



Highlands Recreation District

1851 Lexington Avenue • San Mateo, CA 94402
(650) 341-4251 • Fax (650) 349-9627
www.highlandsrec.ca.gov

"A Community Place to Learn, Grow & Play"

Topic: HRD Regular Board Meeting

Time: April 14, 2026, 07:00 PM Pacific Time (US and Canada)

Location: Multi-Purpose Room, Highlands Recreation District, 1851 Lexington Ave., San Mateo, CA 94402

Board meetings are held in-person, with a Zoom participation option provided to the public as a courtesy. Public comment is limited to (3) minutes per person per item. The public is encouraged to participate in whatever form they are most comfortable. If participating remotely via Zoom, see details below:

Topic: HRD Regular Board Meeting

Time: April 14, 07:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/86897396127?pwd=ENb0lMPaCMhygsOg8RcBVV3XS2GppB.1>

Meeting ID: 868 9739 6127

Passcode: 041879

1. Call to Order
2. Review and approval of the minutes for:
 - a. Regular Board Meeting on March 10, 2026
 - b. Budget Committee on March 12, 2026
3. Public Forum: The public forum provides an opportunity for members of the public to speak on any item within the jurisdiction of the Board that is not on the agenda. When an item is not listed on the agenda, State law prohibits Board discussion or action. Board Members may only "briefly respond" to statements made and questions posed. For example, State law allows Board Members to ask questions for clarification and provide a reference for staff or other resources for factual information. Additionally, the Board may also direct staff to report back and/or place a matter on a future agenda for discussion.
4. Manager's Information Report
 - a. Administration
 - b. Programming
5. Board Discussion on Strategic Priorities and Outcomes – Financial, Community, Facilities/Projects, Program/Services, Transparency
6. Financial Information Report
 - a. February 2026 Monthly Statement Memo
 - b. March 2026 Monthly Statement (Preliminary)
7. Old Business:
 - a. Discussion/Action: Review and Approve the Resolution to adopt the use of the California Uniform Public Construction Cost Accounting Act for the District

Report: Tamsen Burke

Description: This item is for Board review and adopt the Resolution to use the California Uniform Public Construction Cost Accounting Act for the District for the Trenchless Sewer Replacement and future public construction costs.

8. New Business:

- a. Discussion/Action: Selection of Municipal Service Review (MSR) Ad Hoc Committee Members
Report: Tamsen Burke, General Manager
Description: Discussion and possible action regarding the appointment of Board Members to review and make recommendations to the Board of Directors on the response to the San Mateo County LAFCo - DRAFT Municipal Service Review (MSR) Report for the Highlands Recreation.
- b. Discussion/Action: Review and Approval of the Out of Class Pay Request for the Interim Director of Early Education Center
Report: Tamsen Burke, General Manager
Description: This item is for Board review and approval of Out of Class Pay for Interim Director of Early Education Center
- c. Discussion: Review of the Proposal for Internships within the District
Report: Tamsen Burke, General Manager
Description: This item is for the Board to review and provide feedback on the addition of an Internship program for the District
- d. Discussion: Review Fiscal Year 2026-2027 Budget Narrative and Assumptions
Report: Tamsen Burke, General Manager and Budget Committee (Director Aquino and Carlos)
Description: This item is for the Board to review and provide feedback and direction on the budget assumptions for FY 2026-2027

9. Upcoming Meetings:

- a. Board of Directors: May 12, 2026 - June 9, 2026 - July 14, 2026

10. Review and Payment of Bills

- a. Action: Motion to approve Expenditures
Report: Bea Robertson, Bookkeeper
Description: This is a routine item of the itemized bills for Board review and approval.
Recommendation: Approve the Expenditures

11. HRD Board of Directors Announcements

12. Adjournment

Written public comments can be submitted to the District prior to the meeting by emailing generalmanager@highlandsrec.ca.gov. Written comments received by email prior to 3 pm on the day of the meeting will be forwarded to the Board prior to the meeting, made a part of the public record, and be available for public review at this link: <https://highlandsrec.ca.gov/hrd-board-meetings>.

Oral public comments will be taken on each agenda item during the meeting, subject to a limit of three (3) minutes per person per item. To comment orally in real time during the meeting, you may raise your hand if you are participating in person or use the Zoom "raise hand" function on your computer screen or the *9 function on your phone. Please note that the District provides a Zoom participation option to the public as a courtesy in order to facilitate participation. The District cannot, however, guarantee the adequacy of the audio/video quality or that meeting participation will be uninterrupted via Zoom. If technical difficulties arise relating to the

Zoom participation option, the Board meeting may continue with public attendance in person only.

Board Meetings are accessible to people with disabilities. Individuals who need special assistance or disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting; or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact the Board Secretary at generalmanager@highlandsrec.ca.gov.

Notification in advance of the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. Public records that relate to any item on the open session agenda for a regular board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Board. The Board has designated the office of the Highlands Recreation District, located at 1851 Lexington Ave, for the purpose of making those public records available for inspection. The agenda, meeting notice, agenda packet and other writings distributed to the Board in connection with this meeting are also available for public review at this link: <https://highlandsrec.ca.gov/hrd-board-meetings>.



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Topic: HRD Regular Board Meeting

Time: March 10, 2026, 07:00 PM Pacific Time (US and Canada)

Location: Multi-Purpose Room, Highlands Recreation District, 1851 Lexington Ave., San Mateo, CA 94402

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Passcode: 041879

<https://us06web.zoom.us/j/86897396127?pwd=ENb0lMPaCMhygsOg8RcBVV3XS2GppB.1>

Board Members:

Pam Merkadeau
Andrew Aquino
Chris Carlos
Uy Ut (President)
Ranya Francis (Vice President)

Staff:

Tamsen Burke (General Manager)
Julia Fior (Recreation Coordinator)
Mike Koenig (K-8 Childcare Director)

1. Call to Order

The meeting was called to order at 7:01 pm by President Ut.

2. Review and Approval of Minutes

Board Member Merkadeau made a motion, Board Member Aquino second, to approve the Regular Board Meeting Minutes from February 10, 2026. The motion passed.

Vote: UU – Y ; AA – Y; CC - Y; PM – Y; RF – Y

3. Public Forum:

Public comments were received. (attached public document)

4. Manager's Information Report

- a. Administration
- b. Programming

5. Board Discussion on Strategic Priorities and Outcomes – Financial, Community, Facilities/Projects, Program/Services, Transparency

6. Financial Information Report

- a. February 2026 Monthly Statement Memo
- b. March 2026 Monthly Statement (Preliminary)

7. Old Business

- a. No discussion/action item

8. New Business

- a. Discussion/Action: Director, Early Education Center Recruiter Contract
- i. Board Member Merkadeau made a motion, Board Member Carlos second, to approve engagement retainer of Recruiter for the Engagement Fee of seven thousand and five hundred dollars (\$7500) and Service Fee of twenty-two thousand five hundred dollars (\$22,500). The Service Fee is inclusive of the Engagement Fee. The motion passed unanimously.
Vote: AA – Y; CC - Y; PM – Y; UU – Y; RF – Y
- b. Discussion/Action: Review and Approval of the Out of Class Pay Request for the Bookkeeper, Administrative Coordinator
- i. Board Member Aquino made a motion, Board Member Carlos second, to approve temporary OOC to Administrative Coordinator \$3.00/hour and Bookkeeper, \$3.37/hour increases to base hourly rate and retroactive to January 13, 2026. The motion passed unanimously.
Vote: AA - Y; CC – Y; PM – Y; UU – Y; RF – Y
- c. Discussion: Review the Adoption and Implementation of the California Uniform Public Construction Cost Accounting Act for the District.
- i. No motion was made.
- d. Discussion/Action: Co-sponsorship Agreement with Highlands Community Association (HCA) for 2026 Special Events (July 4 Celebration & Fundraiser)
- i. Board Member Aquino made a motion, Board Member Francis second, to pay the bills. The motion passed unanimously.
Vote: AA - Y; CC – Y; PM – Abstain; UU – Y; RF – Y

9. Upcoming BOD Meetings:

- a. Board of Directors: April 14, 2026 – May 12, 2026 – June 9, 2026

10. Review and Payment of Bills

- a. Action: Motion to approve Expenditures
- i. Board Member Merkadeau made a motion, Board Member Francis second, to pay the bills. The motion passed unanimously.
Vote: AA - Y; CC – Y; PM – Y; UU – Y; RF – Y

11. HRD Board of Directors Announcements

12. Closed Session: CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION. Significant exposure to litigation pursuant to Government Code Section 54956.9(d) as threatened in a letter dated February 3, 2026 received from attorney Young Park of the law firm JusticeForWorkers.com (3600 Wilshire Blvd Ste 1815, Los Angeles, CA 90010), which letter will be made available for public inspection upon request pursuant to Government Code Section 54957.5 (one potential case).
- i. Closed session – 9:17pm -9:47pm
- ii. Director Ut reported no reportable action taken from the Closed Session

13. Adjournment

- Board Member Carlos made a motion, Board Member Francis second, to adjourn the meeting. The motion passed unanimously.
Vote: AA - Y; CC – Y; PM – Y; UU – Y; RF – Y

The Meeting adjourned at 9:50 pm on March 10, 2026.

Board President or Vice President: _____

Signature: _____



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"A Community Place to Learn, Grow & Play"

Topic: HRD Special Board Meeting; Standing Budget Committee
Time: March 12, 2026, 2:00 PM Pacific Time (US and Canada)
Location: Highlands Recreation Center, 1851 Lexington Ave., San Mateo, CA 94402

Board meetings are held in-person, with a Zoom participation option provided to the public as a courtesy. Public comment is limited to (3) minutes per person per item. The public is encouraged to participate in whatever form they are most comfortable. If participating remotely via Zoom, see details below:

Topic: HRD Special Board Budget Committee Meeting
Time: March 12, 2026, 2:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/86928761011?pwd=abuobJg1JftsqfTvtrFoVCjxMu2pUl.1>

Meeting ID: 869 2876 1011

Passcode: 600568

Board Members:

Andrew Aquino
Chris Carlos

Staff:

Tamsen Burke (General Manager)
Julia Fior (Recreation Coordinator)

1. Call to Order

The meeting was called to order at 2:03 pm by Director Aquino.

2. Public Forum:

Public comments were not received.

3. New Business:

a. Discussion: Review and discuss FY25-26 Budgets - Q4

Report: Tamsen Burke, General Manager

Description: Review of the financial outlook for the FY25-26 Budgets - Q4 financials, project status, and end-of-year variances.

i. No motion was made.

b. Discussion: Review FY2026-2027 Budget Assumptions

Report: Tamsen Burke, General Manager

Description: Review and discuss the FY2026-2027 Budget Assumptions, methodology, and application to designated accounts, and department budgets.

i. No motion was made.

c. Discussion/Action: Determine next budget committee review session

Report: Tamsen Burke, General Manager

Description: Determine next budget committee meeting and date for First Read of FY2026-2027 Agency Operating Budget

i. April 10, 2026, 9:00am

4. Upcoming Meetings:

- a. Board of Directors: April 14, 2026 – May 12, 2026 – June 9, 2026
- b. Budget Standing Committee:

5. HRD Board of Director Announcements

6. Adjournment

Board Member Carlos made a motion, Board Member Aquino second, to adjourn the meeting. The motion passed unanimously.

Vote: AA - Y; CC – Y

The Meeting adjourned at 3:34 pm on March 12, 2026.

Budget Committee Chair or V. Chair: _____

Signature: _____



MEMORANDUM

Date: April 14, 2026

To: Board of Directors

From: Tamsen K. Burke, General Manager

Re: General Manager Information Report

ADMINISTRATION

UPDATES California Legislative Bills and Anticipated Senate Discussion

CARPD Priority Bill List as of March 3, 2026, Children, Youth and Recreation

- AB 1571 (Rodriguez, Michelle) Product safety: recreational water safety: wearable personal flotation devices: infants and children. (Introduced 01/12/2026)
- AB 1626 (Gabriel) Youth health: sports: coaches. (Introduction 01/26/2026)
- AB 1639 (Davies) California Drowning Prevention and Rescue Act. (Introduction 01/26/2026)
- AB 1819 (Sanchez) Automated external defibrillators. (Introduced 02/10/2026)
- AB 2007 (Bauer-Kahan) Youth programs: identifying information of youth. (Introduced 02/17/2026)
- AB 2649 (Wicks) Youth service organizations: parent volunteers. (Introduced 02/20/2026)

District Governance - Transparency

- Updated SB 272 Enterprise System Catalogs (completed)
- Updated Disclosure of Reimbursements (pending)

Project Updates

- LAFCo Report Submitted February 2026 is in review. Thank you to Board of Directors Aquino, Director Merkadeau, and Uy Ut review.
- Received San Mateo LAFCo draft Municipal Service Review to review for accuracy and corrections due May 1, 2026
- North Landslide/Retaining Wall: (north of bathrooms) Waiting on Permit | BLD2025-00492 to the San Mateo County Planning and Building Department, Redwood City, CA. Plan Review Consolidation; Plan Preparation for Issuance; Required Resubmittal for Romig designs comments from the County.
See Attached Exhibit A – Re: BLD2025-00492, Landscaping / Retaining Wall and comments.
- Walkway Resurfacing (Summer)
- Tennis Court Resurfacing: Stop by Registration Office and HRD website to provide feedback tennis/pickleball court design, colors, and layout. (Mid-March/April)

- Pool: Annual Maintenance and deck cleaning (April)
- Pool/Lifeguard Office Refresh (April)
- Pool Renovation Preliminary Assessment and Community Engagement (Summer)
- Administration Office (April/May)

New Project (unbudgeted)

Trenchless Sewer Replacement - Scope of Work to replace approximately Sewer Line Replacement Approx. 180 Linear Feet (With Permits) Scope of Work Provide labor, materials, equipment, and permits to replace approximately 180 linear feet of existing sewer line using a combination of trenchless pipe bursting and limited open trench excavation Trenchless pipe burst approximately 70 feet of sewer line and tie it into sewer line adjacent to stairs at basketball court, through playground, parking lot. See Exhibit B for estimated scope of work.

Basketball Court / Playground Fence (near PGE tower), replace footers to address ongoing erosion and leaning of fence.

Financial

- Highlands Recreation District FY 2026 – 2027 Agency Budget Schedule
 - Agency Operating Budget Assumptions and Narrative to Budget Committee
 - Management: Distribute annual budget 2026-2027 request templates to departments.
 - Departments Directors & Supervisors: Annual budget 2026-2027 requests due to General Manager, March 2026.
 - Personnel Ad Hoc Committee – March 11, 2026, to review HRD Salary Schedule and compensation, merit increase, and anticipated benefits expenses.
 - May 2026 - Budget & Personnel Ad Hoc Committee: 1st Read - Discuss annual budget requests, capital, equipment, and reserve expenditures and recommend edits.
 - June - Board of Directors: 2nd Read. Proposed Approval - Distribute annual budget, budget narrative, capital, equipment, and reserve expenditures recommendations to the Board for review.

Human Resources & Staff Engagement:

- Recruiting and Hiring: The District currently has the following posted positions:
 - Full Time
 - Administrative Assistant
 - 48 applications, interviews in progress
 - Start date: April 7, 2026
 - EEC Teacher (infant); two positions
 - 71 applications, interviews in progress
 - Hired (1) anticipated start date April 1, 2026
 - EEC Coordinator; one position
 - 67 applications, interviews in progress
 - Hired, start date March 30, 2026
 - EEC Director; one position
 - 53 applications, offer negotiation
 - Part Time
 - Swim instructors (Part time): 48, job posting; hired (4)
 - Lifeguards: 47 applications, interviews in progress; hired (4)
 - Building Attendants: 17 applications; hired (2)
- Training

- 100% FT and 87% Part Time employees have completed the required supervisor, OSHA and safety training budgeted for FY 25-26.
- 100% Department Heads completed AB 1234 Ethics Training
- Compliance:
 - Annual Government Compensation California (GCC) Report pending completion Paylocity, due April 30, 2026

Facilities & Maintenance

- CAPRI Cycle XX District Visitation Program: Scheduled June 23, 2026
- Safety Committee completed Q1 meeting and planning for CAPRI audit.
- Trenchless sewer replacement: Trenchless sewer line replacement from existing cleanout to 175' away where camera couldn't pass. Open trench in between the stairs and basketball court to remove the 90 offset and verticals
 - Persistent Maintenance - Every three weeks snake line to remove debris
 - Management Maintenance: Hydro jetting by contracted plumber to remove existing roots and install a cleanout near sport court and at end of playground allow to hydro jet further down the line.
 - Resolution- Public Works contract for \$75,000 or less, consider relying on the Uniform Public Construction Cost Accounting Act to proceed via negotiated contract rather than formal public bidding. Agneda item.
 - Replace sewer line. Estimated cost - \$35,000-\$50,000.
 - Target Timeline: April/May 2026* contingent on bid process or PCCAA decision by BOD

Operations:

- California Department of Technology (CDT) IT Services Management has been updated and DNS accounts
- Upgraded District Firewall
- Information Systems - Technology Ad Hoc committee formed to assist with updated District digital files for storage of business documents
- GM will finalize the selection of consulting services for the review of the pool for potential renovation or new construction.
 - Survey community on design, resources, indoor/outdoor support resources
 - Interviewing contract providers for preliminary plans and recommendations gathering contract agreements, and service providers for review and consideration of HRD Renovation Project FY 2026-2028.
 - Aquatic Design Group (Dennis Berkshire)
 - Aquatic Facility Renovation and Consulting
 - RSM designs (Ladera)
 - COAR Design Group
 - Marcy Wong Donn Logan Architects (City of San Francisco)
 - ELS Architects

BOD Secretary

- Board Member Trainings and Certifications:
 - Updated Board of Directors appointments, certifications and training, (ongoing)
 - Board Member Ethics Certificates, (pending); Form 700 (2025) (completed)

Board Of Directors Directives Schedule

The General Manager has created a schedule to record the Board of Directors requests for additional information or action by the General Manager from each meeting to be complete or

provide a status report. Attached is a time stamp response/action for record keeping (see attached).

