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: October 13, 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:

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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 September 8, 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. August Monthly Statement Memo
   b. September 2026 Monthly Statement (Preliminary)

7. Old Business:
   a. No old business

8. New Business:
    a. Discussion/Action: Review, consider, and adopt Resolution 2026-5, the Highlands Recreation District Appropriations Limit for Fiscal Year 2026 – 2027.
       Report: Tamsen Burke, General Manager
       Description: This item is for Board review, consider, and adopt and adopt the resolution Pursuant to Government Code Section 7910: Under Article XIIIB of the Constitution of the State of California, the Highlands Recreation District ("District") Appropriations Limit for fiscal year 2026-2027.

    b. Discussion/Action: Review and adopt the Resolution 2026-06 to update the Highlands Recreation District Bylaws.
       Report: Tamsen Burke, General Manager
       Description: This item is a Board discussion and adopt the resolution for the changes in the Highlands Recreation District Bylaws section: Training and Education Requirements for Board of Directors based on SB 827 requirements of fiscal and financial training for the following officers, officials and executives.

    c. Discussion: Review and discuss the November 3, 2026, Elections and Procedures
       Report: Tamsen Burke, General Manager
       Description: This item is a Board discussion and review of the procedures applicable for the November 3, 2026 elections for which there are three Board of Director seats open and two qualified candidates on the roster posted by the County Elections Officer.

9. Upcoming Meetings:
    a. Board of Directors: November 10, 2026, December 8, 2026, January 12, 2027

10. Review and Payment of Bills:
    a. Action: Motion to approve Expenditures
       Report: 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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https://us06web.zoom.us/j/86897396127?pwd=ENb0lMPaCMhygsOg8RcBVV3XS2GppB.1

Meeting ID: 868 9739 6127
Passcode: 041879

Board Members:
Andrew Aquino
Chris Carlos
Pam Merkadeau (Absent)
Ranya Francis (Vice President)
Uy Ut (President)

Staff:
Tamsen Burke (General Manager)
Mike Koenig (Director ASP)

1. Call to Order
   The meeting was called to order at 7:00pm by Director Ut

2. Review and approval of the minutes for:
   a. Board Member Aquino made a motion, Board Member Carlos second, to approve the Regular Board Meeting Minutes from Regular Board Meeting on August 11, 2026. The motion passed. Vote: UU – Y; AA – Y; CC - Y; PM – Absent; RF – Y

3. Public Forum:
   i. Public Comments were received.

4. Manager's Information Report
   a. Administration
   b. Programming

5. Board Discussion on Strategic Priorities and Outcomes – Financial, Community, Facilities/Projects, Program/Services, Transparency
   i. No action was taken

6. Financial Information Report

a. September 2026 Monthly Statement Memo
b. August 2026 Monthly Statement (Preliminary)

7. Old Business:
    a. Discussion/Action: Review and approve the American Red Cross Disaster Relief Facility Use Agreement
        i. Board Member Aquino made a motion, Board Member Ut second, to complete and submit the survey for the American Red Cross Disaster Relief Facility Use Agreement.
        Vote: UU - Y; AA - Y; CC - Y; PM - Absent; RF - Y

8. New Business:
    a. Discussion: Review the San Mateo County Controller's Office Excess Educational Revenue Augmentation Fund (ERAF) Distribution Notice FY 2026-2027.
        i. No action was taken

    b. Discussion/Action: Review and Approve the Resolution 2026-04 State Of California Governor's Office Of Emergency Services Designation Of Applicant's Agent Non-State Agencies OES-Fpd-130 (Rev. 10-2022)
        i. Board Member Aquino made a motion, Board Member Francis second, to Approve the Resolution 2026-04 State Of California Governor's Office Of Emergency Services Designation Of Applicant's Agent Non-State Agencies OES-Fpd-130 (Rev. 10-2022). The motion passed. Vote: UU - Y; AA - Y; CC - Y; PM - Absent; RF - Y

    c. Discussion/Action: Review and Approve the Resolution 2026-05; 2026 Biennial Conflict of Interest (COI). Report: Tamsen Burke, General Manager
        i. Board Member Carlos made a motion, Board Member Aquino second, to adopt the Approve the Resolution 2026-05; 2026 Biennial Conflict of Interest (COI). The motion passed. Vote: UU - Y; AA - Y; CC - Y; PM - Absent; RF - Y

    d. Discussion/Action: Review and Approve Amendment to the Americans with Disabilities Act (ADA) Policy April 2025.
        i. Board Member Aquino made a motion, Approve Amendment to the Americans with Disabilities Act (ADA) Policy April 2025 with the caveat that the General Manager consult with counsel to confirm this amendment does not trigger any ADA compliance issues which we are exempt from to date. Board Member Carlos second, to adopt the Final FY 2026-2027 Budget. The motion passed. Vote: UU - Y; AA - Y; CC - Y; PM - Absent; RF - Y

    e. Discussion/Action: Review and Approve the Boundary Policy
        i. No action was taken

    f. Discussion/Action: Review and Approve Bookkeeper Position Proposal
        i. No action was taken

    g. Discussion/Action: Authorize General Manager to formally reject a Government Claims Act claim dated August 17, 2025, and signed by Wen Liang.
        i. Board Member Aquino made a motion, Board Member Francis second, to Authorize General Manager to formally reject a Government Claims Act claim dated August 17, 2025, and signed by Wen Liang. The motion passed. Vote: UU - Y; AA - Y; CC - Y; PM - Absent; RF - Y

9. Upcoming Meetings:
    a. Board of Directors: October 13, 2026, November 10, 2026, December 8, 2026

10. Review and Payment of Bills:
        i. Board Member Board Member Aquino made a motion, Board Member Carlos second, to pay the bills. The motion passed unanimously. Vote: AA - Y; CC – Y; PM – Absent; UU – Y; RF – Y

11. HRD Board of Directors Announcements

12. Closed Session:

    a. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION. Pursuant to Government Code Section 54956.9(d)(2), conference with legal counsel regarding significant exposure to litigation as described in a June 9, 2026, letter from the Law Offices of Peter L. Balogh and a claim dated August 17, 2025, signed by Wen Liang, which claim and letter will be made available for public inspection upon request pursuant to Government Code Section 54957.5 (one potential case).

13. Adjournment

    i. 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 9:15 pm on September 8, 2026.

Respectfully submitted

Tamsen K. Burke
Interim Board Secretary

Board President of Vice President (Print) _____

Signature _____

MEMORANDUM

Date: October 13, 2026

To: Board of Directors

From: Tamsen K. Burke, General Manager

Re: General Manager Report

LEGISLATION

AB 1821 (Pacheco) California Public Records Act: agency response time. Location: Senate Appropriations. Summary: This bill extends the deadline for public agencies to provide an initial response to a Public Records Act request by converting "10/14 days" to "10/14 business days."

SB 827 updates California's training requirements for local agency officials by amending Government Code sections 53234, 53235.1, 53235.2 and adding Article 2.4.6 (beginning with Section 53238). It expands who must receive ethics training and establishes a new statewide fiscal and financial training mandate.

ADMINISTRATION

Board Member Training presented by CARPD - Monday, January 25, 2027 @ 5pm (Registration TBA)

Facility Project Updates

- Administrative Office Renovations (scheduled November 2026, preparations being made for displacement of staff) **In Progress**
- Open Trench Easement, Pool Equipment Drain Line (Pit) Rerouted **Completed**
- Reviewed Owners Defensible Space Request on District Open land behind Laurel Hill Drive, San Mateo **Completed**
- Rehabilitate the damaged section beneath the water heater closet using CIPP pipelining offset and eliminate root intrusion Pool/EEC area. **Completed**
- Partial Sewer Lateral Replacement Pool/EEC **Completed**
- Open Trench Easement, Pool Equipment Drain Line (Pit) Rerouted **Completed**
- Basketball Court / Playground Fence (near PGE tower), replace footers to address ongoing erosion and leaning of fence. **Completed**
- North Landslide/Retaining Wall: (north of bathrooms) **Permit Issued** | BLD2025-00492.
- District Property Erosion Control Plan issued by SMC. **Implemented**
    - Confirmed by SMC, BKF, and Romig, the upslope of the existing restroom building at the northwest side of the Highlands Center, there has been no observation of change in slope or landslide to date.

- SMC Permit BLD2026-01915 - Installation and inspection of AC-C AquaClimb Classic (2) structures at the pool **(In Review 10/21/2026)**
- Processing Status Trenchless Sewer Replacement: Scope of Work to replace approximately Sewer Line Replacement adjacent to stairs at basketball court, through playground, parking lot (November 2026)
- Tennis Court Resurfacing: Preliminary conversation with Tennis pros on planning. Potential target date (May 2027) after completion of Retaining Wall.
- Preliminary preparation for Resurfacing parking, walkways, sport court; landscaping for (January 2027).
- Landscaping planning for district property, reviewing companies (February 2027)
- Lead Testing of all districts water sources (April 2027).

Administrative Projects Updates

- 2-year System for Award Management (SAM) Entity Registration For Highlands Recreation District / W8L9ZPLVUH74 / 9HQ92 **Completed**
- Updated Local Hazard Mitigation Plan (LHMP) for Cal OES and FEMA. Review FEMA Hazard Mitigation Assistance (HMA) grant opportunities for south landslide review. **(Under Review)**
- 2026-2027 Estimated Property Tax Revenue (ERAF Notice) **Attached Exhibit A**

Financial & Grants

- Highlands Recreation District received formal invitation to submit application for the Peninsula Health Care District, Healthy Aging and Living, grant of $15,000-$20,000. Support Active Older Adult/Senior programs and services in partnership of the Senior Network. **Submitted**
- GameTime's Community Champions Playground Grant due October 23, 2026, for EEC playground upgrades (infant – toddler). This is consideration from the CAPRI Cycle Review to upgrade the EEC playground and remove all wood structures.

Human Resources & Staff Engagement:

- Highlands Recreation District Flexible Spending Arrangement Plan (2026-2027) **Completed**
- 2026-2027 Navia FSA Renewal **Completed**
- 2026-2027 Kaiser Medical/Health Renewal – Enrollment early to mid-November
  - (14 enrolled): Increase of 10.14% as projected. The current premium is $16,585.11/month and the renewal premium is $18,266.93/month on the Platinum 90 HMO 0/10, Platinum 90 HMO 0/20 and Gold 80 HMO 250/35 plans.

Facilities & Maintenance

- Safety Committee completed Q2 meeting and planning for CAPRI audit. **Completed**
- Reviewed Owners Defensible Space Request and Access behind Laurel Hill Drive, San Mateo **Completed**

- **Operations:**
  - Reengage RecDesk in review of registration platform and service contract
  - Consulting services for the review of the pool for potential renovation or new construction. 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

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 09.08.2026

Tasks - Directives	**Director Requested**	**Responsible**	**Updates / Completion Notes**
Board of Director Training and Certification Reminder	Director Carlos	Tamsen Burke	In General Manager Report
ADA Policy Contingency	Director Aquino	Tamsen Burke	Reviewing past project documents for grandfathered compliance
Mitigation Plan for Erosion (El Nino Response)	Director Merkadeau	Tamsen Burke	In General Manager Report – Erosion Control Plan
Election Procedures	Director Carlos	Tamsen Burke	Agenda Discussion

MEMORANDUM

Date: October 13, 2026

To: Tamsen Burke, General Manager

From: Rodney Centeno, Aquatic Supervisor

Re: Aquatic Supervisor Report

Program/Department Overview:
With the start of the school year, we see clear shifts in pool use, but we are always gratified that the number of drop-in rec swimmers, lap swimmers, and program participants stay strong. We were able to offer private swimming instruction Monday through Friday from 1:00-6:00pm and on Saturday mornings. We welcomed a new middle school PE class and a scuba outfit from across the Bay to the HRD pool. We add new Dolphins to our roster every week and will attend our first meet of the season soon. Pool parties are tapering off but off-hour rentals are picking up.

