

Hearing Draft

Review of Recreation and Park Districts Services and Spheres of Influence



March 2016



Local Agency Formation Commission
of Santa Cruz County
701 Ocean Street, Room 318D
Santa Cruz CA 95060

RECREATION AND PARK DISTRICTS 2016

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Document's Purpose, Format, and Executive Summary

LAFCO periodically performs municipal service reviews¹ and updates, as necessary, the sphere of influence of each agency subject to LAFCO's boundary regulation². A "sphere of influence" is defined as a plan for the probable physical boundaries and service area of a local agency. This report has been prepared to analyze the four recreation and park districts in Santa Cruz County:

- The Alba Park, Recreation and Parkway District
- The Boulder Creek Recreation and Park District
- The La Selva Beach Recreation and Park District
- The Opal Cliffs Recreation District.

The last service review for these four districts was the Countywide Service Review adopted in 2007, and the last Sphere of Influence Review occurred in 2008.

The main conclusions of this service and sphere review are:

- The four recreation and park districts are operating as small, independent local governmental agencies to provide important services that contribute to the unique quality of life in each of the communities.
- It is a challenge for the two smallest districts (Alba and Opal Cliffs) to function as governmental agencies. Despite the honorable efforts of the respective board members, the districts do not have the financial resources to comply with the myriad of state laws that apply to independent districts in California. Over the next five years, the two small districts should consider options to transition their services to other governmental or non-profit entities.

¹ Government Code §56430 (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000). The last service review of the four recreation and park districts was prepared by LAFCO in 2005: <http://www.santacruzlafco.org/wp-content/uploads/2016/02/Whole-Public-Review-Draft.pdf>

² Government Code §56427

- The Boulder Creek Recreation and Park District has the highest budget, largest population, and only full-time staff of the four recreation districts. Collectively, these features foster the successful governance of the district as an independent local governmental agency.

Recreation and Park Districts in State Law

Recreation and Park Districts are authorized in the Recreation and Park District Law (Public Resources Code sections 5780 – 5791.7). They may provide any combination of recreation, park, and open-space services. They are independent of city and county governments, and are governed by a 5-person elected board of directors. Their formation, boundary changes, and dissolution is subject to LAFCO's regulation under the Local Government Reorganization Act of 2000 (Government Code sections 56000 – 57550).

Recreation and Park Services in Santa Cruz County

In addition to the four Recreation and Park Districts, local recreational and park services are provided by five other agencies in the County:

- City of Capitola
- City of Santa Cruz
- City of Scotts Valley
- City of Watsonville
- County Service Area 11 (County Parks).

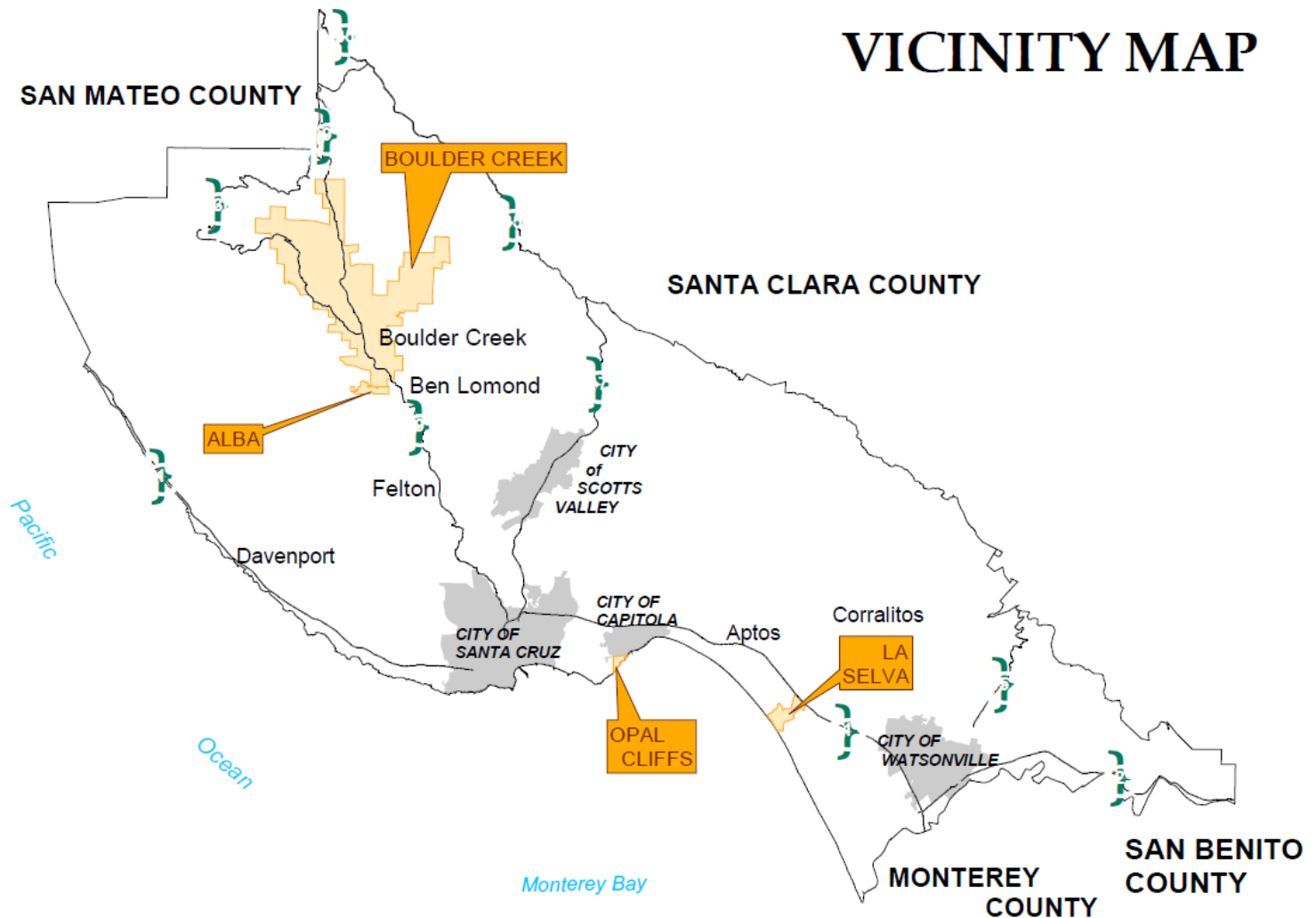
Table 1 – Recreation and Park Agencies

2016 Service Review of Recreation and Park Districts Functions Provided	Parks	Recreational Facilities	Public Open Space
Cities			
City of Capitola	•	•	
City of Santa Cruz	•	•	•
City of Scotts Valley	•	•	•
City of Watsonville	•	•	•
Special Districts			
CSA 11 – Recreation and Parks	•	•	•
Alba Park, Recreation and Parkway District	•	•	
Boulder Creek Recreation and Park District	•	•	
La Selva Beach Recreation and Park District	•	•	
Opal Cliffs Recreation and Park District	•	•	•

The four agencies addressed in this report are in **Bold Type**.

Every square inch of land in Santa Cruz County is located in one, and only one, of these nine recreation and park agencies. No boundaries overlap. A small area of the Skyline, northwest of Highway 9 is located within the Midpeninsula Regional Open Space District, which provides open space service to portions of Santa Clara, San Mateo, and Santa Cruz counties. That small area is also located within County Service Area 11, which provides minor financial support for the Santa Cruz County Department of Parks, Open Space, and Cultural Services.

VICINITY MAP



Alba Park, Recreation and Parkway District

The Alba Park, Recreation and Parkway District was formed in 1954. It maintains the former Alba School as a library and community center. Also, known as the “Little Red Schoolhouse”, the facility is located 2 miles up (west) Alba Road from Highway 9 in Ben Lomond. Its five-member board of directors serve four-year terms.

Table 2 - Alba Recreation and Park District Board of Directors

Board of Directors:	Title	Term Expiration	Compensation
Cindy Fairhurst-Thorpe	Director	Dec. 2017	None
Maggi Ghaffari	Director	Dec. 2017	None
Daniel Thorpe	Director	Dec. 2019	None
Amber Selene Turpin	Director	Dec. 2019	None
Steven Young	Director	Dec. 2017	None

The Alba Park, Recreation and Parkway District meets at 6:30 p.m. on the first Tuesday of the month at the Alba Schoolhouse at 12070 Alba Road, Ben Lomond.