MEETING 03.10.2026

General Manager – Tamsen Burke

Tasks - Directives	Director Requested	Responsible	Updates / Completion Notes
Board of Director Training and Certification Reminder	Director Carlos	Tamsen Burke	In General Manager Report
Board of Director Form 700 Reminder	Director Carlos	Tamsen Burke	In General Manager Report and Email reminders sent
Update on Landslide Permit	Director Merkadeau	Tamsen Burke	Information outlined in General Manager Report – Exhibit A
Bids for Trenchless Sewer Replacement	Director Merkadeau	Tamsen Burke Steve Risso	Information outlined in General Manager Report
Fundamentals of Foundations	Director Merkadeau	Tamsen Burke	In Process

Exhibit A
County San Mateo Building Permit
Record BLD2025-00492: Landscaping / Retaining Wall

Processing Status

Click on arrows or plus signs to see more details

-  Application Submittal
-  Plan Review Distribution
-  Building Review
-  Planning Review
-  Public Works
-  Civil and Drainage Review
-  Environmental Health Review
-  Geotechnical Review
- Sewer Review
- Water Review
- Fire Review
- Additional Review

	PCB Monitoring
	Grading Permit
	EC Pre-Construction
	Waste Management Review
✓▶	Review Consolidation
	Plan Preparation for Issuance
	Ready to Issue Permit
	Inspections
✓▶	EC-Tree PreSite - EC PRE-SITE

Exhibit B
Estimated Scope of Work – Sewer Replacement

Sewer Line Replacement – Approx. 180 Linear Feet (With Permits) Scope of Work Provide labor, materials, equipment, and permits to replace approximately 180 linear feet of existing sewer line using a combination of trenchless pipe bursting and limited open trench excavation.

Work Sequence 1. Section 1 – 40 LF Trenchless (From Corner of Main Building) Install new sewer line via trenchless pipe bursting from the main building connection point.




2. Section 2 – 30 LF Trenchless (Near Basketball Court Steps)

Continue trenchless replacement in this section to minimize surface disruption and tie in line from Nursery building.

3. Section 3 – 20 LF Open Trench (Playground Ramp/Tanbark Playground Area) Open trench excavation in dirt/tanbark area to: • Expose existing line • Install new piping • Provide access pit for next pipe burst • Install a new cleanout in the tanbark area (exact location to be field determined)

4. Section 4 –90 LF Trenchless Pipe Burst (Toward Parking Lot)

Perform trenchless pipe bursting from the open trench area to the beginning of the parking lot adjacent to the stairs. • Install new cleanout in the parking lot/stair area. Note: The final 90-foot trenchless section is not currently visible. If unforeseen obstructions, utilities, collapsed pipe conditions, or other field constraints prevent successful pipe bursting, a change order will be required for alternate repair methods. Pipe bursting will not remove sags or bellies in the line.

Materials • New HDPE or SDR-rated sewer pipe suitable for pipe bursting applications • New cleanouts or landscape-rated boxes as applicable • Proper couplings and fittings per code  Permits & Inspections • Obtain required sewer permit • Schedule and coordinate inspections • Provide project management and city coordination  Site Restoration • Restore tanbark/dirt playground area to existing condition • Minimal disturbance to basketball court and parking lot areas due to trenchless method • Basic surface patching at access pits and cleanout installations (fit and finish will not match original work) 

10-Year Warranty

Ten (10) year warranty on materials and workmanship for the newly installed sewer piping.

Warranty Includes: • Failure of new pipe due to material defect • Improper installation or joint failure • Sewer line belly caused by improper installation • Separation at installed connections

Warranty Excludes: • Pre-existing downstream or upstream piping not replaced • City sewer main issues • Damage caused by ground movement, earthquakes, soil settlement, or flooding • Damage from heavy vehicle loads exceeding design limitations • Root intrusion from new landscaping or future tree planting • Foreign objects, misuse, or improper disposal into the sewer system • Failure of trenchless installation due to unknown underground obstructions (covered by change order if alternate method required) • Utility conflicts not disclosed or marked • Landscaping upgrades beyond basic restoration • Asphalt or decorative surface replacement beyond basic patching

Exclusions • Relocation of other underground utilities • Storm drain modifications • Work beyond the specified 180 LF • Engineering or geotechnical reports unless required by city • Hazardous material handling

Estimates - \$35,00- \$50,000, include scope of work and unknown exclusions noted above.



MEMORANDUM

Date: April 14, 2026
To: Tamsen Burke, General Manager
From: Mike Koenig, K-8th Child-Care Director
Re: ASP/IC Program Information Update

PROGRAM/DEPARTMENT OVERVIEW

- ASP registration will remain open until the new school year starts on August 12. I anticipate the program will be filled again but it will take a little longer due to the large graduating 4th grade class. This is normal and should not be cause for concern. ASP is currently 8 spaces short of capacity (capacity = 86).
- At the time of this report, there is one day of Spring Camp remaining. Registration for Spring Camp was lower than average this year. As always with 1-week camps, many families are opting to vacation during this time. Program staff will offer single-day registration options and staff appropriately.
- Summer Camp is now on the horizon. Registration for Summer Camp began on March 10 for residents and March 17 for non-residents. Summer Camp will run from June 16 – August 8 (8 weeks total). Staff are currently in the process of reserving trips, special presenters, and buses for Summer Camp 2026.
- Child Care for the Highlands Elementary School was a success. Program staff ran the childcare like a Kids Night Out with extended hours. Twenty children attended, which is a little less than average for a typical Kids Night Out. Many families expressed their gratitude for this offer.

STAFF UPDATES

- Starting in May, two ASP staff will be rejoining the program after a short leave. Grant and Jona will return to the program to finish out the school year with us and continue through summer camp. Summer staff availability is due this month. This will determine the need to hire additional staff for camp.

FINANCIAL

- For March, revenue is tracking as it should be at 75% of the fiscal year. Financials were not available at the time of this report but here are noteworthy expenses for Q4. Special Activities-ASP (596602) expenses will occur in Apr/May/June as field trips are reserved/paid. Seasonal Programs-ASP (596617) expense will occur Apr/May as payments are made for Pokemon & KNO. Clothing & Uniforms-ASP (512100) expenses will occur in May as camp clothing is purchased.

Fixed Assets-Not Capitalized-ASP (721102) was budgeted for new hand dryers for the ASP bathrooms. This expense may occur in May with the possibility of being carried over to FY 26-27.

- Vehicle/Fleet Maintenance Oversight
 - Program staff have begun the process of liquidating the old rec vehicles. Staff will be using GovDeals which is an auction website used by many municipalities in the bay area.

COMPLIANCE UPDATES

- The program's last childcare licensing visit was in April 2025. Our licensing analyst visits annually to audit the programs and to confirm compliance. The program has not received their 2026 visit to date. Staff anticipate the visit will happen very soon.

UPCOMING EVENTS

- 2026-2027 FY Budgeting
- Summer Camp scheduling/advertising/planning/staffing
- Rehiring seasonal staff



MEMORANDUM

Date: April 14, 2026

To: Tamsen Burke, General Manager

From: Brandon Lee, Aquatics Supervisor

Re: Aquatics Report

Program/Department Overview

- Registration for Spring swimming lessons in May is now open.
- Aquatics Supervisor is finalizing Summer 2026 programming schedule; registration is expected to open at the end of April.
- The aquatics team has made significant facility and safety investments with the purchase of new backboards, lifeguard chairs, and umbrellas.

Current Pool Operating Hours

Aqua Track Fitness

Monday/Wednesday/Friday 8:05am – 9:05am

Lap Swim

Monday – Friday 7:30am – 1:00pm (3 Lanes 8:00am – 9:00am)

- Odyssey Pool Rental (8:00 Am- 9:00 Am, 3 Lanes)

Monday – Friday 6:00pm – 8:00pm (2 Lanes)

Saturday/Sunday 12:00pm – 4:00pm (2 Lanes)

Rec Swim

Saturday/Sunday 12:00pm – 4:00pm

Swim Team

Monday – Friday 4:00pm – 7:30pm

Staff Development & Training

- Current Lifeguard availability has increased; however, efforts to continue hiring certified Lifeguards are ongoing to cover current operating hours. Aquatics Supervisor has scheduled lifeguarding classes as scheduled below.

- Lifeguard certification courses for residents and non-residents are being offered in April and May to build the team for the Spring/Summer season to operate at 100% to cover operations, rentals, and pool parties.

Staff Updates and Recognition

The Aquatics department has hired two additional swim instructors. This will assist with the increased swimming lesson offerings for the upcoming months.

Brandon Lee, Aquatics Supervisor for Highlands Recreation District and brings a strong background in aquatic programming, operations, and safety. His experience includes working as a Pool Manager with the Alameda Recreation and Parks Department and as a Recreation Coordinator – Aquatics with the City of Martinez, where he oversaw aquatic programs and services. He holds certifications as a USA Swimming Coach, USA Masters Swimming Coach, and Emergency Medical Technician (EMT). Please stop by and welcome Brandon. to the team, who began on March 11, 2026.

The Aquatics team is actively recruiting and interviewing lifeguard and swim instructor candidates in preparation for the upcoming Summer 2026 season.

Programs and Services

Upcoming Lifeguard Certification Courses

- April 26, May 2-3, 2026
- Tentative: late-May session

Highlands Dolphins Aquatic Club

Swim Team Schedule and Competition

- ALTO Swim Club SCY C/B/A+ Meet - 02 May 2026 - 03 May 2026
- HDAC will host two Swim Meets in July 2026.

Swim Lesson

- Private lessons have increased its offering for April– May 2026. This will be supplemented with additional Swim Instructor hiring.
 - Internally targeted recruitment between the Aquatic Coordinator and Administrative Coordinator and reaching out to past enrollees for next classes.
 - Increased enrollment from cross-program implementation from participants in EEC and ASP.
- Adult Lessons began this April 2026.

Spring 2026 Swim Lesson Classes

Registration Opened: March 9, 2026

Session 1

Mon/Wed: April 8 – April 29 (7) Classes

Tue/Thurs: April 7 – April 30 (8) Classes

Saturday: April 11 – May 2 (4) Classes (NEW DAY)

Fri: April 10 – May 1 (4) Classes (NEW DAY)

Session 2

Mon/Wed: May 4 – May 27 (7) Classes

Tue/Thurs: May 5 – May 28 (8) Classes

Friday: May 8 – May 29 (4) Classes (NEW DAY)

Saturday: May 9 – May 30 (4) Classes (NEW DAY)

Class Times

Monday/Wednesday (2x/week) & Tuesday/Thursday
2:30pm to 5:20pm. New time added: 5:25-5:55pm

Fridays (1x/week)

2:30pm to 5:20pm. New time added: 5:25-5:55pm

Saturdays (1x/week)

9:00am-11:50am Includes private semi-private & group lessons, age groups/levels 1-Adult

Financials

- Pool Rentals: Staff continue to support pool rentals throughout the year while prioritizing programming needs and demands with limited space during peak hours to meet financial expectations.
- Enrollment trends and financials were forecasted to be lower through March and will continue to increase in the spring and summer months.
- The above program changes in April are expected to increase revenue by the end of the year.

Maintenance/Operations Updates

- Permit application is under review for the climbing wall structures by the County.



MEMORANDUM

Date: April 14, 2026
To: Tamsen Burke, General Manager
From: Debbie Labucay, Interim EEC Director
Re: EEC Director Report

Program/Department Overview:

- Re-registration is complete. There are still a few families who have not returned their address verification
- TK lottery is complete for the 2026-27 school year. Families have been notified and 6 spaces have been accepted.

Staff Updates

- Caitlyn Torres has been hired as the new EEC Coordinator. Her first day was March 30th.
- Mayevi Dominguez has been hired as the new Monkey teacher. Her first day was Tuesday, April 7th.
- The interim EEC director stepped into role beginning on Wednesday, April 1st.

Metrics and Data:

82% (31/38) of full-time students and 100% (6/6) of part-time students enrolled. Enrollment remains the same for this month.

- **Monkeys (8 full capacity)**
 - 8/8 full day enrolled.
 - 1 to begin transition to Chameleons in May.
 - 2 children on the infant waitlist could potentially enroll at 18 months into the Chameleons in May.
- **Chameleons (18 full capacity)**
 - *This would be dependent on hiring the 3rd teacher
 - April - 11/18
 - May - 12/18
 - June-July - 14/18*
 - August - 18/18 *
 - September - 18/18 *
 - October - 18/18 *

- November – 18/18 *
- **Tigers (18 full capacity)**
 - April - 12/12 FD, 6 Half Day TK
- **Waitlist**
 - Infants
 - 15 waitlisted
 - Desired Start Date or Eligibility Start Date:
 - Jan-Mar: 3
 - Apr-Jun: 4
 - Jul-Sept: 4
 - Oct – Dec: 0
 - Undecided/unresponsive: 3
- **Tours - #2:** 1 Resident family – child is 16 mos, looking to enroll when 2 years, 1 non – resident family, just beginning to look for preschool options

Future Goals and Plans:

- May 1st: Early Closure for staff meeting 4 pm
- May 4 – 8 Teacher Appreciation week
- May 25: EEC Closed Memorial Day
- June 12: EEC Graduation



MEMORANDAUM

Date: April 14, 2026

To: Tamsen Burke, General Manager

From: Julia Fior, Recreation Coordinator

Re: Seasonal Programs and Rentals Update – March 2026

PROGRAM/DEPARTMENT OVERVIEW

- The Spring 2026 season began April 6, 2026, and will run through June 13, 2026.
 - The Recreation Coordinator increased offerings for all age groups, especially working to add classes for the Adult/Senior community.
- The 2026 HRD Eggstravaganza was April 4, 10:00am – 12:00pm. The event included egg hunts, photos with the Easter Bunny, and a new addition of Spring Fairies.
 - The attendance totaled ~150. The lower attendance compared to previous years is due to many families being on Spring Break.
- The Recreation Coordinator has completed QuickBooks training with the Administrative Coordinator to begin taking over Registration reports to provide to the Bookkeeper as of April 2026.

KEY HIGHLIGHTS

- The Recreation Coordinator will attend a single-day conference hosted by Canva on April 16, 2026. The Recreation Coordinator applied to attend through a program and was selected out of thousands of applicants to attend at no cost to the District (conference fees).
 - The conference provides opportunities for one-on-one coaching with more experienced graphic designers and hosts a multitude of workshops on brand building, marketing creation, etc.
- Printed materials for Spring and Summer programming are being distributed throughout the different departments as well as at community events. While still posting flyers across campus, we have started implementing printed postcards being handed out to families in Swim Lessons, ASP, and EEC.
- Recommendations for new program and rental rates are under GM review; once approved, recurring renters will be provided with 30-day notice for new rates. New one-time rentals or recurring rentals would immediately be subject to new rates.
 - Rate recommendations were made based on comps taken from other local parks and recreation agencies and take on a cost-recovery model.

METRICS AND DATA – SEASONAL PROGRAMS

- Lunchtime Enrichment with the Highlands Elementary school is in progress and will run through mid-June 2026.
- The 2026 Highlands Theater program began January 12 and will run through April 27.
 - 61 students are enrolled in the program this year.