Key Highlights:

- The Fall season of our USA swim team, the Highlands Dolphins, has begun.
- Welcome to the Nueva School to train twice per week in our pool, ending October 7.
- Expanded private lesson offerings include weekdays between 1:00-4:00pm.
- Expanded our Diving Well rental options for local swim clubs/coaches.

Aquatic Programs

- Aquatrack Fitness: Monday/Wednesday/Friday 8:05am - 9:05am
- Swim Lessons: Monday-Friday 1:00-6:00pm, Saturday 9:00-11:50am
    - Weekdays between 1:00-3:00pm being utilized by EEC and ASP participants.
- Swim Team: Bronze M-Th 5:00-6:00pm, Silver 5:45-7:15pm, Gold/Platinum 5:45-7:30pm

Fall Pool Hours

- Monday -Friday: 7:30-11:45am Lap Swim, 1:00-4:45pm Open Swim*, 6:00-8:00pm Lap Swim
- Saturday: 9:00-11:45am Lap Swim, 12:00-4:00pm Open Swim
- Sunday: 12:00-4:00pm Open Swim

** Open Swim is meant to convey that we adjust lanes to accommodate Rec and/or Lap Swimmers.*

Facilities

- We experienced a one-week closure of poolside bathrooms/locker rooms due to plumbing project – Replaced cracked terracotta drainpipe with PVC and installed new clean-out.
- Replaced Chlorine PPM sensor integrated with Chemical Controller to maintain appropriate Chlorine levels.

- San Mateo County Environmental Health Inspection on 09/18/26. Inspector determined Wading Pool should remain closed.
    - Reasons: Entry steps, main drains, wading pool separation from main pool, water chemistry requirements for wading pool.

Metrics and Data

- 74 hours of Pool Party/Small Group/After Hours rentals during September
- 64, 30-minute Private Lessons taught per week (Monday through Saturday)
- 42 Active Members on USA Swim Team: 21 swimmers aged 10 & Younger, 21 aged 11 & Older

Staff Development & Training

- Aquatic Coordinator will enroll in Red Cross Lifeguard Instructor course during Fall and will be teaching Lifeguard Certification courses at Highlands in late Winter/early Spring.
- Aquatic Coordinator will enroll in Certified Pool Operator course during late Fall/early Winter.
- Part-time staff: 15 Lifeguards, 8 Swim Instructors meeting majority of staffing needs.
- Goal to enroll one instructor in Red Cross WSI course during Fall/Winer 2026.

Fall Swim Lessons

We continue to offer two 2-week sessions per month. Most are returning clients. Clients are also able to purchase packs of 2 or 4 lessons. These are intended for those whose schedules, usually adults, do not conform to the M/W or T/Th format. In September we welcomed more adult clients thanks to this option. We are prepared to teach, and will be marketing, lessons for all age groups and during off-peak hours.

Swim Team (HDAC)

The Highlands Dolphins Fall Season has been positive, well-attended, and growing. Some members of the team will attend the Burlingame Aquatic Club's Spooky Fall Classic on October 24 & 25.

MEMORANDAUM

Date: October 13, 2026

To: Tamsen Burke, General Manager

From: Mike Koenig, K-8th Child-Care Director

Re: ASP/IC Program Update

PROGRAM/DEPARTMENT OVERVIEW

- Auto deduction began for program participants this month. 84% of ASP/In-Crowd families are enrolled for the 26-27 school year. This number typically increases as the school year goes on and families transition over.
- Fall Camp ended on October 9. Camp attendance mirrored that of 2025 and finished at 58% of projected budget. Program staff scheduled accordingly to ensure camp revenue aligns with staffing expenses.
- The program will be having a Halloween party for kids on October 30. Program staff will plan some fun activities, and the children can celebrate in their costumes.
- ASP will be hosting their first Kids Night Out of the school year on October 16 from 6pm-10pm.
- Rec swim ended for ASP children on September 30. Starting October 14, ASP will offer weekly cooking classes to program participants. This additional enrichment will run from October 14 – December 16.

STAFF UPDATES

- ASP staff, Erik Godoy, celebrated his 5-year work anniversary on October 11. Program staff thanked him for his service and acknowledged his importance to the program.
- ASP staff, Jason Alpay, celebrated his 3-year work anniversary on October 2. Program staff thanked him for his service and acknowledged his importance to the program.

FACILITY/GROUNDS

- Program staff purchased a factory refurbished EZGO golf cart. This cart will be more accessible, with lower maintenance, and safer than the last cart which has been in service since 2019. Program staff are currently in the process of liquidating the old cart to free up space for delivery early this month.

UPCOMING EVENTS

- Kids night out planning/staffing/advertising.
- November parent/teacher conferences scheduling Fall program enrichment.

MEMORANDUM

Date: October 13, 2026

To: Tamsen Burke, General Manager

From: Debbie Labucay, Interim Director

Re: Early Education Center Director's Report

PROGRAM OVERVIEW

- EEC Teacher position – On hold
- 1 active sub remains on staff, will continue to build sub pool
- Children enjoyed the visit from the police officer
- Enrollment complete for QRIS Grant from SMCOE – Next check in meeting Oct. 7th
- New family event – 'Falling for Fun Festival' – November

ENROLLMENT

- Parrots – 3 months to 18 months
  8 infants 1:3 teacher child ratio
- Chameleons-18 months-3 years
  18 toddlers 1:6 teacher child ratio
- Tigers- 3 years-5 years
  18 PS 1:8 teacher child ratio

Current Enrollment:	Projected Enrollment:
October- 33	November- 34
Parrots- 6	Parrots- 7
Chameleons- 12	Chameleons- 12
Tigers- 15	Tigers- 15

- Will attend preschool fair on Sat. Oct. 17 to connect with potential families
- Moved 1 child off waitlist to enroll in January

Tours

- None in September; 1 scheduled in October

FUTURE GOALS AND PLANS:

- Oct. 14th – EEC Pumpkin patch
- Oct. 16th – EEC closed for staff development
- Oct. 30th – Parade
- Nov. 2nd – Visit from Fire Department
- Nov. 6th – Early closure 4 pm – monthly staff meeting
- Nov. 20th – Falling for Fun Festival

MEMORANDAUM

Date: October 7th, 2026
To: Tamsen Burke, General Manager
From: Tais Calderon, Recreation Coordinator
Re: Seasonal Programs and Rentals Update, September 2026

PROGRAM/DEPARTMENT OVERVIEW

- Fall Programs have been limited, consisting of Tennis and Swimming Lessons. The Recreation Coordinator is working to find more educational and physically active seasonal programming. To survey community interests the monthly Lowdown was used to send a message, asking for the community's insight into the types of programming they would like to see.
- The Recreation Coordinator is planning the annual Halloween Family Fun Night, set for October 30th, 6:30pm – 8:30pm. Pre-sale tickets went on sale October 2, and will be on sale through Thursday, October 29th. Day-of-event tickets will also be available.
- Building Attendant Job Description is currently under review by the Recreation Coordinator to reevaluate essential skills and duties of the position, KPIs.

METRICS AND DATA – SEASONAL PROGRAMS

- The Recreation Coordinator is in the process of planning and finalizing the Halloween Family Fun Event, set to happen on October 30th, 2026, from 6:30pm – 8:30pm.
    - Efforts are being made by the Recreation Coordinator to bring new and elevated experiences while keeping well-loved activities such as Bounce Houses, Face Painting, Costume Contest, and Monster Bash.
    - Local brewery, Devil's Canyon, has been invited back to serve alcoholic drinks and sodas. Food is TBD.
- Lunchtime Enrichment for the 2026 – 2027 SMFCSD school year started again at the end of August and now is in full swing as of September.
- Mahjong and Tai Chi are back at Rec, utilizing the Multipurpose Room for both activities.
- The Recreation Coordinator is searching for and connecting with new vendor options to provide a wider range of classes for all ages.
    - New vendors will focus on bringing STEM, Art, and Nature based experiences, encouraging and incorporating physical activity. Recreation Coordinator is in contact with a potential vendor for Tot/Preschool Programs.

2026 – 2027 HOLIDAY DATES

Halloween Family Fun Night: October 30, 6:30pm – 8:30pm
Breakfast with Santa: December 5, 2026, 10:00am – 12:00pm

Eggstravaganza: March 20, 10:00am – 12:00pm

METRICS AND DATA – RENTALS

The rental process and order of operations have been in the process of being refined to minimize unnecessary confusion for renters and staff as well as to redelegate responsibility/tasks to the new Recreation Coordinator. Regarding rentals, updates to point-of-contact information on the District website are set to take place this month.

Private rentals have lower numbers this month, with an increase in inquiries for rentals happening this October. The Odyssey School rental was finalized and set to start back up in the beginning of October for 26-27 school year. At the time of this report, the Recreation Coordinator has received 6 applications for private Gym and MPR for events taking place in October; with an additional 6 rentals confirmed.

September totaled 21 rentals: including:

- **Non-Aquatics**
  - 1 Recurring Gym Rental
  - 3 Recurring Tennis Court Rentals
  - 13 Community Group Rentals (CERT, HSN, Scouts, HCA, etc.) – Fees Waived

MARKETING AND MEDIA

- Advertising through social media, website updates, and monthly newsletters will continue to support advertising for upcoming special events, seasonal programs, hiring needs, and successes from different departments.