The interior capacity of the meeting room ranges from 20 people seated at tables, to 50 people standing at a mixer. The rental rate for the hall is \$25 per hour. The schoolhouse property is owned by the San Lorenzo Valley School District. The Park District has leased the property until May 2028. The rate of \$1 per year was prepaid when the lease was executed on May 6, 2003. Information concerning the Alba Schoolhouse and booking its use is available on the District’s website:

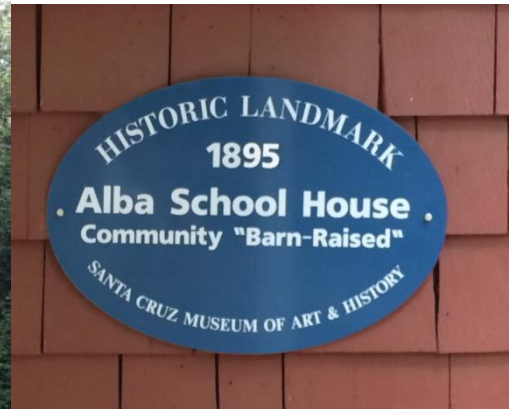
<http://albaschoolhouse.com/>

Table 3 - Alba Recreation and Park District – Financial Summary

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Sources					
Interest	\$80	\$56	\$60	\$66	\$86
Contributions and Donations	\$1,904	\$1,726	\$426	\$422	\$273
Rents	\$0	\$0	\$1,485	\$1,490	\$810
Other	\$0	\$0	\$958	\$0	\$0
Total Sources	\$1,984	\$1,782	\$2,928	\$1,978	\$1,169
Uses					
Services & Supplies	\$969	\$1,912	\$1,450	\$1,622	\$1,589
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Total Uses	\$969	\$1,912	\$1,450	\$1,622	\$1,598
Net Surplus/(Deficit)	\$1,015	(\$130)	\$1,479	\$356	(\$419)
Fund Balance, end of year	\$3,650	\$3,619	\$16,710	\$18,189	\$18,545

Division 76450

Facilities of the Alba Park, Recreation and Parkway District



The Alba Schoolhouse
12070 Alba Road
Ben Lomond



Audits

As is typical with districts with very small budgets, the Alba Park, Recreation and Parkway District has a hard time complying with audit recommendations. The County Auditor last performed an audit³ of the District in 2010 and issued a management letter on March 25, 2010. That audit noted that from the previous audit, thirteen of the recommendations had not been implemented, one had been partially implemented, and one had been implemented (posting meeting agendas at least 72 hours in advance of the meeting to comply with the Brown Act.). In the 2010 management letter⁴, the County Auditor made sixteen recommendations. Recommendations included:

- All payments be initiated through an invoice or a claim.
- Include in purchasing policies a requirement that expenditures be approved by the Board of Directors at a board meeting,
- That the Board adopt preliminary and final budgets on the deadlines specified in state law,
- That the Board adopt a policy regarding insurance coverage and maintain proof of insurance.

The District's Board of Directors notes that significant actions have been taken to respond to the 2010 audit, and that a newer audit is due to be released by the County Auditor in the near future.

Organizational Options

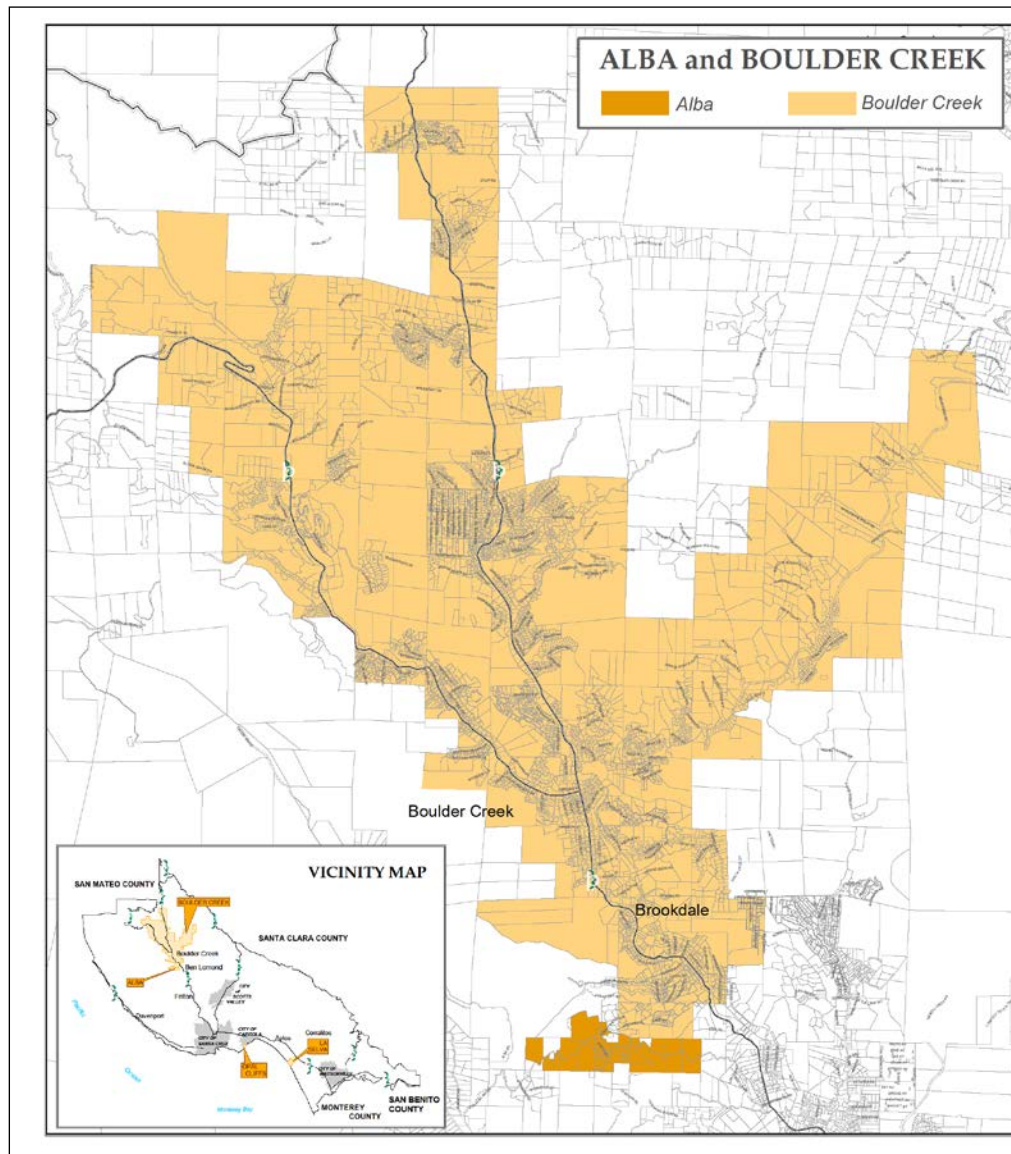
With 48 parcels and 220 residents, the Alba Park, Recreation and Parkway District is believed to be the smallest Recreation and Park District in the State of California. There are three potential changes of organization that are available and could continue the public use of the Alba Schoolhouse.

(1) Boulder Creek Recreation and Park District

The Alba Park, Recreation and Parkway District is located in northern Ben Lomond. As shown on the following map, the Alba district is adjacent to the Boulder Creek Park and Recreation District, which serves Boulder Creek and Brookdale. The Boulder Creek district also manages a rental hall and could operate the Alba Schoolhouse. The Alba district does not have a property tax; therefore the Boulder Creek District would have to review the assets and liabilities of annexing Alba and operating the Alba Schoolhouse.

³ Report on Audit of Alba Recreation District for the years ended June 30, 2004 through 2008, County of Santa Cruz Auditor-Controller, March 2010.

⁴ March 25, 2010 Management Letter from the County Auditor to the Board of Directors of the Alba Recreation District.



(2) County Parks

The Santa Cruz County Parks, Open Space and Cultural Services Department provides recreation and park services to the unincorporated areas of the County outside the four recreation and park districts. It has the expertise to manage the Alba Schoolhouse. As with the Boulder Creek Recreation and Park District, County Parks would have to review the cash flow and how the schoolhouse fits into their programs. The Alba community would have to consider whether their community's interests would be respected as part of a large agency.

(3) Park Hall

Another organizational option for Alba would be merging into the Park Hall, a non-profit that operates Park Hall, a meeting room and performance space located at 9400 Mill Street in downtown Ben Lomond. In 1923, Park Hall was donated by the Brooks family into a trust. All property owners and residents within 1 ½ miles of Park Hall are eligible to serve on the non-profit board and participate in decisions of the trust, as provided for in the language of the trust:

"The Said Trustees above named, and their successors, receive and accept this conveyance with the understanding that the said above described property shall be used for the best interests and benefit of the community of Ben Lomond, and with the further covenant upon their part that in the matter of the use or the sale, or other disposition of said property, they will be controlled by a majority vote of the citizens of said Ben Lomond, present and voting at a town meeting duly called by posting notices in three prominent places in said Town, ten days before the holding of any such meeting. At any such meeting said citizens of Ben Lomond may, by a majority vote, name a successor to any Trustee who may have died or resigned, and may also authorize, direct and compel the sale or other disposition of said property, or any part thereof. By "citizens of Ben Lomond" is meant any and all persons residing or owning property within a radius of 1-1/2 miles of the herein above described property."