- Registration fees were raised for the year 2026; this is expected to bring in additional revenue of ~\$1,000 more than previous years.
- Theater rehearsals run Monday – Thursday after school, leading to a decline in enrollments in other programming.
- Spring 2026 programming began April 6, 2026. With theater running, enrollments for Youth programming are still on the lower end and are expected to pick up for the second spring session beginning in May.
- Summer 2026 programming continues to support a full-day summer camp model with lunch coverage, as those were the most popular camps provided. Weekend and week-day sports classes will continue to be offered.

METRICS AND DATA – RENTALS

March rentals reflect renters returning from mid-winter breaks, as well as the beginning of the pool party season returning to the Rec.

- Summer Camps have solidified dates for pool usage for summer 2026, including
 - Footsteps (swim lessons & rec swim)
 - San Francisco Merionettes (morning diving well rentals)
 - Euro Tennis (rec swim)

March rentals totaled one hundred eight, including:

- **Aquatics**
 - 27 Diving Well Rentals
 - 20 Odyssey Lane Rentals
 - 10 Recurring Lane Rentals
 - 5 Scuba Rentals
 - 2 Pool Parties
 - 2 School Training Rental (Lanes and Diving Well)
- **Non-Aquatics**
 - 24 Odyssey School Rentals
 - 5 Recurring Gym Rentals
 - 5 Recurring MPR Rentals
 - 1 Private MPR Rental
 - 7 Community Group Rentals (CERT, HSN, Scouts, HCA, etc.) – Fees Waived

METRICS AND DATA - MARKETING/ADVERTISING

- Advertising through HRD channels continues to support hiring needs, upcoming programs, and upcoming closure notices.
 - The Recreation Coordinator is working on building a Master Calendar for all media/marketing, allowing for all departments to have a more accessible resource for marketing strategies and goals.
- Streamline, HRD’s web platform company, has introduced a new program, Amplify, that allows for more design/accessibility options for the HRD website.
 - Streamline hasn’t fully incorporated this into their website platform, but the Recreation Coordinator is looking at department pages to begin planning improvements.

STAFF UPDATES

- The Rental department has hired two additional building attendants, bringing the total available number of building attendants to three. This will assist with coverage for the uptick in pool parties/rentals for the upcoming months.

- The Highlands Recreation District warmly welcomes Jamie Calderon, Administrative Assistant to the team. Jamie began April 6, 2026, and comes to the District from Pacific Health Group and also brings over 10 years of experience in office management.



MEMORANDUM

Date: April 14, 2026

To: Tamsen Burke, General Manager

From: Bea Robertson, Bookkeeper

Re: Bookkeeper Report

Update on February 2026 Financial Statements

The financial statements for February 2026 were revised after receiving the County of San Mateo Activities of Account report on March 12, 2026. The updated figures below include additional transactions recorded in QuickBooks after the preliminary February financial reports were presented to the Board. The key changes incorporated into the final reports are outlined below:

1. Revenue Adjustment

- Ledger Item - Property Tax Revenue (GL Code 102100):
 - Original: \$0.00
 - Revised: \$394.26
 - **Increase: \$394.26**

2. Net Impact on Financial Statements

As a result of the revisions above, the net impact to our Profit & Loss for February 2026 is as follows:

- **February 2026:**
 - Original Net Loss: **\$(41,909.03)**
 - Revised Net Loss: **\$(41,514.77)**
 - **Positive Adjustment: \$394.26**

- **FYTD through February 2026:**
 - Original Net Profit: \$303,767.39
 - Revised Net Profit: \$304,161.65
 - **Increased Net Profit: \$394.26**

Highlands Recreation District			11:16 AM			
Balance Sheet			04/07/2026			
As of MARCH 2026			Accrual Basis			
Preliminary		MAR PREVIOUS YEAR COMPARISON		FISCAL YEAR END - PREVIOUS 3-YEAR COMPARISON		
		MAR 31, 2026	MAR 31, 2025	Jun 30, 25	Jun 30, 24	Jun 30, 23
				PRELIMINARY Requires Final Audit Adjustments	FINAL	FINAL
ASSETS				FISCAL YEAR END		
Current Assets						
Checking/Savings						
004000 · Petty Cash		100.00	100.00	100.00	100.00	100.00
005000 · First Citizens Bank *FY25 & FY26 Incl. Sweep Acct Balance		218,917.12	354,412.22	294,731.68	181,489.38	246,427.73
006000 · Pettycash-pool		80.00	80.00	80.00	80.00	80.00
007000 - Bank of New York Mellon						
011100 · Cash in Treasury Note 1		5,345,996.97	4,828,854.14	5,125,302.84	4,542,608.79	3,883,842.03
Total Checking/Savings		5,565,094.09	5,183,446.36	5,420,214.52	4,724,278.17	4,130,449.76
Accounts Receivable						
1200 - Accounts Receivable						
Total Accounts Receivable						
Other Current Assets						
027000- Interest Receivable					0.00	0.00
040000 · Prepaid Expenses		53,305.43	43,101.02	5,857.75	5,776.75	9,633.29
040000 · Undeposited Funds			-300.00			
Total Other Current Assets		53,305.43	42,801.02	5,857.75	5,776.75	9,633.29
Total Current Assets		5,618,399.52	5,226,247.38	5,426,072.27	4,730,054.92	4,140,083.05
Fixed Assets						
90001 · Building						
0571 · Accum depr-Building		-2,090,534.54	-1,910,686.24	-2,090,534.54	-1,910,686.24	-1,716,621.84
90001 · Building - Other		5,840,483.64	5,815,567.00	5,815,567.00	5,815,567.00	5,815,567.00
Total 90001 · Building		3,749,949.10	3,904,880.76	3,725,032.46	3,904,880.76	4,098,945.16
90002 · Improvements						
0572 · Accum depr-Improv		-395,000.84	-356,942.30	-395,000.84	-348,468.73	-274,487.70
90002 · Improvements - Other		685,984.50	685,984.50	685,984.50	677,510.93	685,984.50
Total 90002 · Improvements		290,983.66	329,042.20	290,983.66	329,042.20	411,496.80
90003 · Equipment						
0570 · Accum depr-Equip		-228,412.79	-216,442.54	-228,412.79	-216,442.54	-165,899.99
90003 · Equipment - Other		321,204.25	266,505.00	266,505.00	266,505.00	266,505.00
Total 90003 · Equipment		92,791.46	50,062.46	38,092.21	50,062.46	100,605.01
90004 · Land		19,532.00	19,532.00	19,532.00	19,532.00	19,532.00
90005 · Construction in Progress		227,645.95	219,028.90	219,388.90	202,125.73	22,697.00
Total Fixed Assets		4,380,902.17	4,522,546.32	4,293,029.23	4,505,643.15	4,653,275.97
TOTAL ASSETS		9,999,301.69	9,748,793.70	9,719,101.50	9,235,698.07	8,793,359.02

Highlands Recreation District			11:16 AM			
Balance Sheet			04/07/2026			
As of MARCH 2026			Accrual Basis			
Preliminary		MAR PREVIOUS YEAR COMPARISON		FISCAL YEAR END - PREVIOUS 3-YEAR COMPARISON		
		MAR 31, 2026	MAR 31, 2025	Jun 30, 25	Jun 30, 24	Jun 30, 23
				PRELIMINARY <small>Requires Final Audit Adjustments</small>	FINAL	FINAL
LIABILITIES & EQUITY						
Liabilities						
Current Liabilities						
Accounts Payable						
064000 - Accounts Payable Note 2		25,240.68	7,769.48	34,828.56	17,609.03	12,180.60
Total Accounts Payable		25,240.68	7,769.48	34,828.56	17,609.03	12,180.60
Other Current Liabilities						
065000 · Payroll Liability		0.00	-2,267.23	0.00	0.00	0.00
065010 · Payroll Liability-FSA		-6,789.25	-225.74	32.65	1,722.82	5,021.73
Other Accrued Expenses		0.00	0.00	89,766.40	75,507.43	62,225.00
80002 · Accr Interest Pay -Bond		4,076.50	4,471.75	17,887.00	19,416.34	20,904.32
80003 · Bond Principal Accrual		89,250.00	89,250.00	127,500.00	123,333.34	120,000.00
Total Other Current Liabilities		86,537.25	91,228.78	235,186.05	219,979.93	208,151.05
Total Current Liabilities		111,777.93	98,998.26	270,014.61	237,588.96	220,331.65
Long Term Liabilities						
265900 · COP-Bond		1,488,750.00	1,641,750.00	1,603,500.00	1,755,666.66	1,903,000.00
266000 · Compensated Absences		51,846.64	46,908.86	48,500.44	46,397.73	43,359.24
Total Long Term Liabilities		1,540,596.64	1,688,658.86	1,652,000.44	1,802,064.39	1,946,359.24
Total Liabilities		1,652,374.57	1,787,657.12	1,922,015.05	2,039,653.35	2,166,690.89
Equity						
081300 · Fund Balance		349,181.59	349,181.59	349,181.59	349,181.59	349,181.59
081400 · Retained Earnings		4,976,447.63	4,236,936.32	4,236,936.32	3,667,515.84	3,149,753.71
9998 · Amount to be provided		-1,582,076.50	-1,735,471.75	-1,748,887.00	-1,898,416.34	-2,043,904.32
9999 · Investment in Capital Assets		4,380,902.17	4,522,546.32	4,293,029.23	4,505,643.15	4,653,275.97
Net Income		222,472.23	587,944.10	666,826.31	572,120.48	518,361.18
Total Equity		8,346,927.12	7,961,136.58	7,797,086.45	7,196,044.72	6,626,668.13
TOTAL LIABILITIES & EQUITY		9,999,301.69	9,748,793.70	9,719,101.50	9,235,698.07	8,793,359.02
Note 1: Figures do not include any MARCH 2026 Property Tax or Interest income potentially forthcoming in mid-APRIL 2026.						
Note 2: Accounts Payable figure includes March US Bank CalCard Statement & April Kaiser Premium.						

Profit and Loss		
Highlands Recreation District		
March 2026		
	Total	
Income		
152100 Interest Earned	90.60	
232100 Park & Recreation Fees	236,852.39	
232101 Refunds of Fees	-2,168.00	
232103 Deposits Received & Returned	1,570.00	
Total for 232100 Park & Recreation Fees	\$236,254.39	
265800 Miscellaneous Revenue	251.11	
Total for Income	\$236,596.10	
Gross Profit	\$236,596.10	
Expenses		
411000 Total Employee Cost		
411100 Permanent Salaries	45,015.73	Note: There were 3 payroll checks issued in the month of March
411103 Longevity Pay	349.62	
416101 Office Wages	19,828.14	
416102 Pool Wages	31,686.22	
416103 Maintenance Wages	9,045.51	
416104 Supervision Wages/Bldg Attdnnts	8,139.16	
416106 Program/Enrichmt Specclst-STAFF	429.18	
416107 ASP/Camp Wages	24,502.27	
416108 EEC Wages	55,019.02	
416110 Vacation Expnse (Adjstng Acct)	1,844.19	
431100 Social Security	11,786.00	
431200 Medicare Contribution	2,756.40	
463100 District Employee Benefits	16,198.02	
Total for 411000 Total Employee Cost	\$226,599.46	
515600 Household Expenses		
515601 Recology (Waste)	1,259.71	
515602 Janitorial Supplies	2,802.75	
515605 Cleaning Company	4,250.00	
Total for 515600 Household Expenses	\$8,312.46	
519300 Office Expenses		
519303 General Office Supplies	2,349.67	
519304 Recruitment & Advertising	7,835.19	
519307 Other Ofc. Expns -Svc or Agrmnt	892.59	
519308 Credit Card/ACH fees	1,397.16	
519309 Payroll Processing Fees	2,462.38	
Total for 519300 Office Expenses	\$14,936.99	
533100 Memberships & Subscriptions	1,436.14	
545900 Maintnce-Facility & Imprv		

Profit and Loss	
Highlands Recreation District	
March 2026	
	Total
545903 Paint, Solvents & Chemicals	4,442.47
545904 Pool Maintenance Supplies	314.16
545909 Other General Maintenance	210.10
545911 Landscape/Garden Expense	882.40
545912 Vehicle Expense	176.69
545913 Ground/Facility Improvements	5.46
Total for 545900 Maintnce-Facility & Imprv	\$6,031.28
563800 Utility Expense	
563801 P G & E	11,128.08
563802 Water	732.28
Total for 563800 Utility Expense	\$11,860.36
585600 Contract Expenses	
585601 Audit Fees	1,886.25
585603 Legal Fees	8,520.69
585604 Consultants	684.50
585605 Vendors/Instructors/Pgrm Specs	6,425.80
Total for 585600 Contract Expenses	\$17,517.24
596600 Program Specific Expenses	
596602 Spec Activities-ASP	4,602.05
596603 Snacks-ASP	85.66
596604 Supplies-ASP	2,040.21
596610 Misc Expense-OFFICE	106.72
596611 Employee Recognition/Misc-OTHER	180.44
596612 Special Events	1,775.00
596613 Conferences/Seminars	634.56
596614 Pool Program & Facility Supply	1,498.71
596616 In-Crowd Rent	1,194.35
596617 Seasonal Programs	1,225.00
596621 EEC Supplies	325.30
596622 EEC Snacks	563.56
596623 EEC Special Activities	96.14
596624 Employee Recognition/ Misc-EEC	15.70
596626 Swim Team Expenses	676.90
596628 Training & Certification Expnse	1,669.92
Total for 596600 Program Specific Expenses	\$16,690.22
671200 Telephone & Internet Expns	348.79
673100 Insurance	
673101 CAPRI-Worker's Comp	2,042.75
673102 CAPRI-General Liability/Auto	12,334.90

Profit and Loss		
Highlands Recreation District		
March 2026		
	Total	
Total for 673100 Insurance	\$14,377.65	
721000 Fixed Assets-Structure/Imprvmts		
721101 Construction In Progress	174.93	
Total for 721000 Fixed Assets-Structure/Imprvmts	\$174.93	
Total for Expenses	\$318,285.52	Reflects 3 payroll checks issued in the month of March
Net Operating Income	-\$81,689.42	
Net Other Income		
Net Income	-\$81,689.42	
Accrual Basis Tuesday, April 07, 2026 11:11 AM GMT-07:00		

Profit and Loss	
Highlands Recreation District	
July, 2025-March, 2026	
FISCAL YEAR TO DATE	
	Total
Income	
102100 Property Taxes	427,891.87
102101 ERAF	212,611.59
152100 Interest Earned	152,113.60
199700 Capital Grants & Contrib	3,275.00
232100 Park & Recreation Fees	1,989,816.33
232101 Refunds of Fees	-12,295.00
232103 Deposits Received & Returned	3,610.00
Total for 232100 Park & Recreation Fees	\$1,981,131.33
265800 Miscellaneous Revenue	1,350.42
Total for Income	\$2,778,373.81
Gross Profit	\$2,778,373.81
Expenses	
411000 Total Employee Cost	
411100 Permanent Salaries	357,509.67
411102 Vacation Buy Out	1,942.31
411103 Longevity Pay	2,330.80
416101 Office Wages	123,875.01
416102 Pool Wages	181,455.13
416103 Maintenance Wages	59,129.05
416104 Supervision Wages/Bldg Attdnts	51,524.12
416106 Program/Enrichmt Speclst-STAFF	1,309.22
416107 ASP/Camp Wages	181,686.52
416108 EEC Wages	388,765.00
416110 Vacation Expnse (Adjstng Acct)	3,346.20
431100 Social Security	81,422.11
431200 Medicare Contribution	19,506.42
445100 Unemployment Insurance	-134.00
463100 District Employee Benefits	151,415.06
Total for 411000 Total Employee Cost	\$1,605,082.62
512100 Clothing & Uniforms	2,861.35
515600 Household Expenses	
515601 Recology (Waste)	11,407.61
515602 Janitorial Supplies	6,567.54
515605 Cleaning Company	37,000.00
Total for 515600 Household Expenses	\$54,975.15
519300 Office Expenses	
519301 Outside Printing & Copy Serv	169.81
519302 Licensing Fees	1,452.00

