




**EAST BAY REGIONAL PARK DISTRICT  
BOARD FINANCE COMMITTEE  
AGENDA STAFF REPORT**

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<b>DATE</b>	November 25, 2024
<b>TITLE</b>	Recommendation to the Board of Directors to Revise Finance Policy 6.1 Major Infrastructure Renovation and Replacement Fund (MIRR/553)
<b>DIVISION</b>	Finance and Management Services
<b>FROM</b>	Katie Dignan, Assistant Finance Officer Lisa Goorjian, Assistant General Manager of Operations Deborah Spaulding, Assistant General Manager of Finance and Management Services
<b>APPROVED</b>	Sabrina Landreth, General Manager 

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**RECOMMENDATION**

Staff requests that the Board Finance Committee recommend the Board of Directors adopt the revised Finance Policy 6.1: Major Infrastructure Renovation and Replacement Fund (MIRR/553).

**BACKGROUND**

The East Bay Regional Park District (Park District) established the Major Infrastructure Renovation and Replacement Fund (MIRR/553) in 2012 to provide a program, over the long term, for the necessary major renovation and replacement of Park District infrastructure.

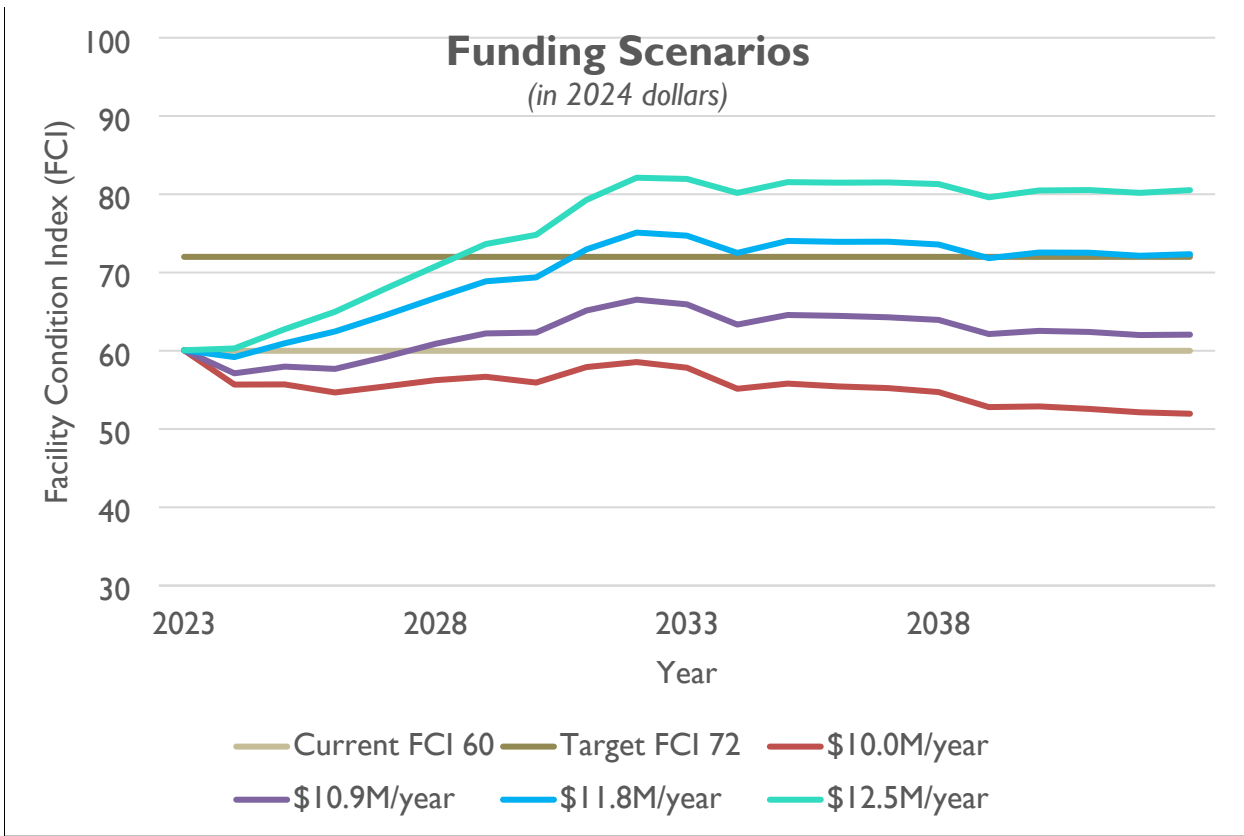
In November 2019, the Board of Directors adopted Finance Policy 6.1: Major Infrastructure Renovation and Replacement Fund (MIRR/553). The policy includes targets for annual funding for the Park District-wide infrastructure program and funding recommendations.