Park Hall has a capacity of 250 people. It is the home of the Mountain Community Theater and is available for rental for weddings, concerts, and other community uses. Park Hall's organizational information follows:

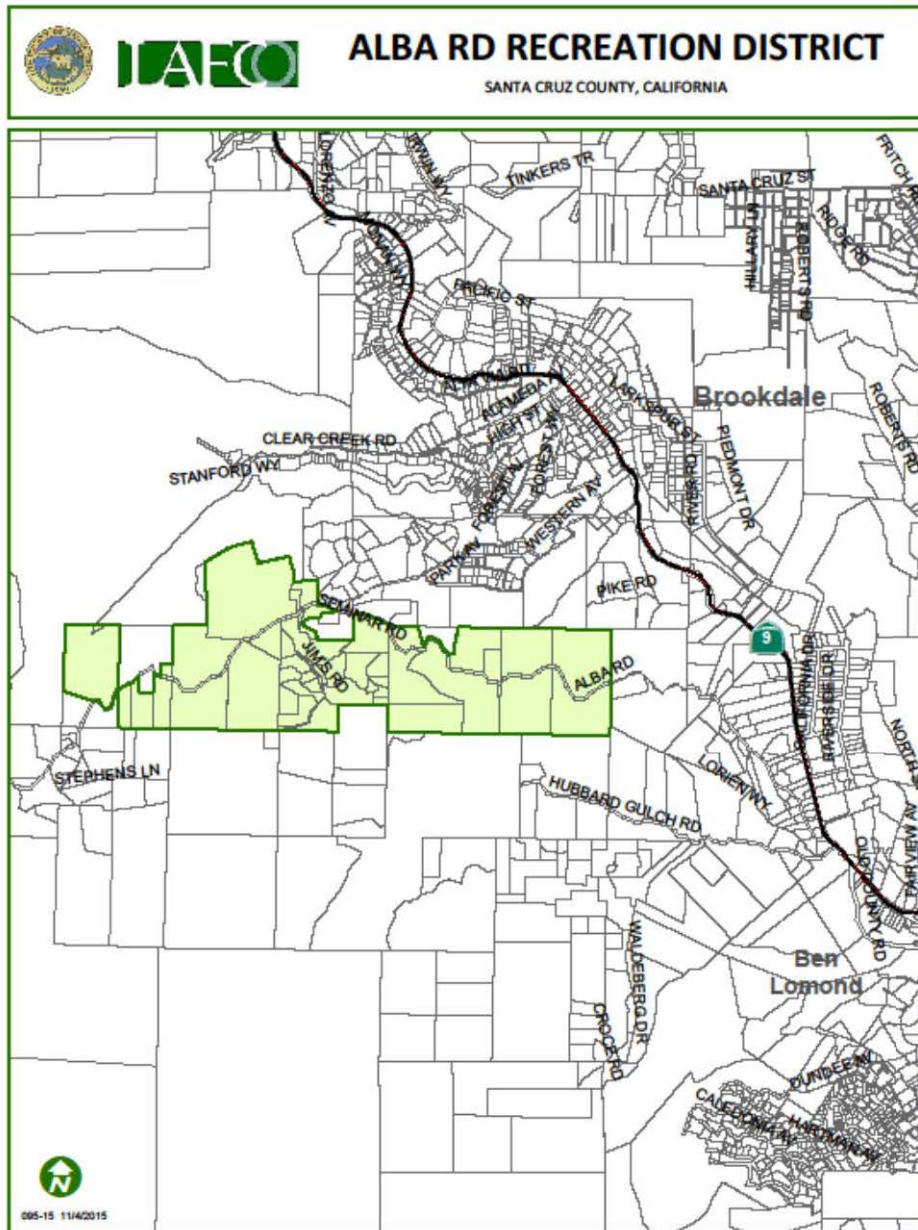
- Website: <http://parkhall.benlomond.org>
- Main Phone: (831) 336-2278
- Physical Address: 9400 Mill Street, Ben Lomond, CA
- Mailing Address: P.O.Box 1027, Ben Lomond, CA 95005
- Park Hall Manager: Sheila Bongiovan, Sheila@BenLomond.org or (831) 345-3835.
- Park Hall Trustees:
 - Ann Scott
 - Lyle Troxell – (831) 419-9659
 - Cathy Smith – (831) 247-3797
 - Dick Mills
 - Gil Sanchez
 - Denise Gorham
 - Steve Edmonds

Comments

On March 13, 2016, the Board of the Alba Park, Recreation and Parkway District sent two emails commenting on the February 2016 Public Review Draft. Their full comments are attached in the appendix. To summarize their comments, they note that the audits cited in the Public Review Draft are approximately ten years old and that the Alba Board is making progress to implement the audit recommendations. The Board believes that the district is adequately maintaining the historic building and making it available for community uses. The Board does not believe that any other organization, either a recreation agency or a non-profit would do a better job, and is concerned about a loss of local control.

Sphere of Influence

As shown on the following map, the current Sphere of Influence for the Alba Recreation and Park District is coterminous with its current boundaries. That means that when LAFCO took that action in 2008, LAFCO expected that the District would continue in existence and not change its boundaries. In the current review, the LAFCO staff has not identified any potential additions or deletions to the District's Sphere of Influence.



Boulder Creek Recreation and Park District

Formed in 1959, the Boulder Creek Recreation and Park District's service area contains approximately 16 square miles with the District primarily serving the communities of Boulder Creek and Brookdale. The District's four facilities are:

- Garrahan Park, 15530 Highway 9 in north Boulder Creek, Playfield, Playgrounds, Picnic Areas, Skateboard Ramp, Walking Path, Exercise Equipment
- Junction Park on Middleton Avenue at the junction of Boulder Creek and the San Lorenzo River, Picnic Area, River Access, Small Lawn
- Barbara Day Park on East Lomond Street at the dam site on San Lorenzo River, Passive Recreation, River Access
- Recreation Hall and office, 13333 Middleton Avenue, Boulder Creek, Office, Recreation Hall, Playground
- Boulder Creek Community Information and Visitor Center, 13200 Highway 9.

The Boulder Creek Recreation and Park District leases the Boulder Creek Recreation Hall from the Boulder Creek Fire Protection District for the sum of \$1 for a twenty-five year period that ends in 2018. At expiration, the Recreation District has the option to renew the lease for another 25 years for the additional sum of \$1. The Recreation District also has the option to purchase the building for \$1 if the Fire District is placed in control of persons outside the Boulder Creek community due to a consolidation, dissolution, or bankruptcy.

Table 4 – Boulder Creek Park and Recreation District Board of Directors

Board of Directors:	Title	Term Expiration	Compensation
Tess Fitzgerald	Director	Dec. 2016	None
George Galt	Director	Dec. 2018	None
Diana Hamilton	Director	Dec. 2018	None
Betsy Garties	Director	Dec. 2016	None
Brian Valdivia	Director	Dec. 2016	None

The District Manager is Hallie Greene (831-338-4144, BCRPD2@gmail.com).

The District's website: [bcrpd. http://www.bcrpd.org](http://www.bcrpd.org) .

The District Board meets at 7:00 p.m. on the second Wednesday of each month in the Recreation Hall at 13333 Middleton Avenue, Boulder Creek.

Facilities of the Boulder Creek Recreation and Park District



Garrahan Park

Recreation Hall



Junction Park

Finance

Table 5 -- Boulder Creek Recreation and Park District – Financial Summary

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Sources					
1% Property Tax	\$114,265	\$123,459	\$143,821	\$149,937	\$164,886
Service Charges	\$19,839	\$17,409	\$39,769	\$75,805	\$95,868
Park Dedication Fees	\$2,000	\$12,874	\$20,153	\$19,905	\$0
Rents and Concessions	\$3,708	\$1,966	\$21,378	\$20,994	\$24,886
Interest	\$8,965	\$6,025	\$1,793	\$1,839	\$2,319
Other Revenue, Contributions	\$5,693	\$1,693	\$3,207	\$3,456	6,609
Total Sources	\$154,469	\$163,426	\$230,120	\$271,935	\$294,367
Uses					
Salaries & Employee Benefits	\$75,439	\$82,024	\$127,040	\$162,337	\$185,704
Services & Supplies	\$59,567	\$54,748	\$81,872	\$93,218	\$91,083
Fixed Assets	\$2,572	\$21,646	\$19,572	\$21,705	\$20,347
Contingencies	\$0	\$0	\$0	\$0	\$0
Total Uses	\$137,578	\$158,419	\$228,484	\$277,260	\$297,139
Net Surplus/(Deficit)	\$16,892	\$5,008	\$1,637	(\$5,325)	\$2,766
Fund Balance, end of year	\$472,577	\$477,584	\$529,719	\$531,356	\$526,031

Division 76480

Audits

Since 2010, the Boulder Creek Recreation and Park District has had two audits⁵ prepared. The 2012 audit had three recommendations. These recommendations were apparently implemented since the 2014 audit did not contain any recommendations for improvements in the District's financial procedures. The District's Board of Directors notes that another audit is about to be performed.

Since the last service review, each of the three parks has been upgraded using state grant funds.

Organizational Options

The adjacent Alba Park, Recreation and Parkway District is quite small and has insufficient funding to operate in full compliance with the myriad of state laws that apply to independent districts. One of the

⁵ Boulder Creek Recreation and Park District, Financial Statements and Independent Auditor's Report, June 30, 2011 and 2010, Patricia A. Beckwith, CPA, February 21, 2012

Boulder Creek Recreation and Park District, Financial Statements and Independent Auditor's Report, June 30, 2013 and 2012, Fechter & Company, September 8, 2014

options for reorganizing Alba is to consolidate with the Boulder Creek Recreation and Park District (see page 6 earlier in this report). If approached by Alba, the Boulder Creek Recreation and Park District should evaluate the consolidation for its effects upon that district's governance and operations.

Comments

In an agendaized discussion at the BCR&PD meeting on March 2, 2016, the District Board and staff provided oral comments on the public review draft of this report. The Board highlighted their recent awards from the California Association of Parks and Recreation Districts, noted that the District had obtained a license and was operating a low-power radio station (KBCZ, FM 90.1) to serve the northern San Lorenzo Valley. Community adults and youths are programming the shows.