MEMORANDUM

Date: October 13, 2026

To: Tamsen Burke, General Manager

From: Leah Huang, Bookkeeper

Re: Bookkeeper Report

Update on August 2026 Financial Statements

The August 2026 financial reports were updated to reflect additional transactions and adjustments recorded after the preliminary reports were shared with the board. The revisions resulted in a minor decrease of $162 in net income. The primary adjusted figures are outlined below:

1. **Additional Revenue (Property Tax, ERAF)**
   - **August 2026**:
     - Original: $ 112,078
     - Revised: $ 112,700
     - **Increase: $ 622**

2. **Additional Expenses (Janitorial Supplies, EEC Supplies)**
   - **August 2026**:
     - Original: $ 2,128
     - Revised: $ 2,698
     - **Increase: $ 570**

3. **Net Impact on Financial Statements**

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

     - Original Net Income: $ -113,879
     - **Revised Net Income: $ -114,041**
     - **Adjustment: $ -162**

Highlands Recreation District
Balance Sheet
As of Sep 30, 2026

[PRELIMINARY]

		As of Sep 30, 2026	As of Sep 30, 2025	As of Jun 30, 2026	As of Jun 30, 2025	As of Jun 30, 2024
				FISCAL YEAR END		
				PRELIMINARY	FINAL	FINAL
Assets						
Current Assets						
Bank Accounts						
001000 Cash Clearing Acct - QB Migration		-		-		
004000 Petty Cash- ADMIN		100	100	100	100	100
005000 First Citizens Bank		152,629	123,839	282,433	367,717	181,489
006000 Petty Cash-POOL		80	80	80	80	80
011100 Cash in Treasury		5,581,868	5,098,567	5,705,763	5,125,303	4,542,609
Total for Bank Accounts		**$ 5,734,677**	**$ 5,222,585**	**$ 5,988,376**	**$ 5,493,200**	**$ 4,724,278**
Accounts Receivable						
120000 Accounts Receivable		-	-	-	-	-
Total for Accounts Receivable		**-**	**-**	**-**	**-**	**-**
Other Current Assets						
040000 Prepaid Expenses		46,932	49,504	6,228	5,858	5,777
050000 Undeposited Funds	1	1,097	(300)	-	(300)	-
Total for Other Current Assets		**$ 48,028**	**$ 49,204**	**$ 6,228**	**$ 5,558**	**$ 5,777**
Total for Current Assets		**$ 5,782,705**	**$ 5,271,789**	**$ 5,994,604**	**$ 5,498,757**	**$ 4,730,055**
Fixed Assets						
90001 Building		5,840,484	5,815,567	5,840,484	5,815,567	5,815,567
0571 Accum Depr-Building		(2,086,342)	(2,086,342)	(2,086,342)	(2,086,342)	(1,910,686)
Total for 90001 Building		**$ 3,754,142**	**$ 3,729,225**	**$ 3,754,142**	**$ 3,729,225**	**$ 3,904,881**
90002 Improvements		857,727	857,727	857,727	857,727	685,985
0572 Accum Depr-Improv		(361,956)	(361,956)	(361,956)	(361,956)	(356,942)
Total for 90002 Improvements		**$ 495,771**	**$ 495,771**	**$ 495,771**	**$ 495,771**	**$ 329,042**
90003 Equipment		321,204	266,505	321,204	266,505	266,505
0570 Accum Depreciation-Equipmt		(201,807)	(201,807)	(201,807)	(201,807)	(216,443)
Total for 90003 Equipment		**$ 119,397**	**$ 64,698**	**$ 119,397**	**$ 64,698**	**$ 50,062**
90004 Land		19,532	19,532	19,532	19,532	19,532
90005 Construction in Progress		27,480	22,170	27,480	17,263	202,126
Total for Fixed Assets		**$ 4,416,322**	**$ 4,331,396**	**$ 4,416,322**	**$ 4,326,489**	**$ 4,505,643**
Total for Assets		**$ 10,199,027**	**$ 9,603,185**	**$ 10,410,926**	**$ 9,825,247**	**$ 9,235,698**
Liabilities and Equity						
Liabilities						
Current Liabilities						
Accounts Payable						
064000 Accounts Payable		25,706	20,587	28,753	34,829	17,609
Total for Accounts Payable		**$ 25,706**	**$ 20,587**	**$ 28,753**	**$ 34,829**	**$ 17,609**
Other Current Liabilities						

Highlands Recreation District
Balance Sheet
As of Sep 30, 2026

[PRELIMINARY]

		As of Sep 30, 2026	As of Sep 30, 2025	As of Jun 30, 2026	As of Jun 30, 2025	As of Jun 30, 2024
				FISCAL YEAR END		
				PRELIMINARY	FINAL	FINAL
065000 Payroll Liability	2	2,257	-	-	-	-
065010 Payroll Liability-FSA		(4,464)	687	(5,845)	33	1,723
066300 Deferred Revenue		-	-	-	-	
066400 Accrued Sales Tax		-	-	-	-	-
066500 Other Accrued Expenses		-	-	99,082	89,766	75,507
800020 Accrued Interest Pymt-Bond		3,681	4,077	16,306	17,887	19,416
800030 Accrued Principal Pymt-Bond		13,167	12,750	127,500	127,500	123,333
Total for Other Current Liabilities		**$ 14,641**	**$ 17,513**	**$ 237,043**	**$ 235,186**	**$ 219,980**
Total for Current Liabilities		**$ 40,347**	**$ 38,101**	**$ 265,795**	**$ 270,015**	**$ 237,589**
Long-term Liabilities						
265900 COP Bond - Long Term Liability		1,411,833	1,565,250	1,450,500	1,603,500	1,755,667
266000 Compensated Absences		1,226	(2,265)	1,226	0	49,098
90006 Compensated Absences long term audit		104,898	104,898	104,898	104,898	
Total for Long-term Liabilities		**$ 1,517,958**	**$ 1,667,883**	**$ 1,556,624**	**$ 1,708,398**	**$ 1,804,764**
Total for Liabilities		**$ 1,558,304**	**$ 1,705,983**	**$ 1,822,420**	**$ 1,978,413**	**$ 2,042,353**
Equity						
081300 Fund Balance		349,182	349,182	349,182	349,182	349,182
999800 Amount to be Provided		(1,533,579)	(1,686,975)	(1,699,204)	(1,853,785)	(1,898,416)
999900 Investment in Capital Assets		4,416,322	4,331,396	4,416,322	4,326,489	4,505,643
081400 Retained Earnings		5,522,207	5,024,948	5,024,948	4,286,034	3,667,516
Net Income		(113,408)	(121,349)	497,259	738,913	569,420
Total for Equity		**$ 8,640,723**	**$ 7,897,202**	**$ 8,588,507**	**$ 7,846,833**	**$ 7,193,345**
Total for Liabilities and Equity		**$ 10,199,027**	**$ 9,603,185**	**$ 10,410,926**	**$ 9,825,246**	**$ 9,235,698**

*1. Due to the timing of month-end closing, cash and check payments from Pool and Rental pending deposit

*2. IRA and CalPERS contributions are pending adjustments and submission, awaiting authorization

Highlands Recreation District

Profit and Loss

September 2026

[Preliminary]

	Total
Income	
232100 Park & Recreation Fees	164,511.83
232103 Deposits Received & Returned	1,350.00
Total for 232100 Park & Recreation Fees	**$165,861.83**
265800 Miscellaneous Revenue	401.35
Total for Income	**$166,263.18**
Gross Profit	**$166,263.18**
Expenses	
411000 Total Employee Cost	
411100 Permanent Salaries	28,000.04
411103 Longevity Pay	233.08
416101 Office Wages	13,087.92
416102 Pool Wages	19,859.88
416103 Maintenance Wages	6,382.53
416104 Supervision Wages/Bldg Attndnts	2,410.50
416106 Program/Enrichmt Speclst-STAFF	175.42
416107 ASP/Camp Wages	17,321.37
416108 EEC Wages	41,951.92
431100 Social Security	7,778.51
431200 Medicare Contribution	1,819.17
463100 District Employee Benefits	12,564.21
Total for 411000 Total Employee Cost	**$151,584.55**
512100 Clothing & Uniforms	3,096.80
515600 Household Expenses	
515601 Recology (Waste)	1,259.71
515605 Cleaning Company	4,350.00
Total for 515600 Household Expenses	**$5,609.71**
519300 Office Expenses	
519303 General Office Supplies	284.74
519304 Recruitment & Advertising	725.50
519307 Other Ofc. Expns -Svc or Agrmnt	1,007.80
519308 Credit Card/ACH fees	1,109.50
519309 Payroll Processing Fees	2,706.16
Total for 519300 Office Expenses	**$5,833.70**
533100 Memberships & Subscriptions	1,453.48
545900 Maintnce-Facility & Imprv	
545902 Plumbing & Piping	1,500.00
545903 Paint, Solvents & Chemicals	5,083.60
545904 Pool Maintenance Supplies	1,755.19
545905 Locks & Security System	693.84
545909 Other General Maintenance	666.64

Highlands Recreation District

Profit and Loss

September 2026

[Preliminary]

	Total
545912 Vehicle Expense	203.40
545913 Ground/Facility Improvements	13,888.00
Total for 545900 Maintnce-Facility & Imprv	**$23,790.67**
563800 Utility Expense	
563801 P G & E	6,473.71
563802 Water	2,374.59
Total for 563800 Utility Expense	**$8,848.30**
585600 Contract Expenses	
585603 Legal Fees	6,944.50
585604 Consultants	10,328.82
585605 Vendors/Instructors/Pgrm Specs	4,039.70
Total for 585600 Contract Expenses	**$21,313.02**
596600 Program Specific Expenses	
596601 Buses-ASP	1,357.00
596602 Spec Activities-ASP	637.50
596603 Snacks-ASP	1,065.21
596604 Supplies-ASP	203.73
596607 Employee Recognition/ Misc-POOL	67.91
596608 Employee Recognition/ Misc- ASP	28.97
596613 Conferences/Seminars	90.00
596616 In-Crowd Rent	1,275.00
596621 EEC Supplies	403.89
596622 EEC Snacks	748.47
596623 EEC Special Activities	269.04
596626 Swim Team Expenses	99.95
596628 Training & Certification Expnse	450.00
Total for 596600 Program Specific Expenses	**$6,696.67**
671200 Telephone & Internet Expns	351.51
673100 Insurance	
673101 CAPRI-Worker's Comp	2,655.25
673102 CAPRI-General Liability/Auto	11,153.00
Total for 673100 Insurance	**$13,808.25**
721000 Fixed Assets-Structure/Imprvmts	
721101 Construction In Progress	1,260.00
Total for 721000 Fixed Assets-Structure/Imprvmts	**$1,260.00**
731000 Fixed Assets - Equipment	
731101 FA Equipmnt Not Capitalized	1,928.48
Total for 731000 Fixed Assets - Equipment	**$1,928.48**
Total for Expenses	**$245,575.14**
Net Operating Income	**-$79,311.96**
Net Income	**-$79,311.96**

Highlands Recreation District

Profit and Loss

July-September, 2026

[Preliminary]

	Total
Income	
102100 Property Taxes	330
102101 ERAF	112,371
152100 Interest Earned	56,447
232100 Park & Recreation Fees	662,277
232101 Refunds of Fees	-4,964
232103 Deposits Received & Returned	2,078
Total for 232100 Park & Recreation Fees	**$659,391**
265800 Miscellaneous Revenue	401
Total for Income	**$828,939**
Gross Profit	**$828,939**
Expenses	
411000 Total Employee Cost	
411100 Permanent Salaries	87,537
411103 Longevity Pay	816
416101 Office Wages	42,680
416102 Pool Wages	74,233
416103 Maintenance Wages	18,877
416104 Supervision Wages/Bldg Attndnts	7,163
416106 Program/Enrichmt Speclst-STAFF	175
416107 ASP/Camp Wages	67,416
416108 EEC Wages	133,082
431100 Social Security	26,114
431200 Medicare Contribution	6,107
445100 Unemployment Insurance	1,950
463100 District Employee Benefits	55,176
Total for 411000 Total Employee Cost	**$521,328**
512100 Clothing & Uniforms	3,212
515600 Household Expenses	
515601 Recology (Waste)	3,779
515602 Janitorial Supplies	1,916
515605 Cleaning Company	13,000
Total for 515600 Household Expenses	**$18,695**
519300 Office Expenses	
519301 Outside Printing & Copy Serv	39
519302 Licensing Fees	726
519303 General Office Supplies	1,782
519304 Recruitment & Advertising	1,445
519305 Postage & Mailing Expenses	104
519307 Other Ofc. Expns -Svc or Agrmnt	3,386
519308 Credit Card/ACH fees	4,436
519309 Payroll Processing Fees	8,393
Total for 519300 Office Expenses	**$20,312**

