the financial position of the VWRPD is considered relatively stable at this time, with sufficient unassigned fund balances available for capital asset replacements, Dry Period funding, and short-term potential revenue and/or expenditure deficits.
- General Fund revenues remain steady with slight growth, and expenditures are maintained well below revenues reflecting annually planned cash residuals from expenditure control measures, set aside for proactive labor stabilization and the District's maintenance needs of aging infrastructure.

- The District operates in an efficient manner and utilizes a Master Plan to guide decisions related to financial, operational and capital improvement decisions as resource availability is determined. Overhead and administrative costs are minimized to the best extent practicable.
- The District is proactive in maintaining operational costs minimized without impacting services and programs, and continuously analyzes operations and potential capital improvements that can minimize ongoing expenditures.

5) *Status of, and opportunities for, shared facilities.*

- The District provides services in some venues not owned by the District.
- District facilities are not available for long-term sharing with other agencies or entities as they are for providing recreational and special event activities.

6) *Accountability for community service needs, including governmental structure and operational efficiencies.*

- The VWRPD is governed by a five-member Board of Directors, elected by division. Overall staffing is approximately 31 full time and approximately 180 part time personnel. Service needs are being met and operational efficiencies are optimized to the greatest extent achievable well within funding availability.
- The District realizes efficiencies resulting from its large service area and the economies of scale realized as a result.
- The District website is well organized and hosts a wide variety of information regarding park and other recreational facilities and recreational services. Information provided includes announcements for various recreational events, website pages for specific information on all parks and other recreational facilities, and various links to other information and media portals.
- The District publishes periodic electronic newsletters and utilizes social media for the public containing relevant current information on events, and other items of interest.
- The District website provides a service friendly one-stop shop general mailbox that is monitored and checked multiple times a day to ensure community engagement is a positive experience; therefore, continuing to meet the District's high customer service standards.
- Board members and staff members can only be contacted through the general mailbox with no direct individual access. The website also contains agendas, staff reports, and financial statements and budgets.

- No alternative government structure options are considered superior to the current structure at this time.

7) *Any other matter related to effective or efficient service delivery, as required by Commission policy.*

- No additional matters have been identified.

RECOMMENDED SPHERE OF INFLUENCE DETERMINATIONS

Existing Sphere of Influence

The VWRPD's current Sphere of Influence extends to encompass several areas to the east, south and west of the District's current boundaries primarily within the unincorporated communities of Lakeview, Nuevo, and Valle Vista, with portions of the City of Menifee.

Sphere of Influence Analysis

One of LAFCO's objectives is to eliminate illogical boundaries and associated service inefficiencies, where these issues exist. The expansion of the District's SOI would not result in any change of service delivery to the areas that could be available for expansion as most future growth is anticipated within the District's current SOI.

The District's SOI and jurisdictional boundaries do overlap with one city jurisdiction which has indicated its desire to provide the services provided by the District. However, no recent activity for a request for a reorganization and/or SOI modification from that city has been forthcoming. Additionally, it is noted that there are numerous noncontiguous District jurisdictional areas within the District's SOI. The District may want to consider future annexations of the SOI areas that would allow these "jurisdictional pockets" to become contiguous with the overall District boundaries.

Sphere of Influence Options

Only one option is identified with respect to the VWRPD's SOI.

Option #1: Maintain the current SOI.

Should the LAFCO Commission wish to continue to reflect the intention to maintain the RFPD's existing SOI, then a re-confirmation of the current SOI would be appropriate.

Sphere of Influence Determinations

Following are the five recommended determinations for the LAFCO Commission's consideration as required by Government Code section 56425(e):

1) *The present and planned land uses in the area, including agricultural and open-space lands.*

- VWRPD is not an authorized land use planning authority. The Cities contiguous within the District, and the County of Riverside for unincorporated areas are reserved the responsibility of land use planning.
- Current land use and zoning is a mix of urban, suburban and rural with significant residential, commercial and industrial type land uses throughout the District.
- The District anticipates and forecasts future demands. It is anticipated that recreational and park facilities will see increased demands proportionate with population growth.

2) *The present and probable need for public facilities and services in the area.*

- Expansion of services will require sufficient revenues to support the cost of any service and facilities expansion.
- The VWRPD's current parks and facilities are adequate to support current services and to sustain a moderate level of future growth.
- The District has present capacity for providing future parks, facilities and services from capital revenues associated with future new development.

3) *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*

- Sufficient capacity of facilities exists to support providing adequate public services authorized and being provided.
- Recreational programming provided by the District is sustained at an adequate level to provide the wide variety of recreational opportunities for all segments of the population served.

4) *The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.*

- There are several specific communities of interest within the VWRPD jurisdictional boundaries that are of note to the District, most notably the Aguanga, French Valley, Homeland, Lakeview, Nuevo, Sage, Valle Vista and Winchester communities.

- 5) ***For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.***
- The VWRPD does not provide the listed services. The District provides services to the residents of all of the disadvantaged unincorporated communities within the District boundaries.

ACRONYMS

AB	Assembly Bill
BCVRPD	Beaumont-Cherry Valley Recreation and Park District
CALFIRE	California Department of Forestry and Fire Protection
CalPERS	California Public Employees Retirement System
CDP	Census Designated Place
CEQA	California Environmental Quality Act
CFD	Community Facilities District
CIP	Capital Improvement Program
CKH	Cortese-Knox-Hertzberg Reorganization Act of 2000
CPA	Certified Public Accountant
DRD	Desert Recreation District
DUC	Disadvantaged Unincorporated Community
FPPC	Fair Political Practices Commission
FTE	Full-Time Equivalent
FY	Fiscal Year
GASB	Government Accounting Standards Board
GIS	Geographic Information Systems
JARPD	Jurupa Area Recreation and Park District
JPA	Joint Powers Authority
LAFCO	Local Agency Formation Commission
MSR	Municipal Services Review
OPEB	Other Post-Employment Benefits
SB	Senate Bill
SCAG	Southern California Association of Governments
SOI	Sphere of Influence
VWRPD	Valley Wide Recreation and Park District