In accordance with Finance Policy 6.1 requiring Board review every five years, staff has reviewed and is proposing changes to the adopted policy.

Annually staff provide updates on the Park District's current Facility Condition Index (FCI) and Pavement Condition Index (PCI) scores as well a progress report on the use of funds and delivery of projects.

Condition Index

The Policy target for the Park District-wide Facility Condition Index (FCI) is FCI 72 (on a scale of 1-100 with 100 being excellent condition). The Park District's current FCI 60, remains unchanged from 2023. To achieve the Board Adopted FCI target of FCI 72, the level of funding would need to be at \$11.8 million per year to reach the FCI target within five years.



Facility deferred maintenance is currently at \$74.4 million. The expected five-year required maintenance and deferred maintenance combined is \$149 million.

The Policy target for the Park District-wide Pavement Condition Index (PCI) is PCI 80. The Park District's last PCI score was completed 8 years ago, in 2016, for the over 17 million square feet of paved roads, trails and parking lots. The score at the time was 72. A pavement condition survey is currently being undertaken by AMS and is scheduled to be complete in the spring of 2025. This will result in new PCI data that will inform the Park District's paving program and priorities for the next 5-10 years.

In the 2024 Budget for MIRR/553, \$10 million was budgeted (\$6.5 million for facilities and \$3.5 million for paving).

#### Use of MIRR/553 Funds

Since the inception of the MIRR/553 fund, \$93.4 million has been transferred into the fund. Funds are distributed either within budgeted operating funds or as a Project allocation.

Beginning in 2017, the annual operating budget allocated MIRR/553 funds for on-going, non-capitalized expenses such as maintenance contracts and staff costs. The category of expense is summarized below:

Budgeted Operating Fund Category	Expended	Percentage
Salary & Benefits	\$ 3,463,896	16%
Supplies	\$ 794,093	4%
Services (Contracts, Design, Permits)	\$ 17,529,393	80%
Total	\$ 21,787,383	

Within the Services (Contracts, Design, Permits) expenses, the type of work is summarized below:

Services (Contracts, Design, Permits)	Expended	Percentage
Pavement	\$ 8,419,981	48%
Buildings/Structures	\$ 7,723,376	44%
Utilities/Communications	\$ 1,191,601	7%
Residences	\$ 194,435	1%
	\$ 17,529,393	

Since the inception of MIRR/553 in 2012, \$64.3 million has been allocated to Projects. \$40.9 million has been spent and \$23.4 million remains allocated to specific Projects but unspent. The type of Projects the funds were allocated to are summarized below:

Type	Allocated	Expended	Net Available
Bridges	\$ 4,188,673	\$ 3,269,417	\$ 919,255
Concessions	\$ 3,385,094	\$ 1,355,193	\$ 2,029,901
Dams	\$ 1,650,000	\$ 270,322	\$ 1,379,678
Demolition	\$ 1,456,463	\$ 328,077	\$ 1,128,386
Mines	\$ 1,285,492	\$ 1,190,962	\$ 94,530
Pavement	\$ 7,040,033	\$ 6,093,548	\$ 946,485
Residences	\$ 3,840,710	\$ 1,783,261	\$ 2,057,449
Staff and Support Facilities	\$ 4,866,141	\$ 1,501,737	\$ 3,364,404
Support Software	\$ 1,094,291	\$ 1,003,589	\$ 90,702
Utilities	\$ 11,680,432	\$ 8,449,996	\$ 3,230,435
Visitor Facilities	\$ 21,416,410	\$ 14,591,758	\$ 6,824,651
Streams & Culverts	\$ 2,386,069	\$ 1,080,592	\$ 1,305,477
Total	\$ 64,289,807	\$ 40,918,453	\$ 23,371,354

#### Completed Project Highlights

MIRR/553 funding is utilized for a variety of large and small projects Park District-wide. The following facility and Utility improvements were completed by Maintenance and Skilled Trades (MAST) from January 2023 through October 2024:

Park	Project	Total Cost
Anthony Chabot Regional Park	Equestrian Center Bathroom Remodel	\$ 25,035
Anthony Chabot Regional Park	Equestrian Center arena retaining wall repair	\$ 93,920
Briones Regional Park	Briones Water Tank Removal	\$ 9,500
Del Valle Regional Park	Camp Arroyo Bat Entry Point Sealing	\$ 2,321
Don Castro Regional Park	Office Mini Split System Installation	\$ 11,250
Garin Regional Park	Meyers Residence Electrical Upgrades	\$ 3,196
Judge John Sutter Regional Shoreline	Bridge Yard Water Damage Repairs	\$ 48,645
Las Trampas Regional Preserve	Las Trampas Stables Barn Roof Leak Repairs	\$ 2,598
Martin Luther King Jr. Shoreline	Shoreline Center Parking Lot Lighting	\$ 9,200
Park District Headquarters	Peralta Oaks EV Charger Upgrades	\$ 3,100
Public Safety Headquarters	Public Safety HVAC Ducting Replacement	\$ 32,750
Public Safety Headquarters	Public Safety HQ Roof Repairs	\$ 2,495
Reinhardt Redwood Regional Park	Skyline Ranch	\$ 31,595
Reinhardt Redwood Regional Park	Piedmont Stables Lead Abatement & Paint	\$ 383,073
Reinhardt Redwood Regional Park	Redwood School House Offices	\$ 130,694
Reinhardt Redwood Regional Park	Fire Station 2	\$ 53,721
Sibley Volcanic Regional Preserve	Sibley Roofing	\$ 810,513
South County Corp. Yard	South County Mini Split System Installation	\$ 18,542
South County Corp. Yard	South County Corp Yard Rental	\$ 23,544
Sunol Wilderness Regional Preserve	Visitor Center HVAC & Electrical Repairs	\$ 32,493
Sunol Wilderness Regional Preserve	Visitor center floor repair	\$ 7,825

Sunol Wilderness Regional Preserve	Sunol Residence HVAC Improvements	\$ 14,150
<b>Park</b>	<b>Project</b>	<b>Total Cost</b>
Sunol Wilderness Regional Preserve	Sunol Residence Roof Replacement	\$ 23,395
Tilden Regional Park	Brazil Building Fence & Gate	\$ 101,435
Tilden Regional Park	Tilden Corp Yard Roofing	\$ 449,197
Tilden Regional Park	Tilden Corp Yard Backup Generator Install	\$ 71,787
Vasco Hills Regional Preserve	Vasco Hills Corp Yard Residence Demo	\$ 22,150

The following paving improvements were completed from January 2023 through October 2024:

<b>Park</b>	<b>Project</b>	<b>Total Cost</b>
Crown Beach	Repave Parking at Westline Drive entrance	\$ 345,000
Iron Horse Regional Trail	Iron Horse Concord North	\$ 1,172,807
Iron Horse Regional Trail	Iron Horse Monument	\$ 559,446
Iron Horse Regional Trail	Iron Horse Trail Alcosta to Montevideo	\$ 1,085,211
Iron Horse Regional Trail	Iron Horse Trail Greenbrook to Norris	\$ 654,466
Lake Chabot Regional Park	Lake Chabot ADA	\$ 131,455
Point Pinole Regional Shoreline	Pt. Pinole Wildcat Creek Trail	\$ 636,564

Design and Construction (DECO) completed the following MIRR Funded Projects from January 2023 through October 2024:

<b>Park</b>	<b>Project</b>	<b>MIRR Funding</b>	<b>Total Cost</b>
Del Valle Regional Park	Replace Restroom West Side	\$ 794,359	\$ 1,456,262
Roberts Regional Recreational Area	Roberts Pool Renovation	\$4,240,000	\$ 13,918,809

## ANALYSIS

### Finance Policy 6.1 Revisions

Staff proposes revising the Reserve Amount target from 10% of Current Replacement Value (CRV) to a target range of 1-3% of CRV. Having a Reserve is crucial to funding unexpected infrastructure expenses but needs to be balanced with holding excessive funds in reserve that could otherwise be invested in immediate infrastructure needs.

The proposed target range better aligns with the Park District's past practice and a similar policy at the University of California. The Park District's current Reserve Amount of \$6.9 million falls within 1-3% of CRV (the proposed Reserve Amount range if adopted would be \$5-\$15 million calculated based on the current \$499 million CRV of facilities and pavement).

Additionally, Staff proposes to revise Finance Policy 6.1 to include best practices, add a section that defines eligible uses, and revise for other minor changes that update financial figures and provides clarifying language.

## FISCAL IMPACT

There is no revenue/cost impact associated with the acceptance of the report.

## ATTACHMENTS

- A. Proposed Revisions Finance Policy 6.1: Major Infrastructure Renovation and Replacement Fund with Track Changes
- B. Proposed Revisions Finance Policy 6.1: Major Infrastructure Renovation and Replacement Fund