Highlands Recreation District

Profit and Loss

July-September, 2026

[Preliminary]

	Total
533100 Memberships & Subscriptions	4,378
545900 Maintnce-Facility & Imprv	
545902 Plumbing & Piping	1,500
545903 Paint, Solvents & Chemicals	14,219
545904 Pool Maintenance Supplies	1,892
545905 Locks & Security System	1,310
545909 Other General Maintenance	1,109
545911 Landscape/Garden Expense	178
545912 Vehicle Expense	415
545913 Ground/Facility Improvements	16,370
Total for 545900 Maintnce-Facility & Imprv	**$36,995**
563800 Utility Expense	0
563801 P G & E	18,762
563802 Water	6,896
Total for 563800 Utility Expense	**$25,658**
585600 Contract Expenses	
585601 Audit Fees	273
585603 Legal Fees	11,100
585604 Consultants	36,632
585605 Vendors/Instructors/Pgrm Specs	7,829
Total for 585600 Contract Expenses	**$55,833**
596600 Program Specific Expenses	
596601 Buses-ASP	6,541
596602 Spec Activities-ASP	4,786
596603 Snacks-ASP	2,369
596604 Supplies-ASP	1,496
596607 Employee Recognition/ Misc-POOL	383
596608 Employee Recognition/ Misc- ASP	65
596610 Misc Expense-OFFICE	64
596611 Employee Recognition/Misc-OTHER	131
596613 Conferences/Seminars	90
596614 Pool Program & Facility Supply	94
596616 In-Crowd Rent	3,825
596621 EEC Supplies	2,036
596622 EEC Snacks	2,721
596623 EEC Special Activities	269
596624 Employee Recognition/ Misc-EEC	615
596626 Swim Team Expenses	300
596627 Staff Development	35
596628 Training & Certification Expnse	450
Total for 596600 Program Specific Expenses	**$26,269**
633100 Bond Interest Expense	24,459
633200 Bond Principal Expense	153,000

Highlands Recreation District

Profit and Loss

July-September, 2026

[Preliminary]

	Total
671200 Telephone & Internet Expns	1,052
673100 Insurance	
673101 CAPRI-Worker's Comp	7,966
673102 CAPRI-General Liability/Auto	33,459
Total for 673100 Insurance	**$41,425**
721000 Fixed Assets-Structure/Imprvmts	
721101 Construction In Progress	1,260
Total for 721000 Fixed Assets-Structure/Imprvmts	**$1,260**
731000 Fixed Assets - Equipment	
731101 FA Equipmnt Not Capitalized	8,472
Total for 731000 Fixed Assets - Equipment	**$8,472**
Total for Expenses	**$942,348**
Net Operating Income	**-$113,408**
Net Income	**-$113,408**

Highlands Recreation District

Budget vs. Actuals: FY26-27 by Class

July - September, 2026

PRELIMINARY

3 of 12 months = 25% of Fiscal Year

		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
Income																						
102100 Property Taxes	1							330	796,680	0.04%										330	796,680	0.04%
102101 ERAF	2							112,371	201,980	55.63%										112,371	201,980	55.63%
152100 Interest Earned	3							56,447	190,000	29.71%										56,447	190,000	29.71%
199700 Capital Grants & Contrib						3,275	0.00%		2,500	0.00%										0	5,775	0.00%
232100 Park & Recreation Fees		197,364	1,118,334	17.65%	295,320	1,554,815	18.99%	2,557	10,000	25.57%	132,086	476,000	27.75%	24,285	100,000	24.29%	10,665	135,000	7.90%	662,277	3,394,149	19.51%
232101 Refunds of Fees		(1419)	(5000)	0		(2000)	0				(400)	(7500)	0				(3145)	(5000)	1	(4964)	(19500)	0
232103 Deposits Received & Returned											1,425			653						2,078	0	
Total 232100 Park & Recreation Fees		**$ 195,945**	**$1,113,334**	**17.60%**	**$ 295,320**	**$1,552,815**	**19.02%**	**$ 2,557**	**$ 10,000**	**25.57%**	**$ 133,111**	**$ 468,500**	**28.41%**	**$ 24,938**	**$ 100,000**	**24.94%**	**$ 7,520**	**$ 130,000**	**5.78%**	**$ 659,391**	**$3,374,649**	**19.54%**
265800 Miscellaneous Revenue								401												401	0	
Total Income		**$ 195,945**	**$1,113,334**	**17.60%**	**$ 295,320**	**$1,556,090**	**18.98%**	**$ 172,106**	**$1,201,160**	**14.33%**	**$ 133,111**	**$ 468,500**	**28.41%**	**$ 24,938**	**$ 100,000**	**24.94%**	**$ 7,520**	**$ 130,000**	**5.78%**	**$ 828,940**	**$4,569,084**	**18.14%**
Gross Profit		**$ 195,945**	**$1,113,334**	**17.60%**	**$ 295,320**	**$1,556,090**	**18.98%**	**$ 172,106**	**$1,201,160**	**14.33%**	**$ 133,111**	**$ 468,500**	**28.41%**	**$ 24,938**	**$ 100,000**	**24.94%**	**$ 7,520**	**$ 130,000**	**5.78%**	**$ 828,940**	**$4,569,084**	**18.14%**
Expenses																						
411000 Total Employee Cost																				0	0	
411100 Permanent Salaries		31,759	139,610	22.75%	12,221	133,610	9.15%	8,567	38,610	22.19%	31,183	136,610	22.83%	1,904	8,580	22.19%	1,904	8,580	22.19%	87,537	465,600	18.80%
411102 Vacation Cash Out			2,020	0.00%																0	2,020	0.00%
411103 Longevity Pay		816	3,030	26.92%																816	3,030	26.92%
416101 Office Wages		9,037	29,749	30.38%	9,037	29,749	30.38%	11,553	29,749	38.84%	9,037	29,749	30.38%	2,008	6,611	30.38%	2,008	6,611	30.38%	42,680	132,218	32.28%
416102 Pool Wages								424			73,809	332,164	22.22%							74,233	332,164	22.35%
416103 Maintenance Wages		4,247	34,546	12.29%	4,247	34,546	12.29%	4,247	34,546	12.29%	4,247	34,546	12.29%	944	7,677	12.29%	944	7,677	12.29%	18,877	153,538	12.29%
416104 Supervision Wages/Bldg Attndnts														4,736	48,843	9.70%	2,427	22,701	10.69%	7,163	71,544	10.01%
416106 Program/Enrichmt Speclst-STAFF																	175	5,400	3.25%	175	5,400	3.25%
416107 ASP/Camp Wages		67,416	315,000	21.40%																67,416	315,000	21.40%
416108 EEC Wages					133,082	543,092	24.50%													133,082	543,092	24.50%
431100 Social Security		6,955	27,237	25.53%	9,658	41,476	23.29%	1,460	29,728	4.91%	7,023	27,961	25.12%	574	3,175	18.09%	445	1,476	30.14%	26,114	131,053	19.93%
431200 Medicare Contribution		1,626	6,285	25.88%	2,259	9,571	23.60%	341	6,632	5.15%	1,642	5,402	30.40%	134	733	18.32%	104	341	30.51%	6,107	28,964	21.09%
445100 Unemployment Insurance	4							1,950	1,000	194.98%										1,950	1,000	194.98%
463100 District Employee Benefits		13,812	47,923	28.82%	18,113	82,828	21.87%	1,190	58,374	2.04%	19,627	33,517	58.56%	1,215	7,219	16.82%	1,221	7,252	16.84%	55,176	237,113	23.27%
Total 411000 Total Employee Cost		**$ 135,667**	**$ 605,400**	**22.41%**	**$ 188,617**	**$ 874,872**	**21.56%**	**$ 29,732**	**$ 198,639**	**14.97%**	**$ 146,568**	**$ 599,949**	**24.43%**	**$ 11,515**	**$ 82,838**	**13.90%**	**$ 9,229**	**$ 60,038**	**15.37%**	**$ 521,328**	**$2,421,736**	**21.53%**
512100 Clothing & Uniforms		1,377	5,500	25.04%	115	1,000	11.48%	471	5,000	9.42%	1,248	3,000	41.61%					800	0.00%	3,212	15,300	20.99%
515600 Household Expenses																				0	0	
515601 Recology (Waste)		850	3,600	23.62%	850	3,600	23.62%	850	3,600	23.62%	850	3,600	23.62%	189	800	23.62%	189	800	23.62%	3,779	16,000	23.62%
515602 Janitorial Supplies		38	500	7.66%	504	4,000	12.59%	1,355	10,000	13.55%	19	1,800	1.03%							1,916	16,300	11.75%
515605 Cleaning Company		2,969	12,375	23.99%	3,019	12,375	24.39%	2,869	12,375	23.18%	2,869	12,375	23.18%	638	2,750	23.18%	638	2,750	23.18%	13,000	55,000	23.64%
Total 515600 Household Expenses		**$ 3,857**	**$ 16,475**	**23.41%**	**$ 4,373**	**$ 19,975**	**21.89%**	**$ 5,074**	**$ 25,975**	**19.53%**	**$ 3,738**	**$ 17,775**	**21.03%**	**$ 826**	**$ 3,550**	**23.28%**	**$ 826**	**$ 3,550**	**23.28%**	**$ 18,695**	**$ 87,300**	**21.41%**
519300 Office Expenses																				0	0	
519301 Outside Printing & Copy Serv						50	0.00%		12,500	0.00%	39	250	15.75%							39	12,800	0.31%
519302 Licensing Fees	5	726	1,000	72.60%		800	0.00%													726	1,800	40.33%
519303 General Office Supplies		0	1,800	0.00%	107	1,800	5.97%	1,564	8,500	18.40%	40	2,000	2.01%	0	500	0.00%	70	500	14.07%	1,782	15,100	11.80%
519304 Recruitment & Advertising		74	1,000	7.40%	525	2,500	20.99%	67	5,000	1.34%	227	2,800	8.10%	553	600	92.11%	0	25	0.00%	1,445	11,925	12.12%
519305 Postage & Mailing Expenses			500	0.00%		150	0.00%	104	7,500	1.39%					375	0.00%		375	0.00%	104	8,900	1.17%
519307 Other Ofc. Expns -Svc or Agrmnt		315			48	3,000	1.60%	2,898	40,000	7.25%		150	0.00%		2,150	0.00%	125	500	24.99%	3,386	45,800	7.39%
519308 Credit Card/ACH fees								4,436	19,000	23.35%										4,436	19,000	23.35%
519309 Payroll Processing Fees								8,393	35,000	23.98%										8,393	35,000	23.98%