Profit and Loss	
Highlands Recreation District	
July, 2025-March, 2026	
FISCAL YEAR TO DATE	
	Total
519303 General Office Supplies	7,228.03
519304 Recruitment & Advertising	10,237.09
519305 Postage & Mailing Expenses	506.83
519307 Other Ofc. Expns -Svc or Agrmnt	12,889.82
519308 Credit Card/ACH fees	12,647.74
519309 Payroll Processing Fees	23,021.91
Total for 519300 Office Expenses	\$68,153.23
533100 Memberships & Subscriptions	13,212.23
542300 Maintenance-Equipment (deleted)	0.00
545900 Maintnce-Facility & Imprv	
545902 Plumbing & Piping	306.00
545903 Paint, Solvents & Chemicals	28,302.90
545904 Pool Maintenance Supplies	3,082.72
545905 Locks & Security System	2,613.87
545906 Signage Expense	87.92
545907 General Electrical Expense	2,887.19
545909 Other General Maintenance	6,058.03
545911 Landscape/Garden Expense	1,336.36
545912 Vehicle Expense	58,990.52
545913 Ground/Facility Improvements	216.54
Total for 545900 Maintnce-Facility & Imprv	\$103,882.05
563800 Utility Expense	
563801 P G & E	92,239.13
563802 Water	14,659.68
563803 Sewer Fees	11,876.52
Total for 563800 Utility Expense	\$118,775.33
585600 Contract Expenses	
585601 Audit Fees	15,140.00
585603 Legal Fees	21,111.58
585604 Consultants	7,326.04
585605 Vendors/Instructors/Pgrm Specs	63,612.04
Total for 585600 Contract Expenses	\$107,189.66
596600 Program Specific Expenses	
596601 Buses-ASP	5,903.00
596602 Spec Activities-ASP	8,556.00
596603 Snacks-ASP	6,366.27
596604 Supplies-ASP	6,160.13
596607 Employee Recognition/ Misc-POOL	119.34
596608 Employee Recognition/ Misc- ASP	891.50

Profit and Loss	
Highlands Recreation District	
July, 2025-March, 2026	
FISCAL YEAR TO DATE	
	Total
596610 Misc Expense-OFFICE	1,163.19
596611 Employee Recognition/Misc-OTHER	1,295.74
596612 Special Events	9,187.80
596613 Conferences/Seminars	3,622.15
596614 Pool Program & Facility Supply	2,454.71
596616 In-Crowd Rent	11,501.83
596617 Seasonal Programs	5,897.30
596621 EEC Supplies	7,636.26
596622 EEC Snacks	4,223.88
596623 EEC Special Activities	1,612.44
596624 Employee Recognition/ Misc-EEC	780.00
596626 Swim Team Expenses	3,342.16
596627 Staff Development	444.00
596628 Training & Certification Expnse	2,405.88
Total for 596600 Program Specific Expenses	\$83,563.58
633100 Bond Interest Expense	51,289.49
633200 Bond Principal Expense	153,000.00
671200 Telephone & Internet Expns	4,271.90
673100 Insurance	
673101 CAPRI-Worker's Comp	44,662.80
673102 CAPRI-General Liability/Auto	111,014.30
Total for 673100 Insurance	\$155,677.10
721000 Fixed Assets-Structure/Imprvmts	
721100 Fixed Assets-Structures/Imprvmt	25,451.64
721101 Construction In Progress	8,257.05
Total for 721000 Fixed Assets-Structure/Imprvmts	\$33,708.69
731000 Fixed Assets - Equipment	
731101 FA Equipmnt Not Capitalized	259.20
Total for 731000 Fixed Assets - Equipment	\$259.20
Total for Expenses	\$2,555,901.58
Net Operating Income	\$222,472.23
Net Other Income	
Net Income	\$222,472.23
Accrual Basis Tuesday, April 07, 2026 11:12 AM GMT-07:00	

Highlands Recreation District Annual Budget vs. FYTD Actuals: FY25-26 - P&L by Classes

PRELIMINARY

July 2025 - March 2026

9 of 12 months = 75.0%
of Fiscal Year

Tues, Apr 07, 2026 11:19 AM - Accrual Basis

INCLUDES ALLOCATIONS

NOTES	ASP			EEC			OTHER			POOL			RENTAL			SEASONAL PGRMS			TOTAL			
	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Actual	Budget	% of Budget	
	545908 Motor, Pump & Generator																			0.00	6,500.00	0.00%
545909 Other General Maintenance	12	972.35		2,296.14			1,083.48	10,500.00	10.32%	1,107.91	2,000.00	55.40%	343.88			254.27			6,058.03	12,500.00	48.46%	
545911 Landscape/Garden Expense				928.95			407.41	25,000.00	1.63%										1,336.36	25,000.00	5.35%	
545912 Vehicle Expense	14	108.17	525.00	20.60%			58,882.35	80,000.00	73.60%										58,990.52	80,525.00	73.26%	
545913 Ground/Facility Improvements				5.46	10,000.00	0.05%	211.08	15,000.00	1.41%										216.54	25,000.00	0.87%	
Total 545900 Maintnce-Facility & Imprv		\$ 1,773.54	\$ 1,025.00	173.03%	\$ 5,865.18	\$ 20,000.00	29.33%	\$ 61,045.56	\$ 168,088.00	36.32%	\$ 33,992.96	\$ 70,500.00	48.22%	\$ 848.03	\$ 0.00		\$ 356.78	\$ 0.00		\$ 103,882.05	\$ 259,613.00	40.01%
563800 Utility Expense																			0.00	0.00		
563801 P G & E		5,221.67	31,050.00	16.82%	13,110.08	36,300.00	36.12%	5,749.97	16,200.00	35.49%	65,887.14	49,950.00	131.91%	1,362.18	5,400.00	25.23%	908.09	8,100.00	11.21%	92,239.13	147,000.00	62.75%
563802 Water		3,094.98	4,400.00	70.34%	3,123.96	4,500.00	69.42%	1,828.84	2,600.00	70.34%	5,205.17	7,400.00	70.34%	844.09	800.00	105.51%	562.64	1,200.00	46.89%	14,659.68	20,900.00	70.14%
563803 Sewer Fees		1,979.42	3,038.00	65.16%	1,979.42	3,038.00	65.16%	1,979.42	3,038.00	65.16%	1,979.42	3,038.00	65.16%	1,979.42	675.00	293.25%	1,979.42	675.00	293.25%	11,876.52	13,502.00	87.96%
Total 563800 Utility Expense		\$ 10,296.07	\$ 38,488.00	26.75%	\$ 18,213.46	\$ 43,838.00	41.55%	\$ 9,558.23	\$ 21,838.00	43.77%	\$ 73,071.73	\$ 60,388.00	121.00%	\$ 4,185.69	\$ 6,875.00	60.88%	\$ 3,450.15	\$ 9,975.00	34.59%	\$ 118,775.33	\$ 181,402.00	65.48%
585600 Contract Expenses																			0.00	0.00		
585601 Audit Fees							15,140.00	15,950.00	94.92%										15,140.00	15,950.00	94.92%	
585603 Legal Fees							21,111.58	50,000.00	42.22%										21,111.58	50,000.00	42.22%	
585604 Consultants		1,648.41	13,750.00	11.99%	1,648.41	13,500.00	12.21%	1,648.11	13,500.00	12.21%	1,648.41	13,500.00	12.21%	366.35	3,000.00	12.21%	366.35	3,000.00	12.21%	7,326.04	60,250.00	12.16%
585605 Vendors/Instrctrs/Pgrm Specs	15										21,150.00	10,000.00	211.50%				42,462.04	90,394.00	46.97%	63,612.04	100,394.00	63.36%
585606 ASP/Camp Contractors			250.00	0.00%															0.00	250.00	0.00%	
585608 Contract Expense-Other	16		9,000.00	0.00%		9,000.00	0.00%		9,000.00	0.00%		9,000.00	0.00%		2,000.00	0.00%		2,000.00	0.00%	0.00	40,000.00	0.00%
Total 585600 Contract Expenses		\$ 1,648.41	\$ 23,000.00	7.17%	\$ 1,648.41	\$ 22,500.00	7.33%	\$ 37,899.69	\$ 88,450.00	42.85%	\$ 22,798.41	\$ 32,500.00	70.15%	\$ 366.35	\$ 5,000.00	7.33%	\$ 42,828.39	\$ 95,394.00	44.90%	\$ 107,189.66	\$ 266,844.00	40.17%
596600 Program Specific Expenses																			0.00	0.00		
596601 Buses-ASP		5,903.00	12,000.00	49.19%															5,903.00	12,000.00	49.19%	
596602 Spec Activities-ASP		8,515.62	16,000.00	53.22%			40.38												8,556.00	16,000.00	53.48%	
596603 Snacks-ASP		6,366.27	10,000.00	63.66%															6,366.27	10,000.00	63.66%	
596604 Supplies-ASP		6,160.13	10,000.00	61.60%															6,160.13	10,000.00	61.60%	
596607 Employee Recog/ Misc-POOL										119.34	2,000.00	5.97%							119.34	2,000.00	5.97%	
596608 Employee Recog/ Misc-ASP		891.50	4,000.00	22.29%															891.50	4,000.00	22.29%	
596610 Misc Expense-OFFICE							1,163.19	5,000.00	23.26%										1,163.19	5,000.00	23.26%	
596611 Employee Reco/Misc-OTHER							1,295.74	4,000.00	32.39%										1,295.74	4,000.00	32.39%	
596612 Special Events											1,000.00	0.00%				9,187.80	14,500.00	63.36%	9,187.80	15,500.00	59.28%	
596613 Conferences/Seminars		1,749.77	2,500.00	69.99%		2,500.00	0.00%	1,500.00	5,000.00	30.00%		3,000.00	0.00%			372.38	1,000.00	37.24%	3,622.15	14,000.00	25.87%	
596614 Pool Program & Facility Supply											2,454.71	6,000.00	40.91%						2,454.71	6,000.00	40.91%	
596616 In-Crowd Rent		11,501.83	15,000.00	76.68%															11,501.83	15,000.00	76.68%	
596617 Seasonal Programs		5,721.50	8,600.00	66.53%												175.80	1,000.00	17.58%	5,897.30	9,600.00	61.43%	
596621 EEC Supplies	3				7,636.26	8,000.00	95.45%												7,636.26	8,000.00	95.45%	
596622 EEC Snacks					4,223.88	10,000.00	42.24%												4,223.88	10,000.00	42.24%	
596623 EEC Special Activities					1,612.44	10,000.00	16.12%												1,612.44	10,000.00	16.12%	
596624 Employee Recognition/ Misc-EEC					780.00	2,000.00	39.00%												780.00	2,000.00	39.00%	
596625 Pool Concessions											1,000.00	0.00%							0.00	1,000.00	0.00%	
596626 Swim Team Expenses											3,342.16	10,000.00	33.42%						3,342.16	10,000.00	33.42%	
596627 Staff Development			1,500.00	0.00%		1,500.00	0.00%	350.00	1,500.00	23.33%	94.00	2,000.00	4.70%						444.00	6,500.00	6.83%	
596628 Training & Certification Expnse	17	358.44	150.00	238.96%	322.48	500.00	64.50%	322.48	1,000.00	32.25%	1,080.00	2,000.00	54.00%	161.24			161.24		2,405.88	3,650.00	65.91%	
Total 596600 Program Specific Expenses		\$ 47,168.06	\$ 79,750.00	59.14%	\$ 14,575.06	\$ 34,500.00	42.25%	\$ 4,671.79	\$ 16,500.00	28.31%	\$ 7,090.21	\$ 27,000.00	26.26%	\$ 161.24	\$ 0.00		\$ 9,897.22	\$ 16,500.00	59.98%	\$ 83,563.58	\$ 174,250.00	47.96%
633100 Bond Interest Expense	18				38,467.12	38,467.00	100.00%	6,411.19	6,411.00	100.00%				6,411.18	6,411.00	100.00%			51,289.49	51,289.00	100.00%	
633200 Bond Principal Expense	18				114,750.00	114,750.00	100.00%	19,125.00	19,125.00	100.00%				19,125.00	19,125.00	100.00%			153,000.00	153,000.00	100.00%	
671200 Telephone & Internet Expns		665.75									3,606.15	12,300.00	29.32%						4,271.90	12,300.00	34.73%	
673100 Insurance																			0.00	0.00		
673101 CAPRI-Worker's Comp	19	4,533.28	10,414.00	43.53%	6,319.79	13,035.00	48.48%	1,406.80	3,968.00	35.45%	30,884.33	16,968.00	182.02%	759.30	1,725.00	44.02%	759.30	1,305.00	58.18%	44,662.80	47,415.00	94.20%
673102 CAPRI-General Liability/Auto		24,978.15	30,358.00	82.28%	24,978.15	30,358.00	82.28%	24,978.35	30,358.00	82.28%	24,978.15	30,358.00	82.28%	5,550.75	6,746.00	82.28%	5,550.75	6,746.00	82.28%	111,014.30	134,924.00	82.28%
Total 673100 Insurance		\$ 29,511.43	\$ 40,772.00	72.38%	\$ 31,297.94	\$ 43,393.00	72.13%	\$ 26,385.15	\$ 34,326.00	76.87%	\$ 55,862.48	\$ 47,326.00	118.04%	\$ 6,310.05	\$ 8,471.00	74.49%	\$ 6,310.05	\$ 8,051.00	78.38%	\$ 155,677.10	\$ 182,339.00	85.38%
721000 F/A-Structure/Imprvmts																			0.00	0.00		
721100 Fixed Assets-Structures/Imprvmt											50,000.00	0.00%	25,451.64	25,000.00	101.81%				25,451.64	75,000.00	33.94%	
721101 Construction In Progress							8,257.05	225,000.00	3.67%										8,257.05	225,000.00	3.67%	
721102 FA - S&I - Not Capitalized			2,500.00	0.00%															0.00	2,500.00	0.00%	
Structure/Imprvmts																						