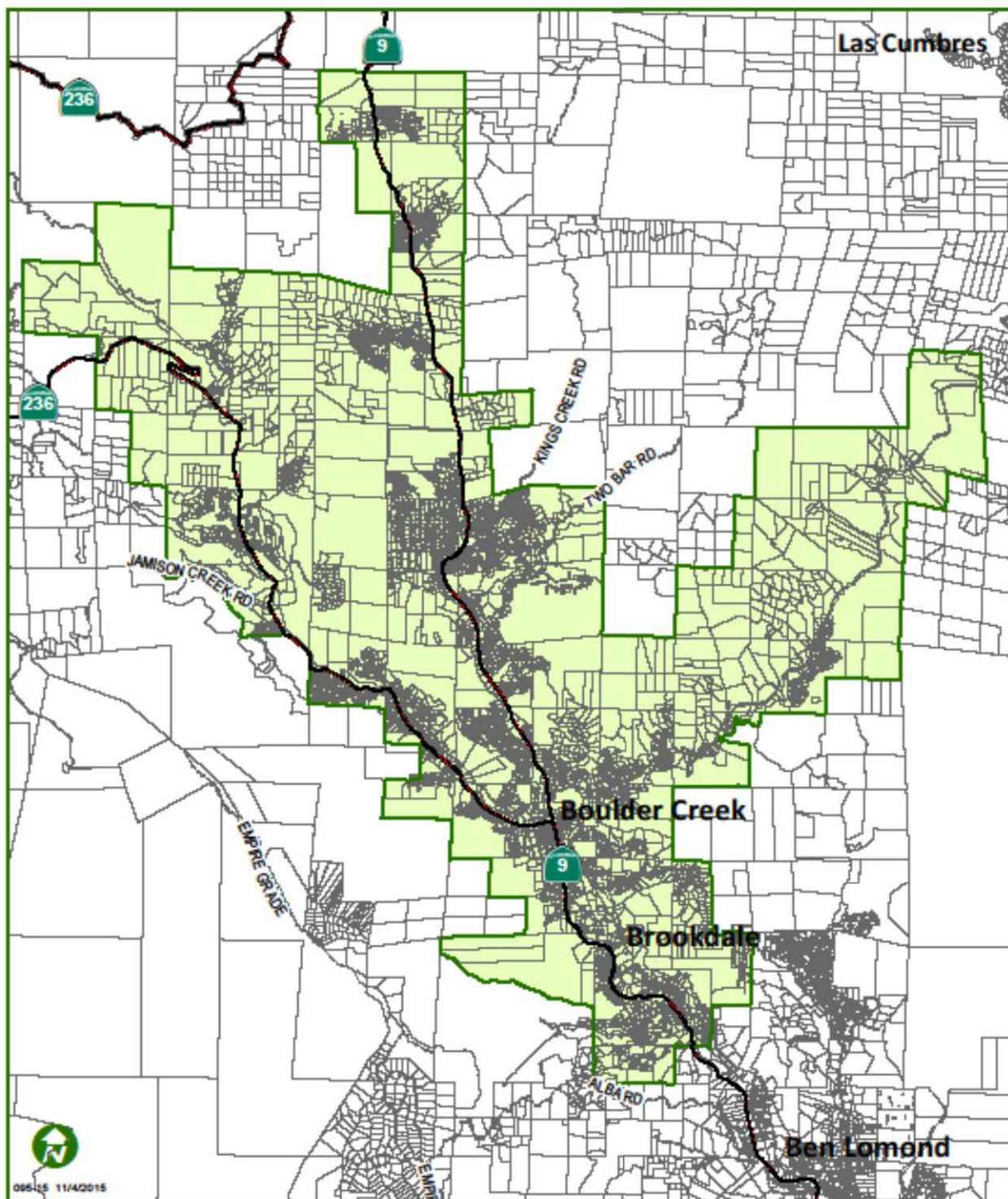
Sphere

The Boulder Creek Recreation and Park District's Sphere of Influence, last reviewed by LAFCO in 2008, is contiguous with the District's current boundary. LAFCO staff has identified no areas to consider adding or deleting from the District's Sphere. The Sphere map is shown on the following page.



BOULDER CREEK RECREATION DISTRICT

SANTA CRUZ COUNTY, CALIFORNIA



La Selva Beach Recreation and Park District

Formed in 1953, the La Selva Beach Recreation and Park District serves the community of La Selva Beach. Facilities include a clubhouse and playground on Estrella Avenue, Triangle Park on La Playa Blvd., open space at the entrance of the community near the corner of San Andreas Road and La Playa Blvd, road medians on Alta, and a bluff strip. The District is governed by a five-person board:

Table 6 -- La Selva Beach Recreation and Park District Board of Directors

Board of Directors:	Title	Term Expiration	Compensation
Marni Cook	Director	Dec. 2018	None
John Hunt	Director	Dec. 2018	None
Dagmar Leguillon	Director	Dec. 2016	None
Heiko Roppel	Director	Dec. 2016	None
Jakob Roppel	Director	Dec. 2016	None

Clubhouse and Playground on Estrella Avenue



Facilities of the La Selva Beach Recreation and Park District



Playground next to Clubhouse



Clubhouse



Triangle Park

Finance

Table 7 -- La Selva Beach Recreation and Park District – Financial Summary

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Sources					
1% Property Tax	\$68,016	\$72,789	\$105,940	\$103,214	\$110,759
Park Dedication Fees from County	\$30,344	\$14,958	\$0	\$0	\$0
Rents & Concessions	\$41,346	\$45,306	\$33,091	\$52,150	\$43,584
Interest	\$2,133	\$582	\$1,234	\$880	\$1,320
Other Revenue, Contributions	\$1,000	\$3,000	\$82,319	\$2,251	\$830
Total Sources	\$142,839	\$136,635	\$222,584	\$158,495	\$156,493
Uses					
Salaries & Employee Benefits	\$16,401	\$18,164	\$23,358	\$25,706	\$25,043
Services & Supplies	\$68,553	\$58,989	\$114,085	\$92,267	\$81,992
Fixed Assets	\$134,057	\$31,084	\$5,500	\$23,278	\$6,065
Total Uses	\$219,011	\$108,237	\$142,943	\$140,796	\$113,100
Net Surplus/(Deficit)	(\$76,172)	\$28,398	\$79,641	\$17,699	\$43,393
Fund Balance, end of year	\$33,130	\$61,529	\$176,761	\$256,402	\$274,101

Division 76525

Audits

As it typical with small agencies, the La Selva Beach Recreation and Park District has a hard time complying with the recommendations of audits. The District's last two audits⁶ were prepared by the County Auditor. Management letters accompanied both audits. The 2012 management letter contained 22 recommendations. The 2014 management letter subsequently noted that 9 recommendations had been implemented, 3 recommendations had been partially implemented, and 9 recommendations had not been implemented, and 1 recommendation was ongoing. The 2014 management letter contained 19 recommendations, including that:

- The Board adopt preliminary and final budgets by the deadlines specified in State law, and documents such actions in the Board minutes,
- All budget adjustments need to have Board approval and be documented in the Board meeting minutes.
- The Board carefully review insurance requirements for contracts to assure that all certifications and endorsements are complete and accurate, and obtain proof of insurance.
- The Board adopt a policies and procedures manual to help ensure that procedures are handled consistently with there is staff or Board turnover.

⁶ Report on Audit of La Selva Beach Recreation and Park District for the years ended June 30, 2011 and 2010, County of Santa Cruz Auditor-Controller, June 2012.

Report on Audit of La Selva Beach Recreation and Park District for the years ended June 30, 2013 and 2012, County of Santa Cruz Auditor-Controller, April 2014.

Organizational Options

The District is functioning well and no organizational options have been studied for this service review. In the future, one potential option to study would be for the LSBRPD to consider a joint powers agreement (JPA) or contract with the County for County Parks to provide some operational support for the District. Under a JPA or contract, the LSBRPD Board would continue to exist and be responsible directly to the La Selva residents. The Board would chose what activities would be provided under the JPA or contract, would monitor those activities, and would periodically decide whether to re-negotiate or cancel the JPA or contact.

Comments

In an email dated March 23, 2016, the LSBR&PD Chair notes that the District is implementing the 2014 audit recommendations. The full text of the email is contained in the Appendix.

Sphere of Influence

The La Selva Beach Recreation and Park District's Sphere of Influence, last reviewed by LAFCO in 2008, is contiguous with the District's current boundary. In the previous round of service and sphere reviews, the potential of annexing down the coast to include Place de Mer, Sand Dollar, and Canyon del Sol was considered and rejected because it would not generate any property tax revenues for the District. LAFCO staff has identified no areas to consider adding or deleting from the current review of the District's Sphere. The District's sphere map is shown on the following page.