Highlands Recreation District

Budget vs. Actuals: FY26-27 by Class

July - September, 2026

PRELIMINARY

3 of 12 months = 25% of Fiscal Year

		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
Total 519300 Office Expenses		**$ 1,115**	**$ 4,300**	**25.93%**	**$ 680**	**$ 8,300**	**8.19%**	**$ 17,462**	**$ 127,500**	**13.70%**	**$ 306**	**$ 5,200**	**5.89%**	**$ 553**	**$ 3,625**	**15.25%**	**$ 195**	**$ 1,400**	**13.95%**	**$ 20,312**	**$ 150,325**	**13.51%**
533100 Memberships & Subscriptions		40	4,325	0.92%	374	2,100	17.81%	3,964	3,825	103.65%		7,325	0.00%		850	0.00%		850	0.00%	4,378	19,275	22.72%
545900 Maintnce-Facility & Imprv																				0	0	
545901 Lumber & Carpentry						250	0.00%					1,000	0.00%							0	1,250	0.00%
545902 Plumbing & Piping		0	1,600	0.00%	0	150	0.00%	1,500	5,000	30.00%	0	150	0.00%	0			0			1,500	6,900	21.74%
545903 Paint, Solvents & Chemicals			9,050	0.00%		9,200	0.00%		9,000	0.00%	14,219	51,000	27.88%		2,000	0.00%		2,000	0.00%	14,219	82,250	17.29%
545904 Pool Maintenance Supplies											1,892	10,000	18.92%							1,892	10,000	18.92%
545905 Locks & Security System		77	500	15.45%	1,233	2,700	45.67%		2,000	0.00%		5,000	0.00%		150	0.00%				1,310	10,350	12.66%
545906 Signage Expense			1,788	0.00%		1,788	0.00%		1,688	0.00%		1,688	0.00%		375	0.00%		375	0.00%	0	7,702	0.00%
545907 General Electrical Expense			2,712	0.00%		2,963	0.00%		2,363	0.00%		22,363	0.00%		525	0.00%		525	0.00%	0	31,451	0.00%
545908 Motor, Pump & Generator												26,500	0.00%							0	26,500	0.00%
545909 Other General Maintenance		0	1,000	0.00%	618	2,500	24.71%	393	3,774	10.40%	99	2,000	4.94%	0	500	0.00%	0			1,109	9,774	11.35%
545911 Landscape/Garden Expense						2,000	0.00%	178	25,000	0.71%										178	27,000	0.66%
545912 Vehicle Expense		298	525	56.84%				117	8,500	1.38%										415	9,025	4.60%
545913 Ground/Facility Improvements	6					2,000	0.00%	16,370	17,000	96.30%										16,370	19,000	86.16%
Total 545900 Maintnce-Facility & Imprv		**$ 376**	**$ 17,175**	**2.19%**	**$ 1,851**	**$ 23,551**	**7.86%**	**$ 18,558**	**$ 74,325**	**24.97%**	**$ 16,210**	**$ 119,701**	**13.54%**	**$ -**	**$ 3,550**	**0.00%**	**$ -**	**$ 2,900**	**0.00%**	**$ 36,995**	**$ 241,202**	**15.34%**
563800 Utility Expense					(387)						387									0	0	
563801 P G & E		1,173	7,785	15.07%	2,252	16,650	13.52%	1,846	8,460	21.83%	12,982	83,730	15.50%	305	1,350	22.60%	203	2,025	10.05%	18,762	120,000	15.63%
563802 Water		1,372	4,400	31.18%	1,814	3,600	50.39%	996	2,600	38.32%	2,098	7,400	28.35%	369	900	41.05%	246	1,100	22.39%	6,896	20,000	34.48%
563803 Sewer Fees			3,038	0.00%		3,038	0.00%		3,038	0.00%		3,038	0.00%		675	0.00%		675	0.00%	0	13,502	0.00%
Total 563800 Utility Expense		**$ 2,545**	**$ 15,223**	**16.72%**	**$ 3,678**	**$ 23,288**	**15.80%**	**$ 2,843**	**$ 14,098**	**20.16%**	**$ 15,468**	**$ 94,168**	**16.43%**	**$ 675**	**$ 2,925**	**23.06%**	**$ 450**	**$ 3,800**	**11.84%**	**$ 25,658**	**$ 153,502**	**16.72%**
572200 Employee Expense Reimb						1,000	0.00%													0	1,000	0.00%
585600 Contract Expenses																				0	0	
585601 Audit Fees								273	16,000	1.70%										273	16,000	1.70%
585603 Legal Fees								11,100	50,000	22.20%										11,100	50,000	22.20%
585604 Consultants	7	0	250	0.00%	660			35,441	113,000	31.36%	531			0			0			36,632	113,250	32.35%
585605 Vendors/Instructors/Pgrm Specs																	7,829	90,394	8.66%	7,829	90,394	8.66%
585608 Contract Expense-Other									115,000	0.00%										0	115,000	0.00%
Total 585600 Contract Expenses		**$ -**	**$ 250**	**0.00%**	**$ 660**	**$ -**		**$ 46,813**	**$ 294,000**	**15.92%**	**$ 531**	**$ -**		**$ -**	**$ -**		**$ 7,829**	**$ 90,394**	**8.66%**	**$ 55,833**	**$ 384,644**	**14.52%**
596600 Program Specific Expenses																				0	0	
596601 Buses-ASP	8	6,541	12,000	54.51%																6,541	12,000	54.51%
596602 Spec Activities-ASP	8	4,786	15,000	31.91%																4,786	15,000	31.91%
596603 Snacks-ASP		2,369	10,000	23.69%																2,369	10,000	23.69%
596604 Supplies-ASP		1,496	10,000	14.96%																1,496	10,000	14.96%
596606 Concession Purchases												3,000	0.00%							0	3,000	0.00%
596607 Employee Recognition/ Misc-POOL											383	2,000	19.15%							383	2,000	19.15%
596608 Employee Recognition/ Misc- ASP		65	2,000	3.23%																65	2,000	3.23%
596610 Misc Expense-OFFICE								64	13,000	0.49%										64	13,000	0.49%
596611 Employee Recognition/Misc-OTHER								131	4,000	3.28%										131	4,000	3.28%
596612 Special Events												1,000	0.00%					17,000	0.00%	0	18,000	0.00%
596613 Conferences/Seminars			2,500	0.00%	90	2,500	3.60%		5,000	0.00%		2,500	0.00%					1,500	0.00%	90	14,000	0.64%
596614 Pool Program & Facility Supply											94	6,000	1.57%							94	6,000	1.57%
596616 In-Crowd Rent		3,825	16,000	23.91%																3,825	16,000	23.91%
596617 Seasonal Programs			8,600	0.00%														1,000	0.00%	0	9,600	0.00%

Highlands Recreation District

Budget vs. Actuals: FY26-27 by Class

July - September, 2026

PRELIMINARY

3 of 12 months = 25% of Fiscal Year

		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
596621 EEC Supplies					2,036	11,000	18.51%													2,036	11,000	18.51%
596622 EEC Snacks					2,721	10,000	27.21%													2,721	10,000	27.21%
596623 EEC Special Activities					269	5,000	5.38%													269	5,000	5.38%
596624 Employee Recognition/ Misc-EEC					615	2,000	30.77%													615	2,000	30.77%
596626 Swim Team Expenses											300	10,000	3.00%							300	10,000	3.00%
596627 Staff Development			500	0.00%	0	1,500	0.00%		1,500	0.00%	35	2,000	1.76%							35	5,500	0.64%
596628 Training & Certification Expnse			150	0.00%		1,500	0.00%		1,000	0.00%	450	2,000	22.50%							450	4,650	9.68%
Total 596600 Program Specific Expenses		**$ 19,081**	**$ 76,750**	**24.86%**	**$ 5,731**	**$ 33,500**	**17.11%**	**$ 195**	**$ 24,500**	**0.80%**	**$ 1,262**	**$ 28,500**	**4.43%**	**$ -**	**$ -**		**$ -**	**$ 19,500**	**0.00%**	**$ 26,269**	**$ 182,750**	**14.37%**
633100 Bond Interest Expense	9				18,344	34,910	52.55%	3,057	5,818	52.55%				3,057	5,818	52.55%				24,459	46,546	52.55%
633200 Bond Principal Expense	10				114,750	114,750	100.00%	19,125	19,125	100.00%				19,125	19,125	100.00%				153,000	153,000	100.00%
671200 Telephone & Internet Expns		225						827	12,300	6.73%										1,052	12,300	8.55%
673100 Insurance																				0	0	
673101 CAPRI-Worker's Comp		558	3,500	15.93%	876	5,500	15.93%	936	5,875	15.93%	5,118	32,125	15.93%	398	2,500	15.93%	80	500	15.93%	7,966	50,000	15.93%
673102 CAPRI-General Liability/Auto		7,528	31,500	23.90%	7,528	31,500	23.90%	7,528	31,500	23.90%	7,528	31,500	23.90%	1,673	7,000	23.90%	1,673	7,000	23.90%	33,459	140,000	23.90%
Total 673100 Insurance		**$ 8,086**	**$ 35,000**	**23.10%**	**$ 8,405**	**$ 37,000**	**22.71%**	**$ 8,464**	**$ 37,375**	**22.65%**	**$ 12,646**	**$ 63,625**	**19.88%**	**$ 2,071**	**$ 9,500**	**21.80%**	**$ 1,753**	**$ 7,500**	**23.37%**	**$ 41,425**	**$ 190,000**	**21.80%**
721000 Fixed Assets-Structure/Imprvmts																				0	0	
721100 Fixed Assets-Structures/Imprvmt						23,000	0.00%		50,000	0.00%										0	73,000	0.00%
721101 Construction In Progress								1,260	315,000	0.40%		20,000	0.00%							1,260	335,000	0.38%
721102 FA - S&I - Not Capitalized			2,500	0.00%																0	2,500	0.00%
Total 721000 Fixed Assets-Structure/Imprvmts		**$ -**	**$ 2,500**	**0.00%**	**$ -**	**$ 23,000**	**0.00%**	**$ 1,260**	**$ 365,000**	**0.35%**	**$ -**	**$ 20,000**	**0.00%**	**$ -**	**$ -**		**$ -**	**$ -**		**$ 1,260**	**$ 410,500**	**0.31%**
731000 Fixed Assets - Equipment																				0	0	
731100 Fixed Assets-Equipment									16,000	0.00%										0	16,000	0.00%
731101 FA Equipmnt Not Capitalized	11		2,500	0.00%	1,944	3,275	59.37%	4,312			2,216	5,000	44.32%							8,472	10,775	78.63%
Total 731000 Fixed Assets - Equipment		**$ -**	**$ 2,500**	**0.00%**	**$ 1,944**	**$ 3,275**	**59.37%**	**$ 4,312**	**$ 16,000**	**26.95%**	**$ 2,216**	**$ 5,000**	**44.32%**	**$ -**	**$ -**		**$ -**	**$ -**		**$ 8,472**	**$ 26,775**	**31.64%**
Total Expenses		**$ 172,369**	**$ 785,398**	**21.95%**	**$ 349,523**	**$1,200,521**	**29.11%**	**$ 162,159**	**$1,223,480**	**13.25%**	**$ 200,193**	**$ 964,243**	**20.76%**	**$ 37,822**	**$ 131,781**	**28.70%**	**$ 20,282**	**$ 190,732**	**10.63%**	**$ 942,348**	**$4,496,155**	**20.96%**
Net Operating Income		**$ 23,576**	**$ 327,936**	**7.19%**	**$ (54,203)**	**$ 355,569**	**-15.24%**	**$ 9,947**	**$ (22,320)**	**-44.57%**	**$ (67,082)**	**$ (495,743)**	**13.53%**	**$ (12,885)**	**$ (31,781)**	**40.54%**	**$ (12,762)**	**$ (60,732)**	**21.01%**	**$ (113,408)**	**$ 72,929**	**-155.50%**
Net Income		**$ 23,576**	**$ 327,936**	**7.19%**	**$ (54,203)**	**$ 355,569**	**-15.24%**	**$ 9,947**	**$ (22,320)**	**-44.57%**	**$ (67,082)**	**$ (495,743)**	**13.53%**	**$ (12,885)**	**$ (31,781)**	**40.54%**	**$ (12,762)**	**$ (60,732)**	**21.01%**	**$ (113,408)**	**$ 72,929**	**-155.50%**