P&L Budget Comparison (modified accr basis)		Plug in new month #'s in column B, then copy & paste #'s to appropriate month in O-Z columns							APPROVED	100%	DIFF
July 25 through Mar 26		Mar 26	Mar 25	Mar 24	July 23 - Mar	July 24 - Mar	July 25 - Mar	BUDGET	% of Budget	Budget - Current YTD	
PRELIMINARY											
Unrestricted beginning Fund Balance											
Income											
102100	Property Taxes	0.00	35,018.42	34,266.55	411,729.47	472,039.96	427,891.87	749,124.00	57.12%	321,232.13	
102101	ERAF	0.00	0.00	0.00	188,802.68	192,030.14	212,611.59	152,532.00	139.39%	(60,079.59)	
152100	Interest Earned	90.60	229.48	219.57	93,131.78	86,533.72	152,113.60	156,000.00	97.51%	3,886.40	
187100	State-aid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	-	
199200	All Other Local Govt Rev	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	-	
199700	Cap grants & Contributions	0.00	0.00	0.00	65,333.00	6,035.37	3,275.00	10,618.00	30.84%	7,343.00	
232100	Park & Recreation Fees										
	ASP	46,388.00	147,202.00	114,440.50	761,788.86	848,701.50	675,089.99	1,054,627.00	64.01%	379,537.01	
	Pool	48,591.48	22,146.07	79,993.56	377,088.71	344,198.98	224,559.84	520,500.00	43.14%	295,940.16	
	Seasonal Prog	15,241.60	21,789.10	21,267.24	95,781.63	78,450.60	89,316.75	151,504.00	58.95%	62,187.25	
	Fac Rental	11,522.25	6,391.00	3,927.50	69,449.58	73,390.00	87,632.50	162,761.00	53.84%	75,128.50	
	EEC	112,976.70	99,154.76	106,212.48	945,241.15	848,728.47	896,905.59	1,418,815.00	63.22%	521,909.41	
	Other	1,534.36	1,655.79	2,621.95	12,821.86	11,036.58	7,626.66	18,900.00	40.35%	11,273.34	
	Transaction fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	-	
	Total Park & Rec fees	236,254.39	298,338.72	328,702.80	2,372,182.42	2,204,506.13	1,981,131.33	3,327,107.00	59.55%	1,345,975.67	
264200	Stale-Dated Checks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	-	
265800	Miscellaneous Revenue **	251.11	283.51	20.00	10,770.94	1,229.27	1,350.42	0.00	0.00%	(1,350.42)	
	Total Income	236,596.10	333,870.13	362,969.35	3,031,939.66	2,962,374.59	2,778,373.81	4,395,381.00	63.21%	1,617,007.19	
Expense											
411100	Permanent Salaries	45,015.73	64,698.75	23,912.33	332,913.32	326,204.66	357,509.67	662,471.00	53.97%	304,961.33	
411101	Temporary Out of Class	0.00	0.00	3,000.00	7,500.00	14,078.95	0.00	0.00	0.00%	-	
411102	Vacation Buy Out (New GL Code FY25-26)	0.00	0.00	0.00	0.00	0.00	1,942.31	2,020.00	96.15%	77.69	
411103	Longevity Pay (New GL Code FY25-26)	349.62	0.00	0.00	0.00	0.00	2,330.80	3,030.00	76.92%	699.20	
416101	Office Wages	19,828.14	16,573.90	9,894.74	108,701.38	111,914.52	123,875.01	182,312.00	67.95%	58,436.99	
416102	Pool Wages	31,686.22	17,820.76	20,974.16	219,674.83	189,693.02	181,455.13	332,163.88	54.63%	150,708.75	
416103	Maintenance Wages	9,045.51	9,212.50	5,668.49	50,674.14	59,090.44	59,129.05	97,792.00	60.46%	38,662.95	
416104	Supervision / Building Attendant Wages	8,139.16	8,042.96	4,742.25	43,643.38	48,431.78	51,524.12	70,671.00	72.91%	19,146.88	
446106	EEP Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	-	
416106	Prgm Spec-Staff (Lunchtime Enrichment) FY25-26	429.18					1,309.22	5,400.00	24.24%	4,090.78	
416107	ASP/Camp Wages	24,502.27	28,654.60	17,150.00	196,359.70	212,875.87	181,686.52	325,000.00	55.90%	143,313.48	
416108	EEC Wages	55,019.02	51,565.03	40,798.97	376,876.13	373,375.23	388,765.00	584,875.00	66.47%	196,110.00	
416110	Vacation Expense (Adjusting Account)	1,844.19	1,052.77	2,314.18	3,950.55	-2,188.87	3,346.20	0.00	0.00%	(3,346.20)	
431100	Social Security	11,786.00	11,680.78	7,720.93	82,026.02	81,519.79	81,422.11	145,720.00	55.88%	64,297.97	
431200	Medicare Contribution	2,756.40	2,731.80	1,805.70	19,181.95	19,065.14	19,506.42	33,370.76	58.45%	13,864.34	
445100	Unemployment Insurance	0.00	0.00	0.00	32.00	0.00	-134.00	1,000.00	-13.40%	1,134.00	
463100	District Employee Benefits	16,198.02	1,750.02	14,579.81	139,629.04	112,058.86	151,415.06	225,682.00	67.09%	74,266.94	
	TOTAL EMPLOYEE COST SUBTOTAL	226,599.46	213,783.87	152,561.56	1,581,162.44	1,546,119.39	1,605,082.62	2,671,507.72	60.08%	1,066,425.10	
585605	Contract Expenses - Vendors > Non-Employee	6,425.80	8,877.30	9,416.00	40,956.10	33,644.50	63,612.04	100,394.00	63.36%	36,781.96	
446109	Prog spec Swimteam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	-	
446111	ASP/Camp Contractors (FY25-26 See GL#585606)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	-	
446112	EEC Contractors (FY25-26 See GL#585607)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	-	
512100	Clothing & Uniforms	0.00	0.00	425.65	5,198.38	2,391.56	2,861.35	20,171.00	14.19%	17,309.65	
515600	Household Expense	8,312.46	7,461.04	5,771.04	49,226.63	54,055.16	54,975.15	86,300.00	63.70%	31,324.85	
519300	Office Expense	14,936.99	16,905.72	13,395.21	88,207.45	83,792.45	68,153.23	123,464.00	55.20%	55,310.77	
533100	Memberships / Subscriptions	1,436.14	865.73	594.00	13,844.33	16,576.63	13,212.23	26,614.00	49.64%	13,401.77	
542300	Maintenance-Equipment (deactivated in FY25-26)	0.00	2,014.80	1,636.37	11,312.55	11,117.95	0.00	0.00	0.00%	-	
545900	Maintenance-Facilities & Imprv	6,031.28	1,428.69	5,255.85	57,029.12	38,921.38	103,882.05	259,613.00	40.01%	155,730.95	
563800	Utility Expense	11,860.36	15,882.54	21,865.44	118,613.61	128,278.18	118,775.33	181,402.00	65.48%	62,626.67	
572200	Employee Expense Reimb	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	-	
585600	Contract Expenses (Audit/Legal/Consultants)	11,091.44	4,085.40	20,860.00	68,074.80	124,878.42	43,577.62	166,450.00	26.18%	122,872.38	
596600	Program Specific Expenses	16,690.22	10,587.59	8,110.29	78,245.69	72,011.84	83,563.58	174,250.00	47.96%	90,686.42	
671200	Telephone Service Charges	348.79	350.78	366.37	3,085.70	3,054.71	4,271.90	12,300.00	34.73%	8,028.10	
673100	Insurance	14,377.65	11,810.92	12,180.59	97,432.25	106,298.24	155,677.10	182,339.00	85.38%	26,661.90	
721102	F/A Struct. & Imprvmnts - Not Capitalized	0.00	528.68	0.00	606.36	1,061.48	0.00	2,500.00	0.00%	2,500.00	
731101	F/A Equipment - Not Capitalized	0.00	342.03	0.00	7,858.36	3,759.18	259.20	5,200.00	4.98%	4,940.80	
	TOTAL OPERATING EXPENSES	318,110.59	294,925.09	252,438.37	2,220,853.77	2,225,961.07	2,317,903.40	4,012,504.72	57.77%	1,694,601.32	
	NET INCOME AFTER OPERATING EXP	-81,514.49	38,945.04	110,770.55	921,096.52	736,413.52	460,470.41	382,876.28	120.27%	(77,594.13)	
633100	Bond-Interest Expense	0.00	0.00	0.00	60,481.00	55,955.00	51,289.49	51,289.00	100.00%	(0.49)	
633200	Bond-Principal Expense	0.00	0.00	0.00	144,000.00	148,000.00	153,000.00	153,000.00	100.00%	-	
721100	Fixed Assets-Structures/Improv	0.00	0.00	0.00	550.84	0.00	25,451.64	75,000.00	33.94%	49,548.36	
721101	Construction in Progress	174.93	640.00	178.19	133,049.31	16,903.17	8,257.05	225,000.00	3.67%	216,742.95	
731100	Fixed Assets-Equipment	0.00	0.00	0.00	0.00	0.00	0.00	15,000.00	0.00%	15,000.00	
	TOTAL FIXED ASSETS	174.93	640.00	178.19	133,600.15	16,903.17	33,708.69	315,000.00	10.70%	281,291.31	
	NET INC AFTER OPEX, BOND INT & PRINC PYMT. & F/A	-81,689.42	38,305.04	110,592.36	583,015.37	515,555.35	222,472.23	-136,412.72	0.00%	(358,884.95)	
80002	Accrued Bond Interest Payable					as of 3/31/2026	4,076.50				
80003	Accrued Bond Principal					as of 3/31/2026	89,250.00				
861100	Approp. for Contingencies							0.00			
088300	Capital Reserve							0.00			
882100	General Reserve							0.00			
	Building Renovations Reserve							0.00			
	Unassigned Fund balance							0.00			



MEMORANDUM

Date: March 10, 2026

To: Board of Directors

From: Tamsen Burke, General Manager

Re: Review the Adoption and Implementation of the California Uniform Public Construction Cost Accounting Act

Background

The Trenchless Sewer Replacement on the District property noted in the February 10, 2026, Board of Directors meeting could consider the Public Works contract for \$75,000 or less, and rely on the Uniform Public Construction Cost Accounting Act to proceed via negotiated contact rather than formal public bidding.

The Uniform Public Construction Cost Accounting Act (Act), enacted in 1983 under Public Contract Code section 22000 et seq., allows local agencies to perform public project work of up to \$75,000 with their own workforces if the agencies elect to follow the cost accounting procedures set forth in the Cost Accounting Policies and Procedures Manual by the California Uniform Construction Cost Accounting Commission.

Every five years, the California Uniform Construction Cost Accounting Commission reviews the informal bid limits for inflation and other factors to determine whether adjustments should be made. If an adjustment is made, the State Controller notifies the affected public agencies. The adjustment may become effective before it appears as a formal change in the Public Contract Code pursuant to Public Contract Code section 22020. The most recently posted bid limits can be found at www.sco.ca.gov/ard_cuccac.html titled under New Informal Bid Limit Increase (Pursuant to PCC 22032).

Any local agency can voluntarily elect to become a participating agency of the Act. Local agencies include cities, counties, redevelopment agencies, special districts, school districts, and community college districts. Participating agencies benefit from the raised force account limit and the informal bidding procedures. More projects are completed in a timely manner as a result of the streamlined awards process and the reduction in paperwork related to advertising and report filing.

The Uniform Public Construction Cost Accounting Act

As specified in the State of California Public Contract Code, all governmental jurisdictions are limited to the dollar amount of public project work that can be performed using internal resources.

The jurisdictions are further required to follow various bidding procedures in undertaking construction work performed or contracted in the jurisdiction. The passage of Chapter 1054, Statutes of 1983, Uniform Public Construction Cost Accounting Act (Act), and subsequent amendments provides for alternative bidding procedures by public agencies in undertaking public project work, provided they subscribe to uniform construction cost accounting policies and procedures developed in accordance with the law.

The purpose of this document is to give public agencies those construction cost accounting policies and procedures required in accordance with this above-mentioned legislation. To assist in understanding these policies and procedures, we have provided examples throughout the manual. These examples are for illustrative purposes only and, although they may be used, should not be considered required formats for public agencies operating under this program.

Public Agency

Public Contract Code section 22002(a) provides the definition of a public agency for the purposes of the Act. Public agencies are cities, counties, a city and county, chartered cities and chartered counties, any special district and any other agency of the state responsible for the local performance of governmental or proprietary functions within limited boundaries. Public agency includes a nonprofit transit corporation wholly owned by a public agency and formed to carry out the purposes of the public agency.

Public Project

As defined in Public Contract Code section 22002(c), all public projects performed by public agencies may include:

- Construction, reconstruction, erection, alteration, renovation, improvement, demolition, installation, and repair work involving any publicly owned, leased or operated facility.
- Painting or repainting of any publicly owned, leased or operated facility.
- In the case of publicly owned electric utility system, construction, erection, improvement or repair of dams, reservoirs, power plants and electrical transmission lines of 230,000 volts and higher.

Exemptions

Construction of any public building used for facilities of juvenile forestry camps or juvenile homes, ranches, or camps established under Article 15 (commencing with section 880) of Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code, if a major portion of the construction work is to be performed by wards of the juvenile court assigned to those camps, ranches or homes, is exempt from the provisions of the Act.

In addition, in cases of great emergency, as determined by the governing body of the public agency, including, but not limited to, states of emergency defined in Government Code section 8558. When repair or replacements are necessary to permit the continued conduct of the operation or services of a public agency or to avoid danger to life or property.

- The governing body by majority vote may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts.

- The work may be done by day labor under the direction of the governing body, by contract, or by a combination of the two.
- The governing body, by majority vote, may delegate to the appropriate county administrative officer or city manager the power to declare a public emergency subject to confirmation by the governing body, by a four-fifths vote, at its next meeting.

Bid Limitations

For those agencies whose governing board has elected by resolution to become subject to the uniform construction cost accounting policies and procedures and which have notified the State Controller of that election, the following bid limitations will be in effect pursuant to Public Contract Code section 22032 and 22034(d):

- Public projects of \$75,000 or less may be performed by the employees of a public agency by force account (for definition see page 43 section 3.03), by negotiated contract, or by purchase order.
- Public projects of \$220,000 or less may be let to contract by informal procedures as set forth in this legislation.
- Public projects of more than \$220,000 shall, except as otherwise provided in this legislation, be let to contract by formal bidding procedures.
- If all bids received are in excess of \$220,000, the governing body of the public agency may by adoption of a resolution by a four-fifths vote, award the contract, at \$235,000 or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable.

Award of Bid

Public Contract Code section 22038 allows the public agency in its discretion to reject any bids presented. If the agency prior to rejecting all bids and declaring that the project can be more economically performed by employees of the agency provides a written notice to an apparent low bidder that:

- Informs the lowest responsible bidder of the agency's intention to reject the bid.
- Is mailed to at least two business days prior to the hearing at which the agency intends to reject the bid. If after opening bids all bids are rejected, the public agency shall have the option, after reevaluating its cost estimates of the project, of one of the following:
- The public agency may abandon the project or re-advertise for bids in the manner described by this legislation; or
- By passage of a resolution by a four-fifths majority of its governing body declaring that its employees can perform the project more economically, the public agency may have the project done by force account without further complying with this legislation.

If a contract is awarded, it shall be awarded to the lowest bidder. If two or more bids are the same as the lowest, the public agency may accept the one it chooses.

If no bids are received, the project may be performed by employees of the public agency by force account or by informal bidding procedures set forth in section 22034 of the Public Contract Code.

Advantages and Disadvantages

The advantages of the California Uniform Public Construction Cost Accounting Act include:

- Expedited contracting for projects under \$220,000, allowing for quicker project delivery and reduced time and effort associated with bidding.
- Simplified administration for public works projects, leading to fewer formal bids and less paperwork.
- Increased force account labor limit, providing public agencies with more freedom to use their personnel.

The disadvantages of the Act include:

- No mandatory requirement for local agencies, meaning not all agencies may choose to participate.
- Potential for increased costs if not all agencies adhere to the Act's provisions, as it may lead to more bidding and contracting opportunities.
- Potential for compliance issues if agencies do not follow the Act's requirements, which could result in penalties or investigations.
- Overall, the Act offers significant benefits for public agencies, but it also requires agencies to be aware of their obligations and potential risks.

Next Steps: Review the Information For Adoption And Implementation Of The California Uniform Public Construction Cost Accounting Act

Instructions for Adoption and Implementation of the Uniform Public Construction Cost

- Accounting Procedures Review Process
 - Accounting Procedures Review
- Accounting Act (ACT) by Local Agencies
 - Sample Election Resolution – Model
 - Sample Informal Bidding Ordinance
- Procedure for Establishment and Maintenance of List of Registered Contractors
 - Procedure for Establishment and Maintenance of List of Registered Contractors Per Section 22034 of the Public Contract Code
 - Minimum Criteria for Development and Maintenance of the Contractors List Determined by the Commission, pursuant to Public Contract Code section 22034(a)(1)
 - County-by-County List of Construction Trade Journals
 - Sample Information for Mailed Notice
 - List of Construction Trade Journals
 - List of Closed Construction Trade Journals

Recommendation

This report is provided for information only. No Board action is requested at this time. It is the recommendation of Management for the Board to review the California Uniform Public Construction Cost Accounting Act for consideration of upcoming and future construction costs within in the policy.

Reference:

Website: https://www.sco.ca.gov/ard_cuccac.html

California Uniform Public Construction Cost Accounting Act Frequently Asked Questions
(attached)

CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

FREQUENTLY ASKED QUESTIONS (FAQs)

These FAQs have been compiled to assist agencies that are participating in the California Uniform Public Construction Cost Accounting Act (the Act), as contained in Public Contract Code (PCC) Section 22000, et seq. All references are to PCC, unless otherwise stated.

1. What is the Uniform Public Construction Cost Accounting Act?

The Act is legislation that was enacted in 1983 to help promote “uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state” (Section 22001). The Act is a voluntary program available to all public entities in the State, but it applies only to those public agencies that have “opted in” to the provisions set forth by the Act using the processes outlined in the Act. The entirety of the Act is found at Sections 22000-22045.

2. What are some of the key provisions of the Act?

The Act allows for public project work in the amount of \$75,000 or less to be performed by a public agency’s force account using the public agency’s own resources, or by negotiated contract, or by purchase order (Section 22032(a)). Public projects in the amount of \$220,000 or less may use the informal or formal bidding procedures set forth in Section 22032(b), or (c) of the Act. Public projects at a cost of more than \$220,000 must use formal bidding procedures to let the contract pursuant PCC Section 22032(c), except as otherwise provided by statute.

3. What are the benefits of the program?

- Increased force account limit for public agencies;
- Simplified bidding for projects that are \$220,000 or less;
- Reduced number of formal bids based on project size; and
- Expedited contracting for projects under \$220,000.

Many participating agencies appreciate the program because it has given them more leeway in the execution of public works projects under a certain dollar amount; sped up the award process; expedited project delivery; reduced the time, effort, and expense associated with bidding projects under \$220,000; and simplified administration for those projects. Few agencies have experienced challenges with the accounting requirements and overhead provisions. Moreover, adjustments, when required, have been relatively simple; most required procedures were already in place, so there were few, if any, major changes to existing operations. The current Standard Accounting Codes Structure satisfies reporting requirements when used properly.

4. Is the Uniform Public Construction Cost Accounting Act mandatory for public agencies?

No. The Act is a voluntary program requiring a public agency to “opt in” using the process outlined in the Act.

5. How does a public agency become subject to the Act?

The governing body must elect by resolution to become subject to the Act and must file a copy of the approved resolution with the State Controller's Office (Section 22030). Sample documents are available at: http://www.sco.ca.gov/ard_cuccac.html. Once an agency has opted into the Act, it will remain a part of the program.