LA SELVA BEACH RECREATION DISTRICT

SANTA CRUZ COUNTY, CALIFORNIA



Opal Cliffs Recreation District

Formed in 1949, the Opal Cliffs Recreation District operates a 0.3 acre park at 4520 Opal Cliff Drive, Santa Cruz. The park contains several parking spots, an entrance gate, a coastal viewing area, a walkway down the cliff to Privates Beach. Electronic key cards to operate the gate are available from a local surf shop. The annual key rentals cost \$50 for district property owners and \$100 for others. A Coastal Commission permit provides that anyone may purchase a single day pass for \$5 at a nearby surf shop. The District is governed by a five-person board of directors:

Table 8 -- Board

Board of Directors:	Title	Term Expiration	Compensation
Michael Carlton	Director	Dec. 2017	None
David Cook	Director	Dec. 2019	None
Ted Donnelly	Director	Dec. 2017	None
John Griffith	Director	Dec. 2019	None
Craig Springbett	Director	Dec. 2019	None

Finance

Table 9-- Opal Cliffs Recreation District – Financial Summary

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Sources					
1% Property Tax	\$1,606	\$1,665	\$3,186	\$3,128	\$3,937
Service Charges	\$10,440	\$7,114	\$69,930	\$77,750	\$42,450
Park Dedication Fees from County	\$18,350	\$40			\$0
Interest	\$35	(\$29)	\$77	\$161	\$389
Other Revenue	(\$66)		\$33	\$128	\$167
Total Sources	\$30,365	\$8,750	\$73,226	\$81,157	\$46,943
Uses					
Services & Supplies	\$29,633	\$14,720	\$57,209	\$46,205	\$14,467
Fixed Assets	\$4,930	\$0	\$0	\$0	\$0
Total Uses	\$34,563	\$14,720	\$57,209	\$46,205	\$14,467
Net Surplus/(Deficit)	(\$4,198)	(\$5,970)	\$16,017	\$34,952	\$32,476
Fund Balance, end of year	\$256	(\$5,714)	\$15,459	\$31,476	\$66,428

Division 76535

Facilities of the Opal Cliffs Recreation District

Gate



Viewing Area at Top of Cliff

Stairs to Beach



Audits

As is typical with districts with very small budgets, the Opal Cliffs Recreation District has a hard time complying with audit recommendations. Since 2009, the County Auditor has performed three audits⁷ of the District in 2010, 2012, and 2014 and has issued a management letter⁸ with each audit. The 2014 management letter noted that of 15 recommendations:

- 2 recommendations had been partially implemented
- 11 recommendations had not been implemented
- progress on 2 recommendations could not be evaluated because the District did not keep records on ethics training, and the Auditor was unable to audit petty cash expenditures.

In the 2014 management letter, the County Auditor made 32 recommendations. Recommendations included:

- 1) Adopt a schedule of regular meeting and make it available to the public.
- 2) Post meeting agendas in compliance with the Brown Act.
- 3) Adopt preliminary and final budgets by the deadlines specified in State law.
- 4) Submit all expenditure documentation (invoices, receipts) to the County Auditor-Controller for their processing and payment.
- 5) Maintain records of certificates of insurance.
- 6) Continue working with the consultant the District Board hired to draft and adopt policies and procedures to process key card inventory, other revenues, expenditures, and petty cash.
- 7) Prepare and maintain minutes of Board meetings.
- 8) Hold meetings at least once every three months.
- 9) Require applications to be completed before key cards are issued.
- 10) Reconcile key card sales to revenues collected by surf shop.
- 11) Hire a bookkeeper.

Operations

In 2009, the OCRD obtained a Coastal Development Permit from the Coastal Commission for the current gate and other park improvements. A January 6, 2009 Sentinel article covering the permit is attached in the Appendix to this report. The Coastal Commission was concerned that a locked gate was not adequate public beach access under the Coastal Act. Since revenues from key sales are a significant source of funds to maintain the park, the Coastal Commission conditioned its authorization of the park improvements upon a park access management plan, which included a series of requirements. The rationale was that a modest maintenance fee was similar to the fee paid for day use parking at state parks.

⁷ Report on Audit of Opal Cliffs Recreation and Park District for the years ended June 30 2009 and 2008, County of Santa Cruz Auditor-Controller, June 2010.

Report on Audit of Opal Cliffs Recreation and Park District for the years ended June 30 2011 and 2010, County of Santa Cruz Auditor-Controller, September 2012.

Report on Audit of Opal Cliffs Recreation and Park District for the years ended June 30 2013 and 2012, County of Santa Cruz Auditor-Controller, November 2014.

⁸ Management Letters from County Auditor-Controller to Board of Directors of the Opal Cliffs Recreation and Park District dated June 14, 2010; September 24, 2012; and November 17, 2014.

Several of the Coastal Development Permit⁹ conditions are:

1. The \$100 annual gate pass would be available in lesser amounts prorated to half year and quarter year use.
2. A daily pass would be available for no more than \$5, good for a group of up to 10 people.
3. Passes would be available from a nearby business (currently Freeline Surf Shop, 821 41st Avenue) seven days a week, and from the gate attendant when the attendant was present.
4. Directions on how to obtain a gate pass would be posted on a sign near the access gate.
5. The OCRD would file an operations report every two years with the Coastal Commission.

Organizational Options

The Opal Cliffs Recreation District is wholly located within the City of Capitola's Sphere of Influence. If Opal Cliffs annexes to the City of Capitola, the Opal Cliffs Recreation District should dissolve and the City of Capitola should maintain the beach access.

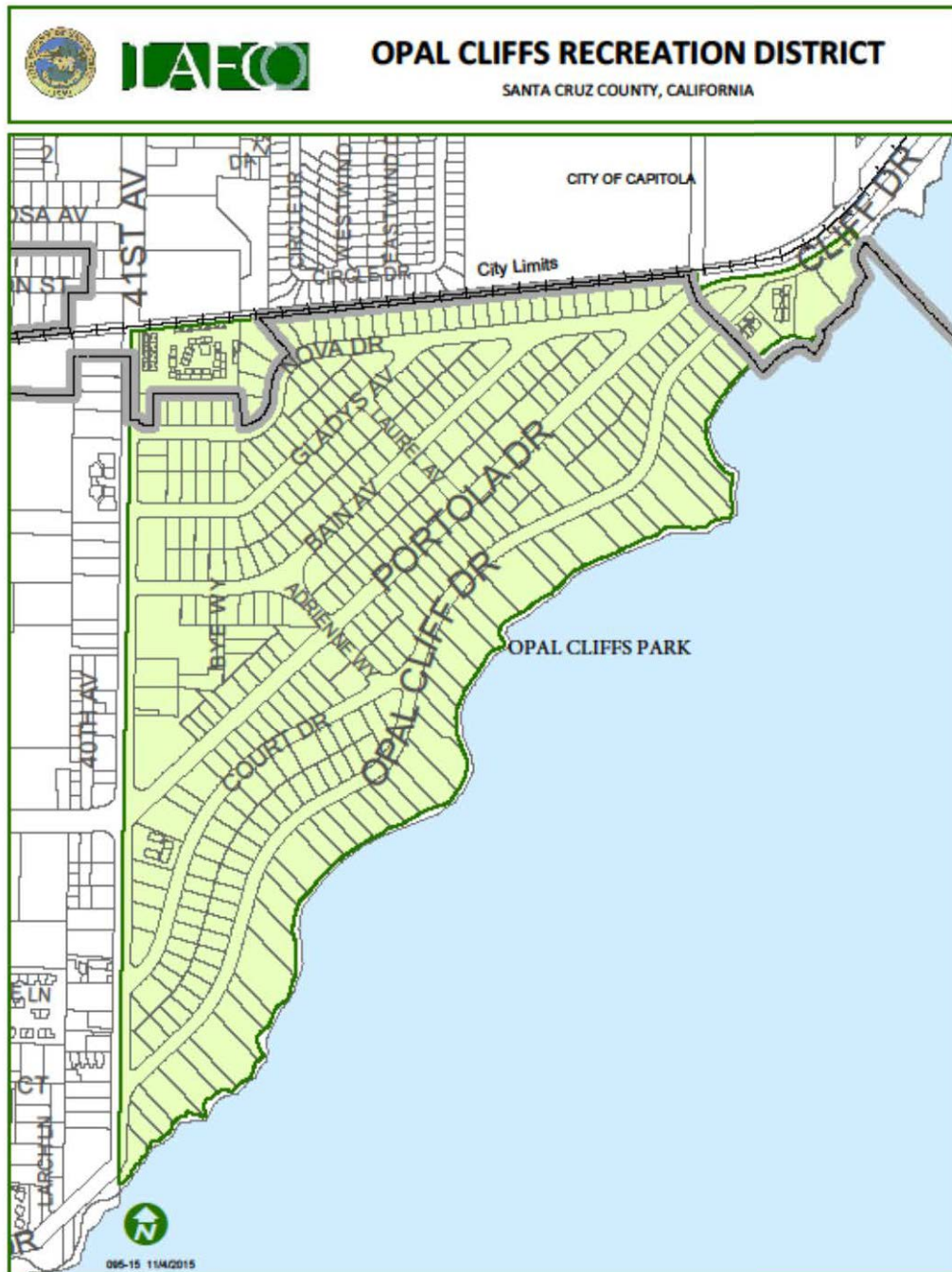
Another organizational option would be for the Opal Cliffs Recreational District to dissolve and for County Service Area 11 (County Parks) to annex Opal Cliffs and maintain the beach access. County Parks maintains other beach access facilities in nearby Live Oak. Alternately, the Opal Cliffs District could enter a JPA or contract with the County for County Parks to operate the park and beach access. Under a JPA, the Opal Cliffs Recreation District would continue to exist, and the District Board's main functions would be to assure that the County was meeting performance standards, and to re-negotiate the JPA agreement or contract as needed.