*1. FYTD figures do not include any potential forthcoming property tax revenue or interest income from San Mateo County for the month of September

*2. 50% of FY26-27 ERAF revenue has been received this fiscal year. The remaining 50% will be received in January 2027

*3. Interest is received from San Mateo County Quarterly in July/Oct/Jan/Apr

*4. EDD Q1 2026 benefit charges for former employee on 3/31/26

*5. Annual Community Care License Renewal ASP

*6. Expenses are primarily related to downstream lining and sewer excavation & clean-out installation work

*7. Bookkeeper Temp Fees, IT Support, and registration for Pool & Reg Office

*8. Summer Camp & Special Activities Bus Transportation & Fuel Surcharge

*9. 50% of Bond Interest is paid for FY26-27; Remaining payment will be made in early 2027

*10. 100% of Bond Principal has been paid for FY26-27

*11. $4,312 is for Registration Office new desktops; $2,216 is for Pool's new desktops; $1928 is for EEC's Washer & Dryer

Date: October 13, 2026

To: HRD Board of Directors

From: Tamsen K. Burke, General Manager

Re: Discussion/Motion – Adopt Resolution 2026-05 for Determining the Calculation of the Appropriations Limits for fiscal year 2026-2027, Section 7910 Government Code, California Constitution Article XIIIB.

BACKGROUND:

California Revenue and Taxation Code section 2227 requires the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2025, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2026-27.

Exhibit A Provides historical data as well as FY 2026 calculations for the appropriation limits which include (1) provides the change in California's per capita personal income and an example for utilizing the factors to calculate the 2025-26 appropriations limit. (2) population percentage change; (3) population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal, and state institutionalized populations and military populations. The District is required by law to calculate their appropriations limit and present it as part of its annual audit.

A notice of determination of calculation limits is available to the public for the period of fifteen days as required by law (noticed on September 29, 2026).

DISCUSSION:

The annual letter from the California Department of Finance is included as (Attachment A). The letter provides the necessary data for the calculation of the District's appropriations limit for the fiscal year. Moving forward staff will bring future resolutions to the Board for their approval as part of the annual budget approval process.

FISCAL IMPACT:

There is no fiscal impact on the District with the adoption of the following resolution. Proposed Appropriations Limit for the Highlands Recreation District for the fiscal year 2026-2027.

SECTION 1. The Appropriations Limit for the Highlands Recreation District for the fiscal year 2025-2026, actual $475,364 as documented in Exhibit A, attached hereto and incorporated herein by reference.

SECTION 2. The Appropriations Limit for the Highlands Recreation District for the fiscal year 2026-2027 shall be estimated at $502,495, as documented in Exhibit A, attached hereto and incorporated herein by reference.

SECTION 3. The inflation factor being utilized to calculate the fiscal year 2026-2027 appropriations limit is the California per capita income.

SECTION 4. The population factor being utilized to calculate the fiscal year 2026-2027 appropriations limit is the County of San Mateo's Unincorporated population growth provided by the State of California Department of Finance.

RECOMMENDATION:

Staff recommend the Board adopt resolution 2026-05 determining the final calculation of the appropriations limit of the District for Fiscal Year 2026.

EXHIBITS:

EXHIBIT A

Gann Appropriate Limit Calculation

Highlands Recreation District
Gann Appropriation Limits

Years/Factors	FY2021-2022	FY2022-2023	FY2023-2024	FY2024-2025	FY2025-2026	FY2026-2027
	1/2020 - 1/2021	1/2021 - 1/2022	1/2022 - 1/2023	1/2023 - 1/2024	1/2024 - 1/2025	1/2025-1/2026
Prior Year Appropriation Limit	$ 1,003,858	$ 1,035,055	$ 1,075,431	$ 1,144,944	$ 1,189,442	$ 1,224,488
Population Change (%) January 1 - December 31	-1.73	-1.01	-1.04	-0.65	-0.32	-0.02
Change in CA per Capita Personal Income (%)	5.73	7.55	4.44	3.62	6.44	4.95
Per Capita Cost Living Change -Population Converted Ratio Adjustment Factor	1.039	1.0723	1.0407	1.0379	1.0379	1.048
Appropriations Limit (Prior Year App. Limit x Adjustment Factor)	$ 1,035,055	$ 1,075,422	$ 1,144,944	$ 1,189,442	$ 1,224,488	$ 1,363,756
less property tax budgeted	$ 589,137	$ 612,557	$ 656,369	$ 682,723	$ 749,147	$ 796,680
(=) under appropriation limit	$ 445,918	$ 462,874	$ 488,575	$ 506,719	$ 475,364	$ 502,495

Source:
State of California Department of Finance
These reports provide the price and population factors used for appropriation limit calculations.
Current Fiscal Year Data
Price and Population Cover Letter
Attachments A, B and C

ATTACHMENTS:

State of California, Department of Finance - Price Factor and Population Information, Appropriations Limit Cover Letter Fiscal Year 2026

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

May 1, 2026

Dear Fiscal Officer:

Price Factor and Population Information

Appropriations Limit
California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2026, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2026–27. Attachment A provides the change in California's per capita personal income and an example for utilizing the factors to calculate the 2026–27 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts
Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification
The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2026**. Please note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

/s Erika Li
Attachment

May 2026
Attachment A

A. **Price Factor**: Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2026–27 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2026-27	4.95

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2026–27 appropriation limit.

2026–27:

Per Capita Cost of Living Change = 4.95 percent
Population Change = -0.14 percent

Per Capita Cost of Living converted to a ratio: $\frac{4.95 + 100}{100} = 1.0495$

Population converted to a ratio: $\frac{-0.14 + 100}{100} = 0.9986$

Calculation of factor for FY 2026–27: 1.0495 x 0.9986 = 1.0480

PUBLIC NOTICE

Pursuant to Government Code Section 7910: The Board of Directors shall publish the notice of documentation used in the determination of the fiscal year 2026 appropriations limit has been available to the public for 15 days before the Board of Directors determination in this matter.

- Under Article XIIIB of the Constitution of the State of California, the Highlands Recreation District ("District") may not appropriate any proceeds of taxes in excess of its appropriations limit (Limit)
- Since fiscal year 1979 the District is permitted to annually adjust its Limit in accordance with inflation and population adjustment factors
- Pursuant to Government Code Section 37200, the calculation of the Limit and the total appropriations subject to the limit are hereby set forth for the District for Fiscal Year 2026.
- Pursuant to Government Code 7901 and 7910, the calculation of the Limit has been determined, and the adjustment factors on which the calculation is based are a change in California per capita income and a change in the population growth for unincorporated San Mateo County

This notice is hereby given that the Board of Directors of the Highlands Recreation District will review, consider and adopt the Highlands Recreation District Appropriations Limit for Fiscal Year 2026–2027 at the following date, time, and location:

Date: Tuesday, October 13, 2026
Time: 7:00 PM
Location: Highlands Recreation District, Multi-Purpose Room
1851 Lexington Avenue, San Mateo, CA 94402

Members of the public are invited to attend and provide comments. The proposed Gann Appropriations Limits for Highlands Recreation District will be available for public inspection beginning September 29, 2026, during normal business hours at the District Registration Office or online at highlandsrec.ca.gov.

For additional information, please contact the District Office at (650) 341-4251 or email generalmanager@highlandsrec.ca.gov.

Proposed Appropriations Limit for the Highlands Recreation District for the fiscal year 2025-2026

SECTION 1. The Appropriations Limit for the Highlands Recreation District for the fiscal year 2025-2026, actual $475,364 as documented in Exhibit A, attached hereto and incorporated herein by reference.

SECTION 2. The Appropriations Limit for the Highlands Recreation District for the fiscal year 2026-2027 shall be estimated at $502,495, as documented in Exhibit A, attached hereto and incorporated herein by reference.

SECTION 3. The inflation factor being utilized to calculate the fiscal year 2026-2027 appropriations limit is the California per capita income.

SECTION 4. The population factor being utilized to calculate the fiscal year 2026-2027 appropriations limit is the County of San Mateo's Unincorporated population growth provided by the State of California Department of Finance.

Exhibit A: Highlands Recreation District

Proposed Gann Appropriate Limit Calculation

FY 2026-2027

Highlands Recreation District
Gann Appropriation Limits

Years/Factors	FY2021-2022	FY2022-2023	FY2023-2024	FY2024-2025	FY2025-2026	FY2026-2027
	1/2020 - 1/2021	1/2021 - 1/2022	1/2022 - 1/2023	1/2023 - 1/2024	1/2024 - 1/2025	1/2025-1/2026
Prior Year Appropriation Limit	$ 1,003,858	$ 1,035,055	$ 1,075,431	$ 1,144,944	$ 1,189,442	$ 1,224,488
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Per Capita Cost Living Change -Population Converted Ratio Adjustment Factor	1.039	1.0723	1.0407	1.0379	1.0379	1.048
Appropriations Limit (Prior Year App. Limit x Adjustment Factor)	$ 1,035,055	$ 1,075,422	$ 1,144,944	$ 1,189,442	$ 1,224,488	$ 1,363,756
less property tax budgeted	$ 589,137	$ 612,557	$ 656,369	$ 682,723	$ 749,147	$ 796,680
(=) under appropriation limit	$ 445,918	$ 462,874	$ 488,575	$ 506,719	$ 475,364	$ 502,495

Source:
State of California Department of Finance
These reports provide the price and population factors used for appropriation limit calculations.
Current Fiscal Year Data
Price and Population Cover Letter
Attachments A, B and C

HIGHLANDS RECREATION DISTRICT
RESOLUTION NO. 2026-05

APPROPRIATIONS LIMIT FOR FISCAL YEAR 2026-2027

RESOLUTION OF BOARD OF DIRECTORS OF THE HIGHLANDS RECREATION DISTRICT ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2026

WHEREAS, under Article XIIIB of the Constitution of the State of California, the Highlands Recreation District ("District") may not appropriate any proceeds of taxes in excess of its appropriations limit (Limit); and

WHEREAS, since fiscal year 1979 the District is permitted to annually adjust its Limit in accordance with inflation and population adjustment factors; and

WHEREAS, pursuant to Government Code Section 37200, the calculation of the Limit and the total appropriations subject to the limit are hereby set forth for the District for Fiscal Year 2026.