6. May a public agency withdraw from the Act?

Yes. An agency may withdraw from the Act by filing with the State Controller's Office an approved resolution of the agency's election to withdraw that was made during a public meeting of the agency's governing body.

7. Must a participating agency "opt in" to the Act annually?

No. Once a participating agency "opts in" to the Act, the agency remains subject to the Act until it "opts out" of the Act.

8. What is the California Uniform Construction Cost Accounting Commission?

The Commission was created to administer the Act, per Section 22010. It consists of 14 members: 13 members appointed by the State Controller and the License "A" member of the Contractors' State License Board. Seven members represent the public sector (counties, cities, school districts, and special districts). Six members represent the private sector (public works contractors and unions). The Commission members receive no salary, but are eligible for reimbursement of their direct expenses related to the Commission.

9. What are the Uniform Public Construction Cost Accounting Procedures?

These procedures are to be used for tracking costs for work performed by an Agency's own forces on a "project" as defined by the Act (Section 22002(c)). The procedures do not apply to operations or maintenance work, or any work that meets the criteria listed in Section 22002(d).

These procedures are intended to capture and record all direct and indirect labor, materials, equipment, subcontractors, and supervision costs, as well as the appropriate overhead costs for the public agency associated with each "project" it performs with its own forces. The procedures follow industry-standard accounting methods, and in many cases are not much different from those already in place at most agencies. Sample forms are available in the CUCCAC Cost Accounting Policies and Procedures Manual at http://www.sco.ca.gov/Files-ARD-Local/CUCCAC_Manual.pdf

School districts may use the Standard Accounting Code Structure to comply with tracking requirements.

10. Are the cost accounting procedures applicable for agencies whose work forces perform only maintenance tasks as defined in the Act and that contract all of their public projects to third parties?

No. The cost accounting procedures are applicable only for agencies that perform public project work such as construction and alteration by force account or otherwise. As maintenance does not constitute a "project" under the Act, the cost accounting procedures do not apply.

- 11.** When are participating agencies required to advertise if they choose to maintain a list of qualified contractors?

At least once per calendar year, each Public Agency that has elected to become subject to the Act and intends to use the notice provisions outlined in Section 22034(a) must establish a new list or update its existing list of qualified contractors by mailing, faxing, or emailing written notice to all construction trade journals designated for that Agency under Section 22036. The notice must invite all licensed contractors to submit the name of their firms to the Agency for inclusion on the Agency's list of qualified bidders for the following twelve (12) months. Effective January 1, 2016, a participating agency can choose a specific date of their choice in which to renew its list of qualified contractors.

- 12.** May an agency that chooses to maintain a list add a contractor to the list at any time during the year?

Yes.

- 13.** What is meant by the term "qualified contractors" as used in section 22034(a)(1) of the Act?

Qualified contractors are contractors licensed by the State to perform the subject work. The Commission has determined that nothing in the Act prohibits a participating agency from using additional objective pre-qualification standards in the formation and maintenance of their Qualified Contractors Lists if they so desire.

- 14.** How can a contractor get on an agency's list of contractors?

The California Uniform Public Construction Cost Accounting Commission's webpage has a list of agencies that are participating in the California Uniform Public Construction Cost Accounting Act (CUPCCAA). Please contact each agency directly to let them know you would like to be on their list of contractors. For a list of participating agencies, please see the "Participating Agency Lists" header at the following link:

https://www.sco.ca.gov/ard_cuccac.html

More detailed instructions for contractors can be found in Section 1.04.01 of the Cost Accounting Policies and Procedures Manual

- 15.** Can a public agency disqualify or exclude certain contractors from the Qualified Contractors List required in Section 22034(a)(1)?

Agencies may disqualify contractors from Qualified Contractors Lists when the contractors fail to furnish information to meet the minimum criteria as established by the Commission.

- 16.** For agencies that do not maintain an informal bidders list, are they allowed to choose who would get notifications of projects?

No. Section 22034(a)(2) provides for notifications to construction trade journals and exchanges in lieu of sending notifications to contractors on an informal bidders list. An agency may send notices to selected contractors provided it has also met the advertisement requirements of Section 22034(a).

- 17.** What is the difference between “qualifying contractors” under the Act and “prequalification of contractors” by school districts under Section 20101?

Qualifying contractors is a process that allows contractors to register with a public agency for notification of public works opportunities. The prequalification process under Section 20101 is a more complex process that requires a standardized questionnaire and evaluation of contractors using standard scoring criteria. The prequalification process is applicable under the Local Agency Public Construction Act, and does not apply to the Uniform Public Construction Cost Accounting Act.

- 18.** Does a contractor have to be on an agency’s contractor list in order to perform projects less than \$75,000?

No, any public project less than the \$75,000 informal bidding threshold can be performed by employees of the public agency, by negotiated contract, or by purchase order. An agency’s list of contractors is only required to be alerted of projects that surpass the informal bidding threshold.

- 19.** Must a public agency a) notify contractors about public projects if the contractors are believed to not have the skills, credentials, or experience to perform the work required for the public project; and b) consider bids submitted by contractors that the public agency believes do not have the skills, credentials, or experience to perform the work?

a) Yes. If a contractor is on the Qualified Contractors List, the contractor must be notified by the agency of public projects for which he or she is licensed to perform (Section 22034(a)(1)).

b) All bids received must be considered, unless an agency makes appropriate legal findings that a contractor is not legally responsible or his or her bid is not responsive.

- 20.** Does the Act allow flexibility in cases of emergency and when repair or replacements are necessary to permit the continued conduct of a public agency’s operations or services?

Yes. For the purposes of the Public Contract Code, an “emergency” is defined at Section 1102 as “a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.”

The Act sets forth in Section 22035(a) how a governing body should proceed in case of emergency repairs or replacements. This section states:

In cases of emergency when repair or replacements are necessary, the governing body may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the governing body, by contractor, or by a combination of the two. Section 22050 et seq., provides the emergency contract procedures to be followed in these cases.

21. Do the alternative bidding procedures apply only to public projects as defined in Section 22002(c)?

The alternative bidding procedures apply only to work that constitutes a “public project” as defined in Section 22002(c) and has a construction cost within the limits described in Section 22032. The alternative bidding procedures are not required for the purchase of goods or materials that are not part of a “public project.”

However, as outlined in Section 22003, a participating agency may also use the alternative bidding procedures when contracting for maintenance or other work that does not fall within the definition of a “public project” if it so chooses.

22. What will membership in the Act cost my agency?

Nothing. There are no membership fees or dues. However, the Commission does accept grants to assist it in carrying out its duties (Section 22015(c)).

23. What are the most common concerns addressed by the Act?

These are:

- Cost accounting policies and procedures;
- Informal bidding procedures; and
- Accounting procedures review.

Cost accounting requirements for the Act follow those common to the construction industry. The informal bidding on public projects up to \$220,000 is seen by agencies as an effective tool to expedite completion of small projects. While an accounting procedures review could potentially hold up a project for a minimum of 45 days pursuant to Section 22043(c)(1), these types of reviews have been rare in the Commission’s history.

24. Must an agency calculate an overhead rate to apply the accounting procedures?

No. Cities with populations of less than 75,000 must assume an overhead rate equal to 20% of the total costs of the public project, including the costs of material, equipment, and labor (Section 22017(b)(1)). Cities with a population of more than 75,000 may either calculate an actual overhead rate or assume an overhead rate of 30% of the total costs of a public project including the costs of materials, equipment, and labor (Section 22017(b)(2)).

25. When a public entity opts into the Act, does the Act supersede other contracting legal requirements such as statutory requirements for performance bonds, prevailing wages, and certificates of insurance, etc.?

No. The Act supersedes only the bidding procedures used once a public agency has opted into the Act and has notified the Controller. All other contracting requirements of the PCC remain applicable.

26. Can a public agency claim to be to be exempt from following all of the requirements in Public Contract Code by claiming it only has to follow the language and procedures within the Act?

No. The Act is part of the Public Contract Code; therefore, if the Act is silent on a particular matter, then the Public Contract Code applies on that matter.

27. If public agencies are not following the advertising requirements in the Act, will the Commission address those agencies? Can a complaint be brought to the Commission?

Yes. Recent legislative changes have expanded the Commission’s authority to enforce provisions of the Act. The Commission may review complaints filed by interested parties when evidence is provided that:

- The participating agency performed work after rejecting all bids, claiming it could do the work less expensively (Section 22042(a)).
- The work performed exceeded the force account limits (Section 22032(a)).
- The work was improperly classified as maintenance (Section 22042(c)).
- The work has been split or separated into smaller work orders or projects (Section 22033).
- The work has exceeded the limits or otherwise not met the requirements set forth (Section 22032(b) and (c)).
- A public agency did not comply with the informal bidding procedures set forth at Section 22034 (Section 22042.5).

28. Section 20112 specifically requires school districts to advertise twice for a two-week period, while Section 22037 requires advertising once, 14 days in advance of the date of opening of bids. How do participating school districts reconcile this conflict?

When the Act is in conflict with any other section in the Public Contract Code, the Act shall supersede. The Act requires advertising once, 14 days in advance of the date of opening of bids. Districts participating in the Act may choose to maximize their outreach by advertising twice.

29. May a public agency contract separately for like work at the same site at the same time using the under \$75,000 Force Account method?

No. Section 22033 states:

It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding.

Separating “like work” would be permitted only if the total of all the “like work” is less than \$75,000. If the work is more than \$75,000, it must be advertised and bid according to the provisions of the Act (i.e., bid informally if the total amount is less than \$220,000; bid formally if the total amount exceeds \$220,000).

- 30.** May a public agency bid out two separate projects that occur at the same time and site, but are different types of work?

Yes. There is no violation if the work is competitively bid. If an agency wishes to use the negotiated or informal bidding processes, it must apply the appropriate limits to each of the projects. Each project must be separate in scope. Projects may not be separated by trade to avoid bidding. If the total of all jobs is greater than \$75,000 then the informal or formal bid limits apply.

- 31.** May a public agency contract separately for like work performed at multiple sites at the same time using the under \$75,000 limit?

Yes. A public agency may contract for like work at separate locations with unique addresses. If the cost of the work is more than \$75,000 at any individual site, that work must be advertised and bid according to the provisions of the Act (i.e., bid informally, if the total amount is less than \$220,000; bid formally, if the total amount exceeds \$220,000).

- 32.** Can an agency separately bid out for the materials and supplies on a project to avoid contractor markup and then bid out for the installation labor or perform installation with its own forces?

An agency may separately procure the materials and supplies for a project; however, all costs (materials, supplies, labor) of a project must be included in the project cost estimate to determine whether the project falls within the force account, informal bid, or formal bid thresholds.

In addition, if installation is performed by force account, an overhead rate must be applied to all direct costs of the project and included in the cost estimate. For example, if materials/supplies cost \$50,000 to procure separately and the estimated labor cost to install is \$25,000, the project could not be performed with force account, but would fall within the informal bid threshold because the total cost estimate is \$75,000.

- 33.** Must a value be assigned to the volunteer labor when the California Conservation Corps or another volunteer organization provides labor on a public project?

No. Volunteer labor from volunteer organizations does not need to be included as a cost of a public project for bid limit purposes as long as no costs are associated with the volunteer labor.

- 34.** By opting into the Act, does a public agency automatically bring all of its component divisions or departments into the Act?

Yes. When a public agency elects to become subject to the uniform construction cost accounting procedures, the entire legal entity is considered subject to the Act and no divisions or departments are exempt.

- 35.** When a public agency opts into the Act, does it automatically bring all districts under control of its governing Board into the Act?

No. Special Districts, which are governed by a board of supervisors or city council, are subject only if a separate election is made for each special district.

- 36.** PCC 22034 requires that participating agencies adopt an Informal Bidding Ordinance. What do schools and special districts that cannot adopt Ordinances do to comply?
Agencies that do not have the ability to adopt Ordinances should discuss Section 22034 compliance with their legal counsel.
- 37.** Are change orders allowed by the Act, and if so what is allowable? What if a change order goes over one of the allowed thresholds?
The Act does not address change orders. Please consult with your agency’s legal counsel regarding any limitation on change orders that may apply to your agency.
- 38.** Is there any training related to the Act? If so, where can I find a list of where the training is offered?
SCO has information regarding the Act on the SCO/CUCCAC website, including the current Cost Accounting and Procedures Manual. Often, commissioners are willing to provide training, answer questions, and/or give a presentation in order to assist agencies in getting the full benefits of participating in the Act.
- 39.** The Act states that public projects of sixty thousand dollars (\$60,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order. However, the Department of Industrial Relations (DIR) states any project over \$1,000 has to pay prevailing wages. How do the Act and DIR guidance work together?
The Act and DIR are completely separate and govern different aspects of public projects. The Act focuses on bidding related to public projects and DIR deals with wages paid by contractors on public projects. However, they may relate in that if prevailing wages are not paid on a public project, that could potentially impact the total cost of a project which would require a different bidding process utilized under the Act.

Additional inquiries and questions may be directed by email to LocalGovPolicy@sco.ca.gov, or by regular mail to:

State Controller's Office
Local Government Programs and Services Division
Local Government Policy Section
P.O. Box 942850
Sacramento, CA 94250



Highlands Recreation District

1851 Lexington Avenue • San Mateo, CA 94402

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www.highlandsrec.ca.gov

"A Community Place to Learn, Grow & Play"

HIGHLANDS RECREATION DISTRICT RESOLUTION NO. 2026.02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HIGHLANDS RECREATION DISTRICT ADOPTING THE INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (SECTION 22000, ET SEQ. OF THE PUBLIC CONTRACT CODE)

The Board of Directors of the Highlands Recreation District (HRD) resolve that:

WHEREAS, the Informal Bid Procedures. Public projects, as defined by the Act and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

WHEREAS, the Act allows for public project work in the amount of \$75,000 or less to be performed by a public agency's force account using the public agency's own resources, or by negotiated contract, or by purchase order (Section 22032(a)). Public projects in the amount of \$220,000 or less may use the informal or formal bidding procedures set forth in Section 22032(b), or (c) of the Act. Public projects at a cost of more than \$220,000 must use formal bidding procedures to let the contract pursuant PCC Section 22032(c), except as otherwise provided by statute.

WHEREAS, the Contractors List. The agency shall comply with the requirements of Public Contract Code Section 22034.

WHEREAS, the Notice Inviting Informal Bids. Where a public project is to be performed which is subject to the provisions of this Ordinance, a notice inviting informal bids shall be circulated using one or both of the following alternatives:

- Notices inviting informal bids may be mailed, faxes, or emailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with Section ____
- Notices inviting informal bids may be mailed to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with section 22036 of the Public Contract Code.
- Additional contractors and/or construction trade journals may be notified at the discretion of the department/agency soliciting bids provided however:
 - If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

WHEREAS, the Award of Contracts. The General Manager is authorized to award informal contracts pursuant to this Section.

WHEREAS, this resolutions shall be submitted to the San Mateo County Board of Supervisors and shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it or a summary of it, shall be published once, with the names of the members of

the Board of Directors voting for and against in the local a newspaper of general circulation published in the County of San Mateo.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Highlands Recreation District, that the Board adopted the Construction Cost Accounting Act (section 22000, et seq. of the public contract code).

FURTHER RESOLVED, that the officers of the organization are authorized and directed to take all actions necessary to implement this resolution.

PASSED AND ADOPTED at the regular meeting of the Board of Directors of the Highlands Recreation District, this 14th day of April 2026, by the following vote:

AYES:

NOES:

ABSENT:

HIGHLANDS RECREATION DISTRICT
SAN MATEO COUNTY, CALIFORNIA

By: _____
President, Board of Directors

ATTEST: I, Tamsen Burke, do hereby certify that I am the District Secretary of the Board of Directors of the HIGHLANDS RECREATION DISTRICT and that the above is a true and correct copy of the resolution adopted by the Board of Directors of said District at a meeting of the 14th day of April 2026.

Secretary, Board of Directors



MEMORANDUM

Date: April 14, 2026
To: Board of Directors
From: Tamsen Burke, General Manager
Re: Review and Approval of the Out of Class Pay Request for the Interim Early Education Director

Overview

On April 1, 2026, the Early Education Center (EEC) Director resigned from their position with the District. This provided a gap in leadership during the recruitment process for new Director. Management recruited current licensed staff member, Debbie Labucay, Administrative Coordinator, who has worked for EEC for administrative experience, holds licensing credentials to serve as Interim EEC Director until a successful candidate is hired.

Definition and Purpose

Out-of-class (OOC) pay occurs when an employee is temporarily assigned to perform most of the duties of a higher-paying or higher-level position beyond their regular job classification. This ensures fair compensation for additional responsibilities, prevents exploitation, and maintains employee morale while the higher-level position is vacant or the incumbent is absent. Typically, OOC pay applies when the assignment lasts for a minimum duration, such as five consecutive workdays or four weeks, depending on organizational policy.