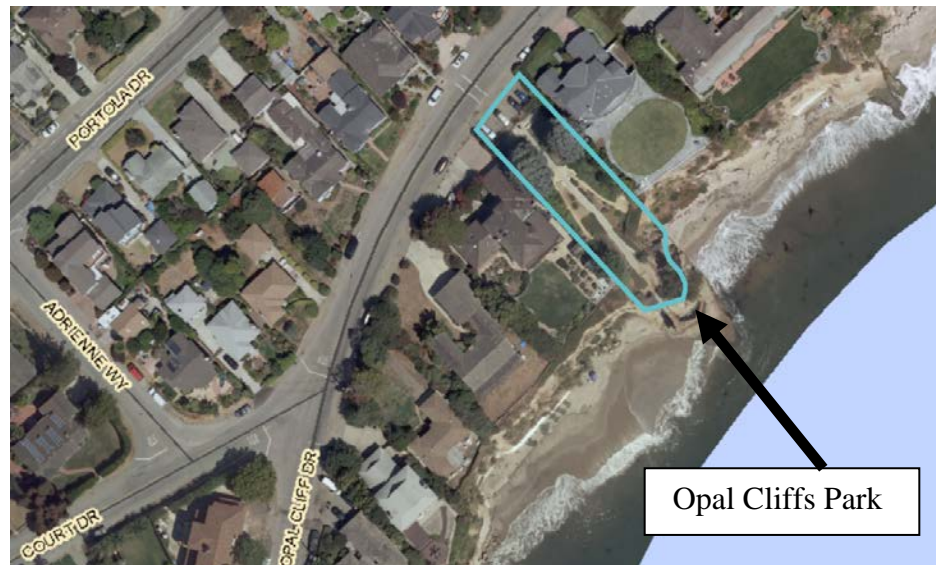
⁹ Staff Report for Coastal Development Permit Amendment Application, P-80-393-A1, Privates Beach Accessway Improvements, Prepared for 1/7/2009 Coastal Commission Hearing.

Sphere

Opal Cliffs Recreation District's Sphere of Influence, last reviewed by LAFCO in 2008, is a zero sphere of influence, meaning that LAFCO expects that the District will go out existence at some point in the future. LAFCO staff has identified no changes for the Commission to consider in the current review.



Opal Cliffs Park Aerial



Comments

At their March 3, 2016 meeting, the Opal Cliffs Recreation District Board of Directors provided oral comments on the Public Review Draft of this report. In summary, their principal comments were:

- The current gate and fence configuration was needed to control partying and vandalism.
- The District engaged a governmental consultant to prepare a procedures manual.
- The District is actively seeking accounting help.
- When the gate attendant is present, the attendant is instructed to act as a beach access ambassador, rather than as a guard.

Comparison of Districts

Table 10
Recreation Program Expenditures Per Capita

District	Population Estimate 2010	Number of Parcels	Assessed Tax Roll Value	Parcel Acres ⁱ	Expenditures in FY 14-15	Expenditures per Capita
Alba	220	48	\$16,455,550	205	\$1,598	\$7.26
Boulder Creek	7,748	6,714	\$1,250,642,405	10,785	\$297,139	\$38.35
La Selva	1,613	814	\$365,747,786	331	\$113,100	\$70.12
Opal Cliffs	690	438	\$267,660,427	66	\$14,467	\$20.97

i. Excludes roads.

Table 11
Recreation Program Expenditures Per Capita

District	Expenditures per Capita FY 04-05	Expenditures per Capita FY 14-15	% Change in 10 years
Alba	\$10.63	\$7.26	-32%
Boulder	\$13.75	\$38.35	179%
La Selva Beach	\$108.00	\$70.12	-35%
Opal Cliffs	Not Calculated	\$20.97	Not Calculated

The County of Santa Cruz collects park dedication fees¹⁰ upon the issuance of residential building permits. The purpose of fee is to develop or rehabilitate community parks and recreation facilities. The fees are collected in each recreation and park district and are sequestered for use by the appropriate district. The County disburses the fees to a District upon request, and credits interest annually.

Table 12 -- Park Dedication Fees

District	Building Type	Fee Per Bedroom
Alba and Boulder Creek	Single-Family	\$800
	Multi-Family	\$600
Opal Cliffs and La Selva	Single-Family	\$1,000
	Multi-Family	\$750

Table 13 -- Park Dedication Fund (County Trust)

District	Fees Collected in FY 14-15	Balance 7/1/15
Alba Park, Recreation and Parkway District	\$0	\$481
Boulder Creek Recreation and Park District	\$6,400	\$7,410
La Selva Beach Recreation and Park District	\$0	\$61,838
Opal Cliffs Recreation District	\$0	\$6,645

¹⁰ Government Code 66477

Growth and Population

There are no growth projections available for the individual district. In general, the Santa Cruz County unincorporated area is projected to have slow to moderate growth over the next twenty years. The projections are as follows:

Table 14
Population

Public Agency	2010	2015	2020	2025	2030	2035	Annual Growth Rate
Santa Cruz County (unincorporated)	129,739 *	133,790 **	132,318 ***	134,879 ***	139,601 ***	144,227 ***	0.42% ***

Sources:

*2010 US Census

**State of California; Department of Finance E-5 Population Estimates for January 1, 2015

***AMBAG 2014 Regional Growth Forecast; June 11, 2014

Based upon the park dedication fees collected in the last two years, all of the districts are experiencing low or no growth.

Disadvantaged Communities

State law¹¹ requires that LAFCOs address disadvantaged unincorporated communities within or contiguous to the subject agency's sphere of influence. The purpose is to evaluate the feasibility of extending public services to poor communities. A community is defined¹² as disadvantaged if it has an annual median household income that is less than 80 percent of the statewide annual median household income. In 2013, the California statewide median household income was \$61,094¹³, and 80% of that was \$48,875. None of the four recreation and park districts contain or abut any of the disadvantaged census tracts in Santa Cruz County. In its planning activities the County of Santa Cruz has not identified any disadvantaged areas within these four districts or contiguous to their spheres of influence.

Santa Cruz LAFCO Policies

Santa Cruz LAFCO has a policy that it maintains a file of agency mission statements and meeting rules. These can be accessed by agency boards and community members when discussing agency goals and board meeting procedures.

¹¹ Government Code §56430 for service reviews, and Government Code section 56425(e) for sphere reviews.

¹² Water Code §79505.5.

¹³ U.S. Census Bureau, 2009-2013 American Community Survey 5-Year Estimates.

Determinations

LAFCO staff has prepared a set of service review and sphere of influence determinations for each of the four recreation and park districts. After the April 6, 2016 public hearing, the Commission will consider adopting resolutions containing the determinations required by Government Code sections 56430 and 56425(e).

Alba Park, Recreation and Parkway District

Service Review Determinations

1) Population and Growth

The Alba Park, Recreation and Parkway District has an estimated population of 220 people. No growth is planned in the County General Plan.

2) Disadvantaged Unincorporated Communities

There are no disadvantaged unincorporated communities within or contiguous to the sphere of influence of the Alba Park, Recreation and Parkway District.

3) Capacity of Facilities

The Alba Park, Recreation and Parkway District is maintaining the Alba Schoolhouse and is making it available for community use.

4) Financial Ability of Agencies

The Alba Park, Recreation and Parkway District relies on donations for revenue. In the last ten years, the District has built up its fund balance to more than \$18,000.

5) Shared Facilities

The Alba Park, Recreation and Parkway District leases the Alba Schoolhouse from the San Lorenzo Valley Unified School District.

6) Accountability

The Alba Park, Recreation and Parkway District is governed by a five-person Board of Directors who live within the District and are accountable to the District residents.

7) Matters Required by Local LAFCO Policies

LAFCO maintains a file of meeting rules that is available for review by any local agency.

Alba Park, Recreation and Parkway District

Sphere of Influence Determinations

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

The County General Plan applies to the Alba Road area. The present and planned land uses in the Alba Road area are mountain residential uses.

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

The probable need for public recreational facilities in the Alba Road area is continuing to keep the Alba Schoolhouse available for public uses.

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

The Alba Schoolhouse has the capacity to handle a small community meeting or gathering.

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.

The Alba Road community that is served by the District has a strong tradition of local autonomy. The community is part of the larger Ben Lomond community and the San Lorenzo Valley.

Boulder Creek Recreation and Park District
Service Review Determinations

1) *Population and Growth*

The Boulder Creek Recreation and Park District has an estimated population of 7,743 people. Slow growth is planned in the County General Plan.

2) *Disadvantaged Unincorporated Communities*

There are no disadvantaged unincorporated communities within or contiguous to the sphere of influence of the Boulder Creek Recreation and Park District.

3) *Capacity of Facilities*

The Boulder Creek Recreation and Park District is maintaining a recreation hall and four parks which get extensive use by residents of the District. The District also operates a low-frequency radio station which has the capacity to expand programming to serve the Boulder Creek and Brookdale communities.

4) *Financial Ability of Agencies*

The Boulder Creek Recreation and Park District is funded through property taxes and program charges. In the last ten years, the District has rehabilitated several of its parks and has increased its year-end fund balance to \$526,031.

5) *Shared Facilities*

The Boulder Creek Recreation and Park District leases its Recreation Hall from the Boulder Creek Fire Protection District.

6) *Accountability*

The Boulder Creek Recreation and Park District is governed by a five-person board elected by voters of the District.

7) *Matters Required by Local LAFCO Policies*

The Boulder Creek Recreation and Park District has adopted meeting rules and a mission statement.