WHEREAS, pursuant to Government Code 7901 and 7910, the calculation of the Limit has been determined, and the adjustment factors on which the calculation is based are a 4.95% change in California per capita income and a -.02% change in the population growth for unincorporated San Mateo County; and

WHEREAS, documentation used in the determination of the fiscal year 2026 appropriations limit has been available to the public for 15 days before the Board of Directors determination in this matter, as required by Government Code Section 7910.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Highlands Recreation District, resolves as follows:

SECTION 1. The Appropriations Limit for the Highlands Recreation District for the fiscal year 2025-2026, actual $475,364 as documented in Exhibit A, attached hereto and incorporated herein by reference.

SECTION 2. The Appropriations Limit for the Highlands Recreation District for the fiscal year 2026 shall be estimated at $502,495, as documented in Exhibit A, attached hereto and incorporated herein by reference.

SECTION 3. The inflation factor being utilized to calculate the fiscal year 2026 appropriations limit is the California per capita income.

SECTION 4. The population factor being utilized to calculate the fiscal year 2026 appropriations limit is the County of San Mateo's Unincorporated population growth provided by the State of California Department of Finance.

The Board hereby adopts the estimate calculation of the Appropriations Limit of the District for Fiscal Year 2026.

PASSED AND ADOPTED at the regular meeting of the Board of Directors of Highlands Recreation District, this 13th day of October 2026, by the following vote:

AYES:
NOES:
ABSENT:
ATTEST:

HIGHLANDS RECREATION DISTRICT
SAN MATEO COUNTY, CALIFORNIA

By _____
President, Board of Directors

ATTEST: I, Tamsen K. Burke, do hereby certify that I am the interim 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 13th day of October 2026.
Secretary, Board of Directors

*Revised. PDF

MEMORANDUM

Date: October 13, 2026

To: Board of Directors

From: Tamsen K. Burke, General Manager

Re: SB 827 Training Requirements and Resolution updating the Bylaws of the Highlands Recreation District

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Overview

SB 827 updates California's training requirements for local agency officials by amending Government Code sections 53234, 53235.1, 53235.2 and adding Article 2.4.6 (beginning with Section 53238). It expands who must receive ethics training and establishes a new statewide fiscal and financial training mandate covering key areas of public finance and ethical stewardship.

SB 827 also creates a new requirement related to fiscal and financial training for the following officers, officials and executives: (1) elected officers; (2) members of a local agency's legislative body; (3) appointed officials who make decisions or recommendations regarding financial administration, budgeting, or the use of public resources; (4) local agency executives; and (5) employees designated by the local agency.

Covered individuals must complete at least two hours of training on financial administration, budgeting, reporting, capital financing, debt management, pensions, cash management and investments, fiscal and financial planning, procurement and contracting, and related laws. Covered individuals must complete this training every two years.

SB 827 authorizes local agencies to contract with a qualified provider to offer the training or develop self-study materials with tests. SB 827 requires that providers develop the content

in consultation with recognized experts in local government finance and provide participants with proof of participation. Local agencies must distribute to covered individuals information on available training at least once annually.

Covered individuals include:

- Elected officers and members of a local agency's legislative body
- Appointed officials who make decisions or recommendations regarding financial administration, budgeting, or public resource use
- Local agency executives, department heads, or similar administrative officers
- Employees designated by the local agency to handle financial responsibilities

Training Content

The training must cover at least two hours and include topics such as:

- Financial administration and reporting
- Municipal budgeting and fiscal planning
- Capital financing and debt management
- Cash management and investments
- Procurement and contracting
- Pensions and long-term financial planning
- Ethical stewardship of public resources

Compliance Deadlines

- Officials starting service on or after January 1, 2026 must complete the training within six months of their start date
- Officials already in service as of January 1, 2026 must complete the training by January 1, 2028
- Training must be renewed every two years to maintain compliance

Training Delivery and Recordkeeping

Local agencies may:

- Contract with qualified providers or develop self-study materials with tests
- Ensure training content is developed in consultation with recognized experts in local government finance
- Provide proof of participation to participants
- Distribute information about available training at least once annually

- Maintain training records for at least five years and make them accessible to the public

Available Training Options

- **Webinars:** Organizations like the California Special Districts Association (CSDA) offer webinars that fulfill SB 827 requirements at no charge for members csda.net.
- **CSAC Institute Training:** The California State Association of Counties (CSAC) is preparing SB 827-compliant courses covering all required fiscal and financial topics, expected to roll out in early 2026. Officials and agencies should subscribe to updates from these providers to receive notifications about course availability and registration.

Key Takeaway

SB 827 ensures that local agency officials are equipped with the knowledge to manage public funds responsibly, combining ethics with practical financial skills. Compliance requires timely completion, proper recordkeeping, and participation in approved training programs.

Recommendation

Staff recommend the Board adopt the attached resolution updating the Bylaws to minimize when/if state law changes.

Alternatively, the Board could provide further direction regarding updates to the Bylaws for consideration at a future meeting.

Attachments: Resolution No. 2026-5 (attaching Updated Highlands Recreation District Bylaws)

HIGHLANDS RECREATION DISTRICT

Bylaws

A. FORMATION

1. **Original Authorization and Purpose**
   The Highlands Recreation District was organized as a Community Services District pursuant to Sections 61000 *et seq.* of the Government Code of the State of California (Community Services District Law) on the 24th day of September, 1957, for the purpose of providing public recreation by means of parks, playgrounds, swimming pools, recreation buildings, a community meeting hall, and such other buildings and facilities as are necessary to the operation of such a district, including, but not limited to, the acquisition of lands, rights of way, easements, or other rights of real property therefore, the purchase, construction, furnishing, or equipping of building and other facilities therefore, and the performing of all work auxiliary to any of the above which may be necessary to complete or maintain the same.

2. **Additional Purposes**
   The functions and purposes of the District may in the future be expanded to such other matters as are legally permissible under the appropriate sections of the Community Services District Law in the manner specified therein.

B. BOARD OF DIRECTORS

1. **Governing Body**
   The Board is the governing body of the District.

2. **Number of Directors, Qualifications and Election**
   The District shall have a Board of five Directors, all of whom shall be registered electors domiciled within the boundaries of the District and all of whom shall be elected at large.

3. **Elections of Directors**
   Elections are held in accordance with the Uniform District Election Law (Sections 10500 *et seq.* of the California Election Code).

4. **Time of Election**
   Elections will be held on the first Tuesday after the first Monday in November in each even numbered year to choose Directors who will take office at noon on the first Friday of December.

5. **Term of Office**
   The term of office of each Director shall be four years. Elections will be held every two years with three Directors elected in the November election concurrent with the California gubernatorial election and two Directors elected in the November election concurrent with the Presidential election.

6. Filling of Vacancies

Any vacancy on the Board of Directors will be filled pursuant to Government Code Section 1780.

7. Oath of Office

Before entering upon the duties of his/her office each Director shall take and subscribe the official oath before an officer authorized by law to administer oaths and shall file it with the Board Secretary.

8. Recall of Directors

Every incumbent of the office of Director, whether elected or appointed, may be recalled by the voters in accordance with the recall provisions of the Elections Code Sections 11000 et seq.

9. Compensation of Directors

The Directors shall serve without compensation. Pursuant to Government Code Section 61047, Directors may receive their actual and necessary traveling and incidental expenses incurred while on official business for the District.

10. Training and Education of Board Members

Board Members must complete any training required by state law including: ethics training, fiscal/financial training, and sexual harassment prevention training. Board Members shall endeavor to take a minimum of four additional hours per year of education on topics relevant to their service on the Board and file proof of completion with the Secretary of the Board. A Director who does not complete this training may be subject to censure or reprimand by the Board.

11. Code of Conduct

The Board of Directors is committed to excellence in legislative leadership to promote high-quality District facilities and services. Directors will show respect for other Directors, staff, and the public; come to meetings prepared; listen attentively; and focus on providing clear policy direction to staff.

C. CONDUCT OF BUSINESS

1. President and Vice President of the Board

The President presides over meetings of the Board and the Vice President serves as President in the President's absence or inability to serve. At the regular December Board meeting, the Directors shall meet and organize as a Board. At this time, a President and a Vice-President shall be appointed, in that order. The President and Vice-President roles rotate each December among Directors as described in this section. The Vice-President will rotate into the President's role and another Director will rotate into the Vice-President role. The order shall be determined based on tenure on the Board, with newly-elected and/or appointed Directors last in order, and the rotation will continue such that all Directors have the opportunity to hold these roles before any Director is reappointed. If two or more Directors are elected at the same time, priority shall be determined by the

number of votes received. If two or more Directors are appointed at the same time, priority shall be determined based on a coin toss. A Director may decline to fulfill either of these roles at the time of their appointment. A Director who declines to serve will go to end of the order of rotation, except that they will be ahead of the Director who most recently served as President. If the Directors next in line to be President and Vice President both decline, they will both go to end of the order of rotation in that order, ahead of the Director who most recently served as President.

2. **Committees**
The Board may establish standing committees and temporary ad-hoc committees, appointing members as it deems appropriate. Each committee shall consist of two Directors. Meetings of standing committees shall be noticed and open to the public as required by the Brown Act. Temporary ad-hoc committees shall have a limited purpose and a defined time frame to accomplish that purpose, such that meetings need not be noticed and open to the public under the Brown Act. Each committee is authorized to meet with staff members, and/or contractors, etc. to review pertinent matters within the scope of its jurisdiction. Each committee shall report on its meetings at Board meetings, making recommendations if it so desires. No final actions may be taken by committees, which shall be only advisory in nature, i.e., committees cannot be delegated any decision-making power and return to the full Board with recommendations as appropriate.

3. **Mode of Exercising Powers**
The Board shall act only by ordinance, resolution, or motion passed by an affirmative vote of at least three Board Members.

4. **Recording Vote**
The ayes and nays shall be taken by roll call for all ordinances, resolutions, or motions and will be so entered upon the minutes of the Board.

5. **Quorum**
A majority of the Board (three Directors) shall constitute a quorum for the transaction of business.

6. **Amendment**
These Bylaws may be amended by resolution adopted by an affirmative vote of at least four Board Members.

D. MEETINGS

1. **Open Meetings**
All meetings of the Board shall be conducted pursuant to the Brown Act (Government Code Section 54950 et seq.). When feasible, Board meeting agendas will, as a courtesy, include an option for the public to attend via tele/videoconference.

2. **Conduct of Meetings**
Robert's Rules of Order shall be followed.

3. Preparation of Agenda

Any Board Member may request an item be placed on the agenda for an upcoming meeting. The agenda shall be prepared by the General Manager in consultation with the President. As required by the Brown Act, only items listed on the agenda may be discussed at meetings. The agenda shall be physically posted at the direction of the General Manager at the Highlands Recreation Center in a prominent place easily accessible to the public and posted to the District website.

4. Regular Meetings

The regular meetings of the Board of Directors shall be held at 7:00 pm on the second Tuesday of each month in a meeting room of the Highlands Recreation Center. The agenda for regular meetings shall be posted and circulated to all members of the Board at least seventy-two (72 hours) before each regular Board meeting, consistent with the Brown Act.