Eligibility Criteria

Employees are generally eligible for OOC pay if:

- The assignment is approved in advance by the appropriate authority, such as a department manager or director.
- The employee performs a substantial portion of the essential duties of the higher-level position.
- The higher-level position is vacant, or the incumbent is temporarily absent.
- The assignment is not used to circumvent the hiring process.

For rank-and-file employees in public agencies, OOC assignments are often limited to 120 calendar days within a 12-month period, while excluded or managerial employees may have longer statutory limits, such as up to 12 months.

Pay Calculation

OOO pay is typically calculated as a percentage above the employee's regular base pay, often around 5–10% or adjusted to the starting salary of the higher classification, ensuring it does not exceed the maximum of the higher-level pay range. For example, an employee temporarily performing a higher classification may receive 5% above their base pay or the minimum step of the higher classification, whichever is greater.

Legal and Reporting Requirements

In California, Government Code section 20480 requires public agencies and schools to track and report hours worked in OOC assignments when the higher-level position is vacant and actively recruited. Employees' hours must be reported annually, with a maximum of 960 hours per fiscal year for each OOC assignment. Exempt OOC assignments must be approved by CalHR prior to commencement, including submission of duty statements and organizational charts.

Recommendations

1. The need for the OOC assignment- Interim Early Education Director
2. Start and end date of the OOC assignment – April 1, 2026 – June 15, 2026* (as needed)
3. Qualifications of the individual selected for the OOC assignment
 - a. Minimum Qualifications
 - i. Bachelor's Degree required.
 - ii. Minimum of 5 years work experience in a licensed day care center or comparable group childcare center and previous Lead Teacher and/or Director experience in a preschool, early education setting.
 - iii. At least 15 college level units in early childhood development, including 3 units in infant/toddler development and 9 units in supervision and administration.
 - iv. Valid documentation of successful pass a physical exam and proof of immunization against Measles, Mumps, and Rubella (MMR) and Tetanus, Diphtheria, and Pertussis (Tdap), in compliance with California Health and Safety Code requirements. Current tuberculosis (TB) clearance is also required.
4. Proposed OOC salary options:

As this is a hourly employee moved to a salaried position, the calculations will be made to increase hourly wage for out of class pay compensation.

- a. Administrative Coordinator - (\$66,560) - \$32.00/hour - 10% regular base pay - \$35.20/hour
- b. EEC Director (Minimum Salary: \$80,000 - Maximum Salary: \$101,000) - Adjusted to the starting salary of the higher classification - \$38.46/hour*

Required Changes

1. Remove - Administrative Coordinator increases hourly rate from \$32.00 to \$35.00, January 13, 2026, to June 30, 2026.
2. Change - Out of Class pay for the EEC appointment
3. Reinstate - Administrative Coordinator increases hourly rate from \$32.00 to \$35.00, June 15, 2026* to June 30, 2026.



Highlands Recreation District

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www.highlandsrec.ca.gov

"A Community Place to Learn, Grow & Play"

MEMORANDUM

Date: April 14, 2026

To: Board of Directors

From: Tamsen Burke, General Manager

Re: Highlands Recreation District Internship Program

ABOUT THE PROGRAM

Internships at the Highlands Recreation District are a great opportunity for students to develop skills and apply practical experience learned in/out of the classroom and for the Student Union to benefit from the contributions of creative and innovative students.

Internships in the field of choice will help students with their job search after graduation. Participating interns gain on-the-job training that integrates education, career development and public service.

Highlands Recreation District departments wanting to offer internships to students as (1) volunteers or (2) academic credit will work with

Highlands Recreation District Human Resources for approval and guidance on intern expectations, responsibility, and evaluations to benefit the student. Internships may be approved during the school year and year-round.

Students should explore the possibility of earning academic credit through their schools. Highlands Recreation District does not grant academic credit for internships.

Program Goals & Objectives

- Career Exploration: Help students explore different career paths related to their interests and academic goals.
- Skill Development: Provide opportunities for students to develop skills in communication, problem-solving, teamwork, and technical knowledge.
- Workplace Experience: Offer hands-on experience in a professional environment.
- Networking: Help students build connections with professionals and mentors in their chosen field.

Eligibility & Requirements

- Grade Level: Open to juniors and seniors (11th and 12th grade) to ensure students have some foundational academic knowledge.
- GPA Requirement: Minimum GPA (e.g., 2.5 or higher) to ensure academic readiness.

- **Application Process:** Students must submit a resume, cover letter, and teacher recommendation. An interview may also be part of the selection process.

Types of Internships

Paid vs. Unpaid: Some internships may offer a stipend or hourly wage, while others might be unpaid but provide valuable experience.

Credit vs. Non-Credit: Some schools allow students to earn academic credit for completing an internship, which would involve school oversight, reflective essays, or project presentations.

- **Unpaid Internship**

According to the U.S. Department of Labor's standards listed below, those who qualify as trainees/interns do not have to receive pay if all six criteria are met.

- Interns cannot displace regular employees.
- Interns are not guaranteed a job at the end of the internship
- If the employer and the interns understand that the interns are not entitled to wages during the internship period.
- Interns must receive training from your company, even if it somewhat impedes the work of your organization.
- Interns must get hands-on experience with equipment and processes used in your industry.
- Interns' training must primarily benefit them, not the company.

- **Paid Internship**

- The District may offer paid internships contingent on budget approval with a rate of pay between \$17.95 and \$20.00 based on the role and responsibilities of the work, project performed for up to 10-20 hours per week.

Program Structure

- **Duration:** Typically lasts 6-12 weeks, with part-time (10-20 hours per week) schedules that accommodate school hours.
- **Projects & Tasks:** Students work on real projects that contribute to the organization. Tasks should be meaningful, not just administrative, and tailored to the student's skill level.
- **Workshops & Training:** Include sessions on resume writing, interview skills, workplace etiquette, and soft skills development.
- **Assessment & Evaluation**
 - **Goal Setting:** Students, along with their mentor or supervisor, set specific, measurable goals at the start of the internship.
 - **Mid-Term Review:** A check-in to assess student progress and adjust tasks or goals as needed.
 - **Final Evaluation:** Written and verbal feedback from mentors or supervisors. Students may also need to complete a self-reflection or project showcasing what they learned.
 - **Certificate of Completion:** Upon successful completion, students receive a certificate and a letter of recommendation.

Program Partnerships

- **School Partnerships:** Schools partner with local businesses, non-profits, and government organizations to provide internship opportunities. Career counselors and teachers help students apply.
- **Community Involvement:** Local businesses, universities, and community organizations offer internship placements, guest speakers, or site visits.

Parent Engagement: Parents are informed about the opportunities and may provide support in helping students manage their time.

Post-Internship Opportunities

Resume Building: Assist students in adding their experience to their resumes and LinkedIn profiles.

College Application Help: Offer guidance on how to showcase internship experience in college applications or scholarships.

Future Employment: Internships may lead to part-time jobs, future internships, or mentorship connections for career development.

Benefits to Students

- Career related experience
- Gains practical knowledge
- Opportunity to explore career avenues
- Valuable work experience
- Potential to earn academic credit
- Increased self-confidence
- Enhances conventional classroom learning methods
- Letter of recommendation
- Obtain references from co-workers

Departments and HRD Administration

Student opportunities may exist throughout the district. All department offices will work with the HRD Human Resource Department to request a student intern. Departments will be required to request forms with a duty statement for the internship. HRD Supervisor(s) will contact students directly if they want to interview them.

How to Apply

- Internships are advertised on the Highlands Recreation District Career Page through Paylocity.
- Students are required to apply for internships through the HRD Career Page for consideration, approval, and placement.

Intern Responsibilities

- Adhere to District policies, procedures, and rules governing professional behavior.
- Be punctual and work the required number of hours at times agreed with their HRD supervisor.
- Notify their HRD supervisor if they are unable to attend as planned.
- Behave and dress appropriately in the workplace.
- Respect the confidentiality of the workplace, its members and employees.
- If things are slow, take the initiative and request to volunteer for different tasks or other work.
- Discuss any problems with their HRD supervisor and, if necessary, with the Internship coordinator at the department.

Intern Rights

The department extends worker's compensation coverage to volunteers; further information can be obtained from the Worker's Compensation Section, Employee manual. Unpaid interns have the same legal rights as District employees about protection against discrimination and harassment. However, interns do not have the same rights as District employees in the realms of unemployment compensation or termination procedures.

Hiring an Intern

Step 1: Determine if an intern is right for your agency (see questions above)?

Step 2: Determine the best time to hire an intern using the table below.

Intern Start Date	Recruiting Time Frame
HRD Summer: starting May/June	March – May
Spring: starting January/February	November – January
Fall: starting August/September	June – August

Step 3: Determine the scope of work or project/assignment the intern will be working on. Complete the [Intern Proposal Form](#) and attach a Duty Statement for the intern position. HRD submit documents to the internship coordinator.

Step 4: Prior to internship employment, the hiring department division shall verify the employment eligibility and identity of all employees hired to work:

- Reference check
- Background check (if required)

Student Work Schedules

Unpaid internships are available in fall, winter, spring, and summer. Work schedules will be flexible depending upon individual office requirements and whether the student is interning for: credit (academic credit is

obtained by fulfilling the college's predetermined number of hours). Applicants should be able to work a minimum of 5-25 hours per week.

Training

Training is as important as HRD supervision. Establish a training program that will give the intern a clear understanding of what is expected and include information about the duties that will be HRD supervised and evaluated. Refer to the internship duty statement.

Each office will designate an HRD supervisor to oversee and assign the student intern's work.

Discuss the following with your intern:

- What will the specific duties/responsibilities of the intern be
- How will you provide the intern with regular feedback, guidance, and HRD support
- What training will the intern receive (if applicable)
- What will the intern need to do if they are absent from work

Orientation

Establish goals and objectives and clarify these goals and objectives before the intern begins working. Some interns need more guidance than others, and many factors must be taken into consideration. Consider the intern's cultural background, disabilities, learning style and experience. Evaluate his or her level of maturity and confidence. Is the intern a critical thinker or a creative problem-solver?

Plan to include the following in your orientation:

- Information about the organization. Office interns at the Highlands Recreation District will review documents that are important for them to understand the big picture. If available, include an organizational chart that explains various roles and responsibilities of employees.
- Structure. Interns might not be familiar with formal workplace procedures (e.g., attendance policies, break times, days off). Make sure to clarify relevant policies and procedures for interns on their first day.
- Introductions. Take time in the beginning of the internship to introduce the intern to the people in your program. Allow more time for conversation with those employees who are likely to interact with the intern on a regular basis. Some interns, based on personality or culture, may be reluctant to seek out co-workers on their own. By making a special effort to encourage those contacts early on, interns will feel more comfortable asking for advice or HRD support.

Ongoing Training

Interns, as students, appreciate any opportunity to learn new skills or increase their knowledge. Developing a plan for training throughout the internship will keep students interested in the position and ready to tackle new challenges. Ongoing training may include the following:

- Skill development. There may be a need for training in specific skills HRD such as computer programs, office equipment, or other tasks directly related to the job. Even bright students with great potential will struggle if they are not instructed in the specifics related to HRD successful completion of duties.
- Shadowing. Allow interns to participate in activities and meetings. Interns may have leadership potential but do not understand the culture of your organization. They will rely on their HRD supervisor to educate them.
- Questions. Interns might not know when to speak or how or what to ask. Assist them in actively learning by explaining and clarifying everything. HRD guest and encourage questions at appropriate times.

- Professional conferences or association meetings. If possible, offer interns the opportunity to attend training or networking events. It helps interns to get a feel for the overall mission of your organization, and at the same time make them feel that they are valued.

Mentoring

A mentor is a counselor, guide, tutor, or coach. Valuable internship experiences not only include effective HRD supervision, but also, a large component of mentoring. Most interns seek out internships to develop their own career goals. A mentoring relationship is valuable for both the intern and the professional. The intern can consider his or her experience. The mentor can pass on a wealth of experience and knowledge, and benefit from a fresh viewpoint and new ways of thinking.

Evaluations

Evaluation is important to an intern's development and is an opportunity to identify strengths and weaknesses. It is helpful if HRD supervisors evaluate throughout the entire internship, not just at the end. The evaluation should be planned as a learning experience and an opportunity for two-sided feedback. Regularly scheduled evaluations help avoid common problems with internships, including miscommunication, misunderstanding of job roles, and lack of specific goals and objectives. You may find it helpful to schedule a preliminary evaluation early in the internship (in the second or third week). This will help you understand whether the intern's orientation and training were HRD efficient or if there are specific areas in which the intern has questions or needs further training.

- Criteria to consider when evaluating an intern:
- Progress towards our accomplishment of learning objectives as stated in the learning agreement.
- Skill development or job knowledge gained over the course of the internship.
- Overall contribution to the mission of the organization.
- Dependability, punctuality, attendance.
- Relations with others, overall attitude.
- Potential in the field.

Internship Completion

An internship should have a clearly stated end date that is identified before the internship begins. Completing a formal evaluation process as the one described above can help both the site HRD supervisor and the intern bring to the experience. A letter of recommendation from the Intern HRD supervisor shall be given to the intern on the last day of work.

You also may want to have some form of acknowledgment with coworkers in the final week of the internship. Because co-workers often have extensive contact with interns, this type of event can be a positive way to recognize the contribution of other employees as well as the intern.

At the end of the internship, the intern HRD supervisor will:

- Provide the student with a letter of recommendation.
- Complete college/university evaluation to assess the intern's progress and skill development (if applicable).
- Evaluate the overall internship experience. This feedback is not only essential for making necessary program improvements, but also for recognizing those departments that provide outstanding learning opportunities. The evaluation form must be returned to the internship

Highlands Recreation District
FY 2026 – 2027
Preliminary Agency Operating Budget Assumptions and Narrative
Recommendations from Management and Budget Committee

General Assumptions

- Develop operating expenses and income with a zero-based budgeting methodology.
- Review and assess prior 24-month trend analysis to develop budgeted self-earned revenues and operating expenses.

Revenue

Property Taxes -102100

FY 26-27 – Budgeted \$749,124 to date \$463,741.97, lump sum estimate in May +- \$250,000; forecasted estimate total \$715,000.

Adding 5.5% - to budget as \$755,000 (rounded)

FY 25-26 - projecting a 5.5% increase Year End \$709,964 to \$749,124. Actual \$427

FY 24-25 – Budgeted \$682,624 at 4% annual increase. increase. With property sales increasing in Q3 and Q4 and renovations of properties to increase value.

ERAF - 102101

FY 26-27 – Estimate of 5% decrease of 213,000 to budgeted \$202,000

Memo from the San Mateo County Office of the Controller has outlined future excess ERAF contributions: FY 2025-26 Excess ERAF will be distributed as follows: 50% of total 2025-26 Excess ERAF amount on January 2026; 45% on August 2026; 5% on August 2028

FY 25-26 - \$152,532 with March 2026 of \$212,612

FY 24-25 - \$179,363 with year-end close of \$192,030

Memo from the San Mateo County Office of the Controller has outlined future excess ERAF contributions: 45% on August 2025 and 5% on August 2027. It has been discussed that over time this contribution will reduced and discontinued. The FY 25-26 budgeted revenue has been reduced by 16% to account for this projected change.

Parks and Recreation Fees - 232100

- ASP will increase by 3% based on market value and year-over-year operating expenses.
- EEC Enrollment Fees will increase by 5% based on market value and year-over-year operating expenses.
- EEC projected with an estimated 9% enrollment vacancy, with 50% Fulltime enrollment fee reduced to introduce the Transitional Kindergarten program.
- Annualized Fee Schedule to increase 3-5% and to ensure cost recovery measures.
 - Program cost increase by 3-5%
 - Pool and introduction of Membership option for resident/non-resident members and family
 - Rentals – Budgeted fee adjusted based on Budget Committee recommendation with further review, estimated 3-5% increase in cost

Interest Earned – 152100

FY 26-27 - estimated 3.95% increase in earned income based on net earning rates based on 12 month projections by San Mateo County

FY 25-26 anticipated 4% increase in earned income based on net earning rates minus

Administrative Fees as outline:

Net Earnings Rate after Admin Fees	
Jan	3.945%
Feb	3.796%
Mar	3.988 %
May - TBD	
Avg	3.90 % - 3 Qtr FY26

Expenses

Personnel - 411100-416109

Permanent Salaries, Wages - Office, Pool, Maintenance, Supervision, ASP, EEC

- FY 26-27 Preliminary feedback from Personnel Ad Hoc – start at 3.5% annual raise and revisit in April for CPI trends.
 - In addition, review employee groups FTNE, PTNE, Seasonal compensation salary schedule recommended changes and financial impact on budget.
- FY 25-26 - Board of Director Approved, 3% Maximum Merit- Based Maximum Adjustment to Compensation. Based on prior year practices utilizing data from West A/B Department of Labor CPI and BOD adjustments.
- HR Consultant moved to 585608, increased from \$40,000 to \$48,000
- Applied Vacancy Rate of 9.0% for open positions.