Boulder Creek Recreation and Park District
Sphere of Influence Determinations

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

The County General Plan applies to the Boulder Creek and Brookdale areas. The present and planned land uses in the District are a mix of mountain residential, rural residential, commercial, public use, and resource conservation uses.

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

The probable need for public recreational facilities in the District is continuing to keep the current facilities maintained and programs operating.

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

The Boulder Creek Recreation and Park District is providing a variety of recreation programs including playgrounds, sports fields, river access, natural parks, recreation classes, and a community radio station. The facilities and adequate are well-sized to the community's needs.

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.

The District serves greater Boulder Creek and Brookdale. The District is located in the San Lorenzo Valley, which is served by local fire districts, a regional water district, and a regional school district.

La Selva Beach Recreation and Park District
Service Review Determinations

1) *Population and Growth*

The La Selva Recreation and Park District has an estimated population of 1,613 people. A very small amount of residential growth is planned in the County General Plan.

2) *Disadvantaged Unincorporated Communities*

There are no disadvantaged unincorporated communities within or contiguous to the sphere of influence of the La Selva Beach Recreation and Park District.

3) *Capacity of Facilities*

The La Selva Beach Recreation and Park District is maintaining a community hall and two parks which get extensive use by residents of the District and by people who live outside the District.

4) *Financial Ability of Agencies*

The La Selva Beach Recreation and Park District is funded through property taxes and program charges. In the last ten years, the District has maintained its facilities and has increased its year-end fund balance to \$274,101.

5) *Shared Facilities*

The La Selva Beach Recreation and Park District cooperates with the Aptos/La Selva Fire Protection District, which has a fire station next to the Community Hall, and with the La Selva Beach Improvement Association, which owns community common areas in La Selva Beach.

6) *Accountability*

The La Selva Beach Recreation and Park District is governed by a five-person board of directors.

7) *Matters Required by Local LAFCO Policies*

Santa Cruz LAFCO has adopted a policy that it will inquire whether public agencies have adopted meeting rules and a mission statement. LAFCO maintains a file of meeting rules that is available for review by any local agency.

La Selva Beach Recreation and Park District

Sphere of Influence Determinations

- 1) *The present and planned land uses in the area, including agricultural and open-space lands.*
The County General Plan applies to the La Selva Beach area. The present and planned land uses in the District are mostly residential, with small amounts of commercial, public use, and resource conservation uses. Agricultural uses are planned to continue outside the District both upcoast and downcoast from the District's boundary and sphere of influence.
- 2) *The present and probable need for public facilities and services in the area.*
The probable need for public recreational facilities in the District is continuing to keep the current facilities maintained and programs operating.
- 3) *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*
The La Selva Beach Recreation and Park District is providing a variety of recreation programs including playgrounds, community hall, and recreation classes. The facilities are adequate and well-sized to the community's needs.
- 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.*
La Selva Beach is relatively isolated for recreational activities. The District makes its community hall available for rental by non-district residents.

Opal Cliffs Recreation and Park District
Service Review Determinations

1) *Population and Growth*

The Opal Cliffs Recreation District has an estimated population of 690 people. The District is nearly built out under the County General Plan designations; however, the District is experiencing replacement of modest homes with larger homes.

2) *Disadvantaged Unincorporated Communities*

There are no disadvantaged unincorporated communities within or contiguous to the sphere of influence of the Opal Cliffs Recreation District.

3) *Capacity of Facilities*

The Opal Cliffs Recreation and Park District is maintaining a small park and a beach access. In the last ten years, the facilities have been upgraded and are being maintained well.

4) *Financial Ability of Agencies*

Opal Cliffs Recreation District is funded through property taxes and gate fee charges. In the last ten years, the District has maintained its facilities and has increased its year-end fund balance to \$66,428. The District continues to address accounting deficiencies identified in audit reports.

5) *Shared Facilities*

The Opal Cliffs Recreation and Park District does not share any facilities. Both the City of Capitola and Santa Cruz County Parks maintain coastal accesses downcoast and upcoast of Opal Cliffs.

6) *Accountability*

The Opal Cliffs Recreation District is governed by a five-person board of directors.

7) *Matters Required by Local LAFCO Policies*

Santa Cruz LAFCO has adopted a policy that it will inquire whether public agencies have adopted meeting rules and a mission statement. LAFCO maintains a file of meeting rules that is available for review by any local agency. LAFCO's records were used by the District's governmental consultant when the District's policies and procedures were recently updated.

Opal Cliffs Recreation District
Sphere of Influence Determinations

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

The County General Plan applies to the Opal Cliffs area. The present and planned land uses in the District are mostly urban residential, with small amounts of commercial and public uses. There are no agricultural uses in or adjacent to the District. The District is within the City of Capitola's Sphere of Influence. The City's General Plan would maintain the land uses similar to the current land uses, and the land uses as planned by the County.

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

The probable need for public recreational facilities in the District is continuing to maintain the current park and beach access.

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

The Opal Cliffs Recreation District is providing a small park and beach access. The facilities are well maintained. The key-access system is unique for a public facility in Santa Cruz County.

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.

Opal Cliffs is an urban, beach neighborhood located between similar neighborhoods in the City of Capitola and unincorporated Live Oak. All these coastal neighborhoods are closely inter-related. Both the City and the County are maintaining nearby beach parks and accessways. Opal Cliffs is located within the adopted Sphere of Influence for the City of Capitola. The adopted Sphere of Influence for the Opal Cliffs Recreation District assumes that, if it annexes to Capitola, the District will go out of existence and that the City will take over the park and beach access.

APPENDIX

Comment emails of Alba Park, Recreation and Parkway District

Comment email of La Selva Beach Recreation and Park District

January 6, 2009 Sentinel article, Privates beach to open gates to daily visitors

July 10, 2013 Sentinel article, Privates beach problems on public view

Pat McCormick

From: stevey1950@aol.com
Sent: Sunday, March 13, 2016 5:50 PM
To: pat@santacruzlafco.org
Subject: Alba District response

3-13-2016

Dear Patrick McCormick/LAFCO;

The Alba District would like to thank you for giving us a copy of the February 2016 LAFCO public review draft of the report entitled Review of Recreation and Park Districts Services and Spheres of Influence, and for offering us organizational options. We understand the concern that the 3-25-10 County Auditor's letter to us (cited in the LAFCO report) contained 16 recommendations. We would like to point out that the said audit report referred to an audit period of about ten years ago. In the interim the majority of the recommendations have been implemented. All four of the recommendations spelled out on page six of the LAFCO report have been implemented.

Our board feels that we do not need help at this time, and that we do not want or need any other organization to replace us. We also feel that it is important and valuable for the Alba Schoolhouse to be managed and cared for by a board which comes from its immediate community. I am emailing you a separate letter which sums up many of the reasons that we feel this way.

Lastly, we do not want to pursue a change in our district boundaries at this time, but possibly in the future.

Thank you.

Sincerely,
Steven Young
Chairman
Alba Park, Recreation and Parkway District

-----Original Message-----

From: deathvalleydog <deathvalleydog@comcast.net>

To: stevey1950 <stevey1950@aol.com>

Sent: Mon, Mar 7, 2016 1:17 pm

Subject: Alba School House

The Little Red Alba School House is an amazingly well-preserved, iconic historical structure. It is also the center-piece of our neighborhood, acting as a community center for what is really an outlying area of the San Lorenzo Valley. As such, we feel very strongly that the administration of this facility needs to remain with us locally, if it is to continue to be effective.

Although the School House is only two miles up Alba Road from Highway 9---and from "downtown" Ben Lomond---those two miles represent some of the steepest and twistiest of any public road in the entire county: The average gradient for Alba Road is 10.3%, and there are many sections in well in excess of that, including one that is over 23%. The relative remoteness of the community on the upper portion of Alba Road is why in 1894 County Superintendent John W. Linscott decided it would be a good idea to have a school at this location.

These days, with automobiles driving on paved roads, "remote" is certainly a relative term. But as it relates to the administration, maintenance and care of this building, it is absolutely applicable.

Because our board is made up of locals from the immediate area, anyone of us can be on-scene at the School House to deal with any issue that might arise literally within just a few minutes, regardless of road conditions, weather, traffic, etc. This would NOT be the case if management were handed over to another entity.

Also, because our board is responsible for only ONE facility, we are able to focus our time and energies solely on this building. This would NOT be the case if the Alba School House became just one more of several facilities for which some other agency were responsible.

We are proud of our Little Red School House, proud of the fact that there is nothing else like it in the area, and proud of the work our community has done over the years to keep it both preserved *and* functional. Although we are a very small district (the smallest in California) this community has ALWAYS been able to come up with enough volunteers to fill board seats, and plenty of other volunteers who offer their time to help out with whatever needs to be done.

The proof of how effective our local board has been in managing the Little Red School House is illustrated in the preface of Lucia MacLean's 2010 publication, ***A HISTORY OF ALBA SCHOOL AND ITS DISTRICT:***

"It is not a decrepit building barely clinging to life as one would think after 118 years of history; it is in excellent condition. Then as now, Alba School provides a place of community in an area where road access can be cut off by tree falls and slides. ***It is the people in the surrounding area who have lovingly kept it going all these years, generation after generation.*** In today's world of broader communities, Alba School keeps it local."

It seems very clear there is no reason to change this; and every reason not to.