5. Special Meetings

A special meeting may be called by the President of the Board or by a majority of Directors in the event of matters of importance, which cannot be delayed until the next regular meeting. Notice of such a special meeting must be provided to all Directors and the public at least twenty-four (24) hours in advance of the meeting, consistent with the Brown Act.

6. Emergency Meetings

Emergency meetings may be called consistent with the Brown Act.

7. Closed Sessions

Closed sessions are limited to specific matters authorized by the Brown Act (e.g., to provide direction to a real estate negotiator, to discuss pending litigation with a legal advisor to the Board; insurance liability claims; personnel matters; and threats to public services or facilities). Any closed sessions of the Board must be briefly described in an agenda for the meeting per the requirements of the Brown Act. Prior to adjourning into closed session, a Director (usually the President of the Board) must orally announce the items to be discussed in the closed session and allow public comment. Once the closed session has been completed, the Board must reconvene in open session to make any reports as required by the Brown Act.

8. Attendance

The Board Secretary shall take attendance at all meetings and present the annual attendance record at the January Board meeting.

Punctual and regular attendance at Board meetings is an essential responsibility of each Director. Elected and appointed Directors shall make every effort to attend meetings in person, or by tele/videoconference when allowed by the Brown Act. If a Director is unable to attend a meeting, the Director should advise the Board prior to such meeting if at all possible; if not possible the Director shall advise the General Manager prior to the meeting. Consecutive absences are strongly discouraged.

Given the limited number of meetings, Director absences are disruptive to the functioning of the Board. A Director who is absent from three or more meetings in a calendar year may be subject to censure or reprimand by the Board.

9. Minutes

Draft minutes of Board meetings will be prepared by staff promptly following each Board meeting and placed on the agenda for Board approval at the next regular meeting. Following Board approval, minutes will be physically posted at the Highlands Recreation Center in a place easily accessible to the public and posted on the District's website. Minutes are to be retained indefinitely in the District's records.

E. STAFF

1. General Manager

The Board shall appoint the General Manager, who shall have the responsibilities described in the Community Services District Law. The General Manager or their designee shall serve as the Board Secretary.

2. Managerial and Supervisory Staff

The General Manager shall appoint managerial and supervisory staff members.

3. Compensation -Term

a. The General Manager shall receive compensation as determined by the Board of Directors and shall serve at its pleasure.

b. A Director shall not be General Manager.

Revised June 9, 1998 and November 12, 1998
(Bylaws Committee: Steve Gehre and Wil Pinney)
Board of Directors: President Gordon Chalmers, Vice-President Steve Gehre, Edie Kirschner, Wil Pinney, & Jim Sell.

Revised November 10, 2008
(Bylaws Committee: Brigitte Shearer and Michelle McNeil)
Board of Directors; President Hal Carroll, Vice President Brigitte Shearer, Jim Sell, Pamela Merkadeau, & Michelle McNeil.

Revised June 14, 2016
(Bylaws Committee: Pamela Merkadeau and Eric Olbekson)
Board Member: Hal Carroll, Eric Olbekson, Michelle McNeil, Pamela Merkadeau, Sterling Sakai

Revised February 13, 2018
Board Members: Eric Olbekson, Michelle McNeil, Pamela Merkadeau, Andrew Aquino, Christopher Gurr

Revised October 10, 2023 (Resolution No. 2023-4)

Board Members: Eric Olbekson, Pamela Merkadeau, Andrew Aquino, Shirin Bakhshay, Uy Ut

Revised _____, 2026 (Resolution No. ___)
Board Members: Pamela Merkadeau, Andrew Aquino, Rayna Francis, Uy Ut, Chris Carlos

HIGHLANDS RECREATION DISTRICT
RESOLUTION NO. 2026-6
TRAINING AND EDUCATION OF BOARD MEMBERS

A resolution of the Board of Directors of the Highlands Recreation District updating the Bylaws of the District.

WHEREAS, the Highlands Recreation District Bylaws were last updated in October 10, 2023; and

WHEREAS, SB 827 updates California's training requirements for local agency officials by amending Government Code sections 53234, 53235.1, 53235.2 and adding Article 2.4.6 (beginning with Section 53238). It expands who must receive ethics training and establishes a new statewide fiscal and financial training mandate covering key areas of public finance and ethical stewardship.

WHEREAS, new requirement related to fiscal and financial training for the following officers, officials and executives: (1) elected officers; (2) members of a local agency's legislative body; (3) appointed officials who make decisions or recommendations regarding financial administration, budgeting, or the use of public resources; (4) local agency executives; and (5) employees designated by the local agency every two years.

WHEREAS, the Highlands Recreation District Bylaws, 2023, section Training and Education of Board Members

> **10.Training and Education of Board Members**
> In accordance with Government Code Section 53232, Board Members must complete ethics training (sometimes called AB 1234 training) upon initial election or appointment to the Board and every two years thereafter. All Directors shall also receive sexual harassment training in compliance with State law.

be, updated to

> **10.Training and Education of Board Members**
> Board Members must complete any training required by state law including: ethics training, fiscal/financial training, and sexual harassment prevention training. Board Members shall endeavor to take a minimum of four additional hours per year of education on topics relevant to their service on the Board and file proof of completion with the Secretary of the Board. A Director who does not complete this training may be subject to censure or reprimand by the Board.

NOW THEREFORE, BE IT RESOLVED that the Board adopts the updated Highlands Recreation District Bylaws attached hereto.

PASSED AND ADOPTED at the regular meeting of the Board of Directors of Highlands Recreation District, this 13th day of October 2026, by the following vote:

AYES:
NOES:
ABSENT:
ATTEST:

HIGHLANDS RECREATION DISTRICT
SAN MATEO COUNTY, CALIFORNIA

By _____
President, Board of Directors

ATTEST: I, Tamsen K. Burke, do hereby certify that I am the interim 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 13th day of October 2026.

Secretary, Board of Directors

Attachment: Updated Highlands Recreation District Bylaws

MEMORANDUM

Date: October 13, 2026

To: Board of Directors

From: Tamsen K. Burke, General Manager

Re: Elections Code and Elections Procedure Memo

Overview

Review and discuss the November 3, 2026, Elections and Procedures applicable for which there are three Board of Director seats open and two qualified candidates on the roster posted by the County Elections Officer.

Election Code section 10515

(a) If, by 5 p.m. on the 83rd day prior to the day fixed for the general district election:

> (1) only one person has filed a declaration of candidacy for any elective office to be filled at that election,
>
> (2) no one has filed a declaration of candidacy for such an office,
>
> (3) in the case of directors to be elected from the district at large, the number of persons who have filed a declaration of candidacy for director at large does not exceed the number of offices of director at large to be filled at that election, or
>
> (4) in the case of directors who must reside in a division but be elected at large, the number of candidates for director at large from a division does not exceed the number required to be elected director at large while residing in that division; and if a petition signed by 10 percent of the voters or 50 voters, whichever is the smaller number, in the district or division if elected by division, requesting that the general district election be held has not been presented to the officer conducting the

election, he or she shall submit a certificate of these facts to the supervising authority and request that the supervising authority, at a regular or special meeting held prior to the Monday before the first Friday in December in which the election is held, appoint to the office or offices the person or persons, if any, who have filed declarations of candidacy. The supervising authority shall make these appointments.

(b) If no person has filed a declaration of candidacy for any office, the supervising authority shall appoint any person to the office who is qualified on the date when the election would have been held. The person appointed shall qualify and take office and serve exactly as if elected at a general district election for the office.

(c) Where a director must be appointed to represent a division, all or most of which is not within the county governed by the supervising authority, then the board of supervisors of the county within which all or most of that division is located shall be the body to which request for appointment is made and which shall make the appointment.

Staff are waiting on follow up inquiries from the San Mateo County Election Office guidance which will be shared at the meeting.

Use of District Facilities - Election Code - Government Code - GOV

For the Elections season, staff are sharing information with the Board of Directors on the use of District facilities, candidates campaigning for the District or other elected offices and related information during the election process for November 3, 2026. Rentals for District facilities have been managed within the code to ensure that the District is not providing subsidiary provisions to the renter (rental fees) and prohibition of election materials, signage, on HRD property to avoid any public perception that HRD is supporting specific candidates on the ballot.

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980]

(Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 1. GENERAL [8000 - 8899.95]

(Division 1 enacted by Stats. 1943, Ch. 134.)

CHAPTER 5. Miscellaneous [8310 - 8318] *(Chapter 5 added by Stats. 1953, Ch. 170.)*

8314.

(a) It is unlawful for any elected state or local officer, including any state or local appointee, employee, or consultant, to use or permit others to use public resources for a campaign activity, or personal or other purposes which are not authorized by law.

(b) For purposes of this section:

(1) “Personal purpose” means those activities the purpose of which is for personal enjoyment, private gain or advantage, or an outside endeavor not related to state business. “Personal purpose” does not include the incidental and minimal use of public resources, such as equipment or office space, for personal purposes, including an occasional telephone call.

(2) “Campaign activity” means an activity constituting a contribution as defined in Section 82015 or an expenditure as defined in Section 82025. “Campaign activity” does not include the incidental and minimal use of public resources, such as equipment or office space, for campaign purposes, including the referral of unsolicited political mail, telephone calls, and visitors to private political entities.

(3) “Public resources” means any property or asset owned by the state or any local agency, including, but not limited to, land, buildings, facilities, funds, equipment, supplies, telephones, computers, vehicles, travel, and state-compensated time.

(4) “Use” means a use of public resources which is substantial enough to result in a gain or advantage to the user or a loss to the state or any local agency for which a monetary value may be estimated.

(c) (1) Any person who intentionally or negligently violates this section is liable for a civil penalty not to exceed one thousand dollars ($1,000) for each day on which a violation occurs, plus three times the value of the unlawful use of public resources. The penalty shall be assessed and recovered in a civil action brought in the name of the people of the State of California by the Attorney General or by any district attorney or any city attorney of a city having a population in excess of 750,000. If two or more persons are responsible for any violation, they shall be jointly and severally liable for the penalty.

(2) If the action is brought by the Attorney General, the money recovered shall be paid into the General Fund. If the action is brought by a district attorney, the money recovered shall be paid to the treasurer of the county in which the judgment was entered. If the action is brought by a city attorney, the money recovered shall be paid to the treasurer of that city.

(3) No civil action alleging a violation of this section may be commenced more than four years after the date the alleged violation occurred.

(d) Nothing in this section shall prohibit the use of public resources for providing information to the public about the possible effects of any bond issue or other ballot measure on state activities, operations, or policies, provided that (1) the informational activities are otherwise authorized by the constitution or laws of this state, and (2) the information provided constitutes a fair and impartial presentation of relevant facts to aid the electorate in reaching an informed judgment regarding the bond issue or ballot measure.

(e) The incidental and minimal use of public resources by an elected state or local officer, including any state or local appointee, employee, or consultant, pursuant to this section shall not be subject to prosecution under Section 424 of the Penal Code.

(Amended by Stats. 2003, Ch. 62, Sec. 109. Effective January 1, 2004.)