District Benefits - 416110-463100

- FY 27-26 - Dental - 6.8% increase, Vision - 0%; Medical - 9% increase
 - Kaiser Renewal (14 enrolled)
 - The current premium is \$13,849.58/month and the renewal premium will be \$15,163.97/month on the Platinum 90 HMO 0/10, Platinum 90 HMO 0/20, and Gold 80 HMO 250/35 plans an increase of \$1,314.39/month.
 - These rates are based on the current enrollment but are accurate since Kaiser has released the rates for all of 2026.
- Kaiser Options:
 - If everyone moved to the Platinum 90 HMO 0/10 plan the monthly premium would be \$15,662.68, an increase of \$1,813.10/month or 13% above the current premium.
 - If everyone moved to the Platinum 90 HMO 0/20 plan the monthly premium would be \$15,346.10, an increase of \$1,496.52/month or 11% above the current premium.
 - If everyone moved to the Gold 80 HMO 0/40 plan the monthly premium would be \$14,689.07, an increase of \$839.49/month or 6% above the current premium.
 - If everyone moved to the Gold 80 HMO 250/35 plan the monthly premium would be \$14,454.31, an increase of \$604.73/month or 4% above the current premium.

- If everyone moved to the Silver 70 HMO 2500/55 plan the monthly premium would be \$11,897.85, a savings of \$1,951.73/month or -14% below the current premium.
- Employee Training Requirements - \$ Annual Cost: \$3,370.80

Clothing - 512100

Increase clothing for replacement plan Pool, ASP, and Other with increase of \$10,000.

Household Expense - 515600

FY 26-27 – Projected increase of 5%, same as 2025-26

FY 25-26 - Increase of 5% for Recology services; change in Cleaning Company contract to include pool bathrooms, offices, deck, garbage, and employee breakroom.

Office Expense – 519300

FY 26-27 – Increase to 7.5% due to increase in cost and forecasted spend from FY 25-26

FY 25-26 increase of 9.4% to include Advertising/Recruitment for national, local, regional HR; change in printed materials for Rec Guide to digital formatting and increase fee for Streamline web page. Overall decrease in cost of 20%.

Memberships – 533100

Minimal Change to accommodate new memberships to Aquatic organizations.

Maintenance - 542300 - 545900

Maintenance Equipment & Maintenance Facility and Improvements

This budget proposal addresses critical annual facility maintenance needs and outlines a plan to strategically address the backlog of deferred maintenance items to ensure the long-term health and functionality of assets.

Justification

Proactive maintenance and addressing deferred maintenance are crucial to ensuring the long-term viability and efficiency of facilities. Deferring maintenance, while a cost-saving measure in the short term, can lead to increased costs down the road through more extensive repairs or premature equipment failure. Industry benchmarks suggest deferred maintenance costs can compound by 7% annually. By investing in this plan, potential safety risks are mitigated, operational efficiency is improved, and capital investments are protected. This approach demonstrates responsible stewardship of resources and contributes to achieving the organizational mission.

Maintenance.Activities

- Pool
 - Resurface the pool deck
 - Replacement of Pool Vacuum, Mechanical/ chemical filters, and replacement parts.
 - Chemicals to maintain water quality.
 - Electrical Panel – Main Building and Pool repair/replacement
 - New Injectors/Chemical System Upgrade part of PMA
 - Repair and Replace rotten wood around door frames, paint offices.

- Plumbing Repairs: \$25,000 is budgeted for addressing minor plumbing issues and proactive pipe inspections.
- Electrical System Checks: \$34,000 for main/pool repair and is allocated for regular electrical system inspections to ensure safety and prevent potential hazards.
- Minor Repairs and Upkeep: \$B is set aside for other day-to-day facility maintenance needs, including painting, minor repairs to fixtures, and general upkeep.
- Landscaping contract \$30,000 to address defensible space annual clean-up and monthly maintenance. Will be looking for CalFire Grants in May
- Replacement Highlands Rec District Entry Sign and property signage for buildings, wayfinding \$7,500
- Grounds/Facility Improvements – Entry to District / Parking Lot – Landscaping, removal, and replanting trees \$20,000; to include replanting tree removed for landslide north of ASP bathrooms.

Utility Expense – 563800

FY 26-27 – Projected increase of 5%. One monthly increase of 4.5% to anticipate partial water replacement in the pool to focus on maintaining water quality and structural or mechanical damage requiring repair below the water level.

FY 25-26 increase of 4.5% to anticipate part of the wading pool recirculation correction as well as repair of 10 interior lights.

Contract Expense - 585600

FY 26-27 – Projected increase of 5%, same as 2025-26

FY 26-27 - An approximate 5% increase in service fees based on market value will be included in the budget based on details.

- Anticipated contracted labor costs and prevailing wages for projects will increase by 5%
- 416111, 46112, 46105 (Program Specialist – Contracted Instructors) removed from Wages and recalculated to Contract Instructors for Seasonal programs based on enrollment and standing contractor fees percentages.
HR Consultant moved increased from \$40,000 to \$48,000, Other Expenses
- Reduction in Legal Fee by \$8,000/annually (\$50,000 to \$42,000)
- Audit fees remain constant (\$16,000)
- Consultant to assist in the development of the HRD Master Plan and Renovation of the Pool - \$100,000

Program Specific Expense

596600 –

FY 26-27 – Based on department budgets not to exceed 5%.

FY 25-26 to increase 2.3% with reduction in ASP, Other, and EEC, and increase in Aquatics for equipment replacement plan.

Telephone & Services

671200 –

FY 27-26 – Transition to Cloud based services, cost of increased Wi-Fi capabilities; replacement of the phones – estimate \$5,000

731101 - (21) Phones CPI replacement – Estimates TBD

Insurance (Workers Comp, CAPRI General Liability, Other)

673100 –

FY 26-27 - 3 year analysis since projections in 2024/25, based on open positions, 2025/26, applied a vacancy rate. Also need to take into consideration a delayed FY bill often sent in new fiscal year.

FY 25-26 - Liability and personal property insurance rates increase of 18% and 12%, respectively.

Fixed Assets – Structure and Improvements and Equipment - 721100 and 731100

FY 26-27 – Review and prioritize CPI and Major Maintenance schedule, including incomplete FY 25-26 projects

- Revisit vision of the Fitness Room and refresh estimate \$30,000
- Reconstruct the Wading Pool south wall entry to main pool to increase circulation system estimate \$25,000
- Trenchless Sewer Replacement: Scope of Work to replace approximately Sewer Line Replacement adjacent to stairs at basketball court, through playground, parking lot - \$30,000
- Basketball Fence near Playground Footing Replacement – estimate \$50,000
- ADA Review - \$15,000 (hold until pool renovations). Will look into ADA Grants
- Pool/Lifeguard Office Refresh - \$10,000
- Maintenance/CF/CIP Replacement Scheduled for FY 26-2027
 - EEC Fencing Painting - \$13,000
 - District Exterior Buildings Refresh/Painting – estimate \$100,000
 - District Interior Buildings (Rooms Refresh/Painting) estimate \$25,000
 - Gym Floor Resurfacing – Approx. 2080 sf - \$50,000
- (21) Phones CPI replacement – Estimates TBD

FY 25-26 (Moved to FY 2026-2027)

- Resurface Tennis court, parking lot, walkway, sport court \$45,000*
- Administrative Office Renovation - \$25,000*
- Landslide Retaining Wall with Landscaping - \$275,000*
- Partial replacement plan for Computer Laptops, \$6,000 based on 5-year schedule and new positions.

Interest Expense – Bonds & Bond Principal - 6331, 6332

FY 2026-2027 – Bond Schedule for Bond Interest - \$46,546, Principal Expense - \$158,00; 3.1% increase

FY 25-26 - Based on the Bond Schedule for Bond Interest of \$51, 289 and Principal Expense \$153,000

TOTAL EXPENSES + FA+ Bond Int (with allocations)

NET INCOME - INCL BOND+ INT+FA (with allocations)

Capital Plans

For consideration of Capital Reserve, General Reserve, and Unassigned Fund Balance to address and plan for the HRD Major Maintenance and Capital Projects List for all HRD Fixed Assets including exterior property painting, building roof replacement - main, flooring – gymnasium/ASP, EEC, pool mechanical and pump, playground equipment, tennis court lights (2027, LED), etc.

Development of Annual Deferred Maintenance Budget Request

A five-year plan is also being developed to systematically address the remaining backlog and implement a proactive major maintenance program to minimize future deferrals. Based on a preliminary facility condition assessment and prioritized list of deferred maintenance needs, % is allocated to address the most critical items on the deferred maintenance backlog. These items were prioritized based on:

- Safety Risks: Any issues that pose immediate safety hazards to occupants or staff.
- Impact on Critical Operations: Maintenance needs affecting essential facility operations.
- Potential for Escalated Costs: Items where delaying maintenance will result in significantly higher costs in the future.
- Planning and Resource Allocation for Future Deferred Maintenance: \$F is requested to support the ongoing development and execution of the deferred maintenance plan. This includes:
- Facility Condition Assessments (FCA): Funding for regular FCAs to accurately assess the condition of assets and update the deferred maintenance backlog list.
- Professional Development: Training for staff as a Certified Pool Operator, as a contingency for business continuity, and applying best practices for preventive maintenance.

Highlands Recreation District - General Ledger Account Listing

Cost Allocations FY 25-26

Approved by BOD August 2025 UPDATED ON 9/6/2025		FISCAL YEAR 2025-2026 Budget Committee-Approved Expense Allocations from "OTHER"						X = Ledger Code Has Allocations Assigned from "OTHER"
STANDARD ALLOCATION TO ALL DEPTS UNLESS OTHERWISE STATED		ASP	EEC	OTHER	POOL	RENT	SEAS.	
		22.5%	22.5%	22.5%	22.5%	5.0%	5.0%	
Account #	Description							
411100	Permanent Salaries	Standard Allocation						X
416101	Office Wages	Standard Allocation						X
416103	Maintenance Wages	Standard Allocation						X
431100	Social Security	Own Department Budget *plus* Standard from OTHER						X
431200	Medicare Contribution	Own Department Budget *plus* Standard from OTHER						X
463100	District Benefits	Own Department Budget *plus* Standard from OTHER						X
515601	Recology	Standard Allocation						X
515602	Janitorial Supplies	Own Department Budget & Standard from OTHER						X
515605	Cleaning Company	30.0%	40.0%	6.0%	20.0%	4.0%	0.0%	
519301	Outside Printing & Copy Serv	Standard Allocation						X
519302	Licensing Fees	Own Department Budget						
519303	General Office Supplies	Own Department Budget *plus* Standard from OTHER						X
519304	Recruitment & Advertising	Own Department Budget *plus* Standard from OTHER						X
519305	Postage & Mailing Expense	Own Department Budget *plus* Standard from OTHER						X
519307	Other Office Expense (Service or Agreement)	Own Department Budget *plus* Standard from OTHER						X
519308	Credit card/ACH fees	Standard Allocation						X
519309	Payroll Processing Fees	Standard Allocation						X
533100	Memberships	Own Department Budget *plus* Standard from OTHER						X
545902	Plumbing & Piping	Own Department Budget *plus* Standard from OTHER						X
545903	Paint, Solvents & Chemicals	Own Department Budget *plus* Standard from OTHER						X
545904	Pool Maintenance Supplies	Own Department Budget						
545905	Locks & Security System	Own Department Budget *plus* Standard from OTHER						X
545906	Signage Expense	Standard Allocation						X
545907	General Electrical Expense	Own Department Budget *plus* Standard from OTHER						X
545908	Motor, Pump & Generator	Own Department Budget *plus* Standard from OTHER						X
545909	Other General Maintenance	Own Department Budget *plus* Standard from OTHER						X
545911	Landscape/Garden Expense	Other- 100%						

Highlands Recreation District - General Ledger Account Listing

Cost Allocations FY 25-26

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		22.5%	22.5%	22.5%	22.5%	5.0%	5.0%	
Account #	Description							
545912	Vehicle Expense	Own Department Budget. NO Allocation from OTHER						
545913	Ground/Facility Improvements	Own Department Budget. NO Allocation from OTHER						
563801	P G & E - GAS -8718-4	0.0%	0.0%	5.0%	95.0%	0.0%	0.0%	
	P G & E - ELECTRIC -5382-2 (Incl. Outdr Lites) -7528-5	23.0%	18.0%	12.0%	37.0%	6.0%	4.0%	
	P G & E - EEC Building -2000-4	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	
563802	Water	22.0%	18.0%	13.0%	37.0%	6.0%	4.0%	
563803	Sewer Fees	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	
585601	Audit Fees	Other - 100%						
585603	Legal fees	Other - 100%						
585604	Consultants	Own Department Budget *plus* Standard from OTHER						X
585605	Contract Expnse- NON-EMPLOYEE	Own Department Budget						X
585606	ASP Camp Contractors	Own Department Budget						
585607	EEC Contractors	Own Department Budget						
585608	Contract Expense-Other	Standard Allocation						X
596601	Buses-ASP	Own Department Budget						
596602	Spec Activities -ASP	Own Department Budget						
596603	Snacks-ASP	Own Department Budget						
596604	Supplies-ASP	Own Department Budget						
596607	Employee Recognition-POOL	Own Department Budget						
596608	Employee Recognition- ASP	Own Department Budget						
596610	Misc Expense -OFFICE	Own Department Budget						
596611	Employee Recognition - OTHER	Own Department Budget						
596612	Special Events	Own Department Budget						
596613	Conferences/Seminars	Own Department Budget						
596614	Pool Program & Facility Supplies	Own Department Budget						
596616	In-Crowd Rent	Own Department Budget						
596617	Seasonal Programs	Own Department Budget						

Highlands Recreation District - General Ledger Account Listing

Cost Allocations FY 25-26

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STANDARD ALLOCATION TO ALL DEPTS UNLESS OTHERWISE STATED	ASP	EEC	OTHER	POOL	RENT	SEAS.	
	22.5%	22.5%	22.5%	22.5%	5.0%	5.0%	

Account #	Description							
596621	EEC Supplies	Own Department Budget						
596622	EEC Snacks	Own Department Budget						
596623	EEC Special Activities	Own Department Budget						
596624	Employee Recognition - EEC	Own Department Budget						
596625	Pool Concessions	Own Department Budget						
596626	Swim Team Expenses	Own Department Budget						
596627	Staff Development	Own Department Budget						
596628	Training & Certification	Own Department Budget						
633100	COP Bond Interest Expense	0.0%	75.0%	12.5%	0.0%	12.5%	0.0%	
633200	COP Bond Principal Expense	0.0%	75.0%	12.5%	0.0%	12.5%	0.0%	
671200	Telephone & Internet Expnse	Other - 100%						
673101	CAPRI-Workers Comp Insurance	Own Department Budget *plus* Standard from OTHER						X
673102	CAPRI-General Liability Insurance	Standard Allocation						X
721100	Fixed Assets-Structures/Imprvmts	Own Department Budget. NO Allocaton from OTHER						
721101	Construction in Progress	Other - 100%						
721102	FixdAsst-Structures/Imprvmts Not Capitalized	Own Department Budget. NO Allocaton from OTHER						
731100	Fixed Assets-EQUIPMENT	Own Department Budget. NO Allocaton from OTHER						
731101	Fixed Assets-EQUIPMENT Not Capitalized	Own Department Budget. NO Allocaton from OTHER						

WORKERS COMP DEPARTMENT ALLOCATIONS FOR FY25-26 PLUS STANDARD ALLOCATION FROM "OTHER" ASP – 7% EEC – 11% OTHER – 14% POOL – 66% RENTAL – 1%	
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Cost Allocations FY 25-26

Approved by BOD August 2025 UPDATED ON 9/6/2025	<b style="color: red;">FISCAL YEAR 2025-2026 Budget Committee-Approved Expense Allocations from "OTHER"						X = Ledger Code Has Allocations Assigned from "OTHER"
STANDARD ALLOCATION TO ALL DEPTS UNLESS OTHERWISE STATED	ASP	EEC	OTHER	POOL	RENT	SEAS.	
	22.5%	22.5%	22.5%	22.5%	5.0%	5.0%	
Account #	Description						
SEASONAL – 1%							