From: John Hunt [jwhunt@ucdavis.edu]
Sent: Wednesday, March 23, 2016 10:22 AM
To: Pat McCormick; Dagmar Legullion; Jakob Roppel; Zach Friend
Subject: LAFCO report for LSB Recreation District

Hello Pat,

Thank you for conducting the 2016 services and spheres of influence study, and for providing the La Selva Beach Recreation District with a copy of the draft report. All LSBRD directors received a copy of the draft report on February 28, and the report was discussed as an agenda item at our March meeting. No revisions to the report have been suggested.

I have reviewed the report and found minor discrepancies between the 2015 financial summary in the report and the financial summary as of 6/30/2015 that we approved at our July 2015 board meeting. I expect those discrepancies are related to year-end reconciliations. They are minor and do not affect the overall characterization of District finances.

I found the report to be a good description of District services and boundaries, and a helpful document for us to have on hand. As I mentioned earlier, we have made strides over the past year to implement additional recommendations from the 2014 Management Letter, particularly with regard to updating and documenting District policies, which are being kept in a manual along with copies of meeting minutes documenting policy approval resolutions.

I have the April 6 LAFCO meeting on my calendar, and plan to attend unless something urgent comes up in the meantime.

Please let us know how to access the final report when it becomes available. Thank you.

John Hunt
Chair
La Selva Beach Recreation and Park District

Santa Cruz Sentinel (<http://www.santacruzsentinel.com>)

Privates beach to open gate to daily visitors

By Kurtis Alexander - Sentinel Staff Writer

Tuesday, January 6, 2009

A small, gated beach that relatively few know about and even fewer have access to may soon open its gate to daily visitors. At the prodding of the California Coastal Commission, the neighborhood group that manages the aptly-named Privates beach likely will begin offering a daily gate pass to visitors for \$5.

The beach, popular with local surfers and accessed through a tiny park between Pleasure Point and Capitola, is currently reserved for those who pay an annual \$100 fee, something the Coastal Commission has called "exclusionary."

David King, general manager of the Opal Cliffs Recreation District that has long maintained Privates with its tradition of purchasing annual keys from a local surf shop, says he's OK with the change. "The more in the community we can get involved in the park, the better off we'll be in the future," he said. The beach's generally quiet affairs became the interest of the powerful Coastal Commission when state regulators discovered three years ago that the iron fence in front of Privates had been raised to 9 feet and topped with razor wire. The changes were not legal under the beach's 1981 permit.

While Privates is managed under a unique arrangement in which a special district, funded by neighborhood property taxes and beach dues, maintains the quarter-acre park and adjacent stairwell to the beach, the area is subject to the terms of the Coastal Commission.

The district, after learning its new fence did not have the commission's blessing, applied to amend its permit accordingly, a request that will be heard before the Coastal Commission on Wednesday. The district is also seeking approval for other landscaping improvements, including new irrigation, a concrete pathway and a shower.

Dan Carl, manager of the local Coastal Commission office, says his staff is recommending the board approve the district's changes, under the condition that the district open the beach to more people by offering a day pass.

"Hopefully, this will allow for the folks who come upon the access-way and don't want to pay the \$100 for the opportunity to get in," Carl said.

Daily admission likely would be charged at nearby Freeline Design Surf Shop, where some 600 annual passes are now purchased, and at Privates when an attendant is working. Annual key cards still will be available.

He said the commission would normally recommend removing any gate or fence that limits access to the beach, but said the state is required to honor the terms of the district's 1981 permit. Coastal Commission staff is also recommending that uniformed security be abolished at Privates. The district had briefly hired First Guard security employees to keep people from climbing the fence and avoiding admission fees, which the commission said had a "chilling effect."

King, who has long surfed at Privates, says it's never been the district's intent to limit visitors. He says the reason for the fence, and the security, is to make sure people pay the fee, which funds upkeep of the area.

"The beach is not run by parks and rec or anyone else, so the community has to do it," King said.

"And we're all volunteers. The only way we can keep our head above ground is to charge a fee."

PRIVATES BEACH PROBLEMS ON PUBLIC VIEW: SMALL OPAL CLIFFS RECREATION DISTRICT CITED FOR LAX BOOKKEEPING

By Jason Hoppin
Santa Cruz Sentinel
Posted: 07/10/13, 12:01 AM PDT

OPAL CLIFFS -- The public agency that oversees Privates Beach has a history of questionable finances and poor management, including not being able to locate its own bylaws, according to audits reviewed by the Sentinel.

The Opal Cliff Recreation District oversees access to the small, gated Pleasure Point beach, which is the only public access to the ocean between the Hook and Capitola Village. It is overseen by an elected board, but some are now raising questions about everything from sloppy record-keeping to a bash at a local Chinese restaurant.

"I don't want to ascribe a motive to it, but it clearly results in a lack of accountability to the public," Supervisor John Leopold said of the practices at Opal Cliffs.

Leopold, who represents the area, sent a stern letter June 26 to the district urging it to clean up its finances and management practices. But the county Board of Supervisors has no official authority over the district, and some local officials have spent years trying to get Opal Cliffs to shape up.

John Griffith, Opal Cliffs board president, said the district is taking the county's concerns seriously. The board met with county officials last week and is changing how it handles revenues and is in contact with a consultant about bringing the district into compliance with state rules.

"It feels like we're on the right track here," Griffith said.

The district generates revenue through neighborhood property taxes, state park bond revenues and the sale of beach access cards at Freeline Design Surf Shop. It is the latter, which are deposited in the county treasury, which Santa Cruz County Auditor-Controller Mary Jo Walker has raised the most questions about.

For fiscal year 2010-11, the county determined \$11,090 was unaccounted for. The district was able to document \$5,121 in spending, including \$1,000 held as petty cash. But that leaves nearly \$6,000 unaccounted for, and the county was not exactly pleased with receipts for the spending that was documented.

One board member apparently paid for the district's \$1,442 insurance bill out of the member's own pocket and was at least partially reimbursed. One \$650 bill went for "bluff protection" -- apparently for labor costs, which has potential income tax implications -- but no further explanation was noted.

And one receipt was for \$772.81 in food at Capitola's Canton restaurant. The receipt said \$337.90 was spent on alcohol, but did not explain the purpose of the spending. However, a handwritten note on a May 2011 district agenda reads "June 9th -- Freeline party," which coincides with the receipt.

Focused on issues

Griffith said the board previously was focused on fixing public safety issues at Privates, which included everything from discarded hypodermic needles to a reputation as a party spot. With that done, he said the board has implemented a tighter key card system, blaming financial discrepancies on bad bookkeeping rather than malfeasance.

"We believe the families that live around here or anywhere really do appreciate having a safe, family-oriented beach," Griffith said. "And so now it's a matter of tackling all the governance stuff and getting all the paperwork in order."

Griffith also said the board has dispatched what he described as an "independent contractor," who previously handled cash management duties. He said the board also holds an annual party for Freeline, which handles the key cards for no charge, and said the board would look to scale down the next event.

"It's just been a thank you party that we've done annually for them," Griffith said.

Griffith also said he is looking to bring on a new board member who has experience dealing with the county, and wants to come into compliance with governance rules, which he said can be hard to ascertain for a volunteer board.

"That's the hardest stuff for us. We all have real jobs and this is what we do in our free time," he said.

Lax oversight

There are more than 90 special self-governing districts throughout the county. They can oversee water, parks, firefighting, facilities and other services, and they are subject to the same open meeting laws and accounting standards as city councils and other government entities.

But it can be tough to attract leadership, and lax adherence to financial standards is not unusual. A 2009 Santa Cruz County Grand Jury report found larger districts functioned well, but that smaller ones "may fall into gray areas of minimal compliance with guidelines and statutes in the operation of their districts."

The problems at Opal Cliffs have been raised repeatedly, with county officials -- including the county's top lawyer -- meeting with the district and even offering the name of a bookkeeper to help keep things in order.

The Opal Cliff Recreation District dates to the post-World War II era, and its management of Privates Beach has been controversial. Prior to 2009, it allowed the public access to the stairway leading to beach for an annual membership of \$100.

The state Coastal Commission saw that as exclusionary, and in 2009 agreed to approve bluff-top improvements, including a shower, if the district sold daily passes to members of the public. Those passes cost \$5, with revenues kept separate from the register at Freeline, which has not been accused of wrongdoing.

It is the handling of those revenues that are raising the most questions. While the district is subject to county audits, it does not fall under the control of the county Board of Supervisors. Even if Opal Cliffs fails to clean up its books, the county has no power to act.

But the Local Area Formation Commission, or LAFCO, does oversee aspects of special districts, including their dissolution. That can occur through the district's own initiative, a petition, or a lengthy, LAFCO-initiated process.

If Opal Cliffs were dissolved, it appears Privates Beach would revert to county management and be subject to the same rules as other county parks. Leopold said he doesn't think the issue needs to go that far.

"I think there are qualified people who would be committed to running the district efficiently that live in the neighborhood," he said. "I've talked to many of them."

Two Opal Cliffs board members, famed surfer Robert "Wingnut" Weaver and Michael Carlton, are up for re-election in November.

When asked, Griffith said he did not think the county was targeting Opal Cliffs in order to take over Privates.

"Not at all, and they don't want to take it over either," Griffith said,

Follow Sentinel reporter Jason Hoppin at [Twitter.com/scnewsdude](https://twitter.com/scnewsdude)