



Midpeninsula Regional  
Open Space District

R-15-112  
Meeting 15-20  
August 12, 2015

## AGENDA ITEM 6

### AGENDA ITEM

Establishment of the Measure AA Bond Oversight Committee and adopting Committee Bylaws

### GENERAL MANAGER'S RECOMMENDATION

A handwritten signature in black ink, appearing to be "S. J. ...".

1. Approve a resolution forming the Measure AA Bond Oversight Committee.
2. Approve the draft bylaws for the Measure AA Bond Oversight Committee.

### SUMMARY

On June 3, 2014, the voters in the Midpeninsula Regional Open Space District (District) passed Measure AA, authorizing the issuance of up to \$300 million in general obligation bonds over a thirty year period to be repaid with new property tax levies. The authorizing ordinance, as approved by the voters, includes a requirement for a bond oversight committee charged with reviewing bond expenditures to verify conformity with the adopted expenditure plan. At a study session on September 24, 2014, the Board of Directors provided input regarding the Measure AA Bond Oversight Committee's (Committee) role, as well as its recruitment and meeting schedule. Staff is returning with a draft of the Committee's bylaws and a resolution to formally establish the Committee.

### DISCUSSION

#### Background

On June 3, 2014, the voters of the Midpeninsula Regional Open Space District passed Measure AA authorizing the issuance of up to \$300 million in general obligation bonds (Ordinance 14-02). Section 3 of the Expenditure Plan attached to Measure AA includes the following language:

An Independent Citizen Oversight Committee [Measure AA Bond Oversight Committee] will be formed to verify expenditures of bond proceeds. The Independent Citizen Oversight Committee will consist of seven at-large members, all of whom shall be District residents. The Citizen Oversight Committee will be selected by the Board and interviewed and approved in open session, and will be subject to the conflict of interest constraints of the California Political Reform Act.

The responsibilities of the Committee include:

- Review Plan expenditures on an annual basis to verify conformity with the Expenditure Plan.

- Review District's Annual General Obligation Bond Audit and Annual Accountability Report and present the Committee's findings to the Board at a public meeting.
- Review any proposed amendments to the Expenditure Plan.

At a study session on September 24, 2014, the Board determined that the role of the Committee should include only those charges as outlined in Ordinance 14-02 and directed staff to return with draft bylaws governing the Committee. The Board also determined that the Committee members' term would start on July 1, 2016, approximately four months prior to the completion of the audit of the first year's expenditures.

### **Discussion**

The Measure AA Bond Oversight Committee bylaws are based on the duties and requirements outlined in Ordinance 14-02 and are intended to fulfill these requirements. The bylaws define and set forth the following for the Committee:

- Purpose and Responsibilities
- Basic Operations
- Committee Lifespan
- Organizational Structure & Applicability of Existing District Policies and Practices
- Meeting Schedule
- Staff Support
- Member Appointment

At its September 24, 2014 study session, the Board determined that the selection process for Committee members would be determined following the close of the application period for the initial recruitment (December 2015).

### **FISCAL IMPACT**

Once the Committee is established, staff time to support the Committee and necessary supplies and materials will incur additional costs. These costs will be identified and incorporated into the annual District Budget for approval by the Board.

### **BOARD COMMITTEE REVIEW**

At its September 24, 2014 study session, the Board requested this item be brought directly to the full Board of Directors.

### **PUBLIC NOTICE**

Public notice was provided as required by the Brown Act. Staff has also created an interested party list of individuals who have expressed interest in the Committee. Direct notice of this agenda item was mailed to all on the interested party list in addition to those who are on the interested party list regarding the Measure AA Implementation process.

### **CEQA COMPLIANCE**

This item is not a project subject to the California Environmental Quality Act.

**NEXT STEPS**

Following adoption of the resolution forming the Measure AA Bond Oversight Committee, staff will begin the recruitment process as outlined in Attachment 4. Staff will return at the close of the application period to seek direction regarding the selection and appointment process.

Attachments

1. Resolution forming the Measure AA Bond Oversight Committee
2. Draft bylaws for the Measure AA Bond Oversight Committee
3. Draft application for Measure AA Bond Oversight Committee
4. Recruitment schedule for Measure AA Bond Oversight Committee

Responsible Department Head:  
Steve Abbors, General Manager

Prepared by:  
Jennifer Woodworth, District Clerk

**RESOLUTION NO. 15-\_\_**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT APPROVING THE MEASURE AA BOND OVERSIGHT COMMITTEE BYLAWS**

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**WHEREAS**, Section 3 of the Measure AA Expenditure Plan (Plan) states that “An Independent Citizen Oversight Committee will be formed to verify expenditures of bond proceeds”;

**WHEREAS**, the Plan requires that the Measure AA Bond Oversight Committee (Committee) consist of seven at-large members;

**WHEREAS**, the Plan requires that members of the Committee be appointed by the Board and shall be residents within the Midpeninsula Regional Open Space District’s jurisdiction;

**WHEREAS**, the Plan describes the responsibilities of this Committee to include:

- Review Plan expenditures on an annual basis to verify conformity with the Expenditure Plan.
- Review District’s Annual Audit and Annual Accountability report and present the Committee’s findings to the Board at a public meeting.
- Review any proposed amendments to the Expenditure Plan.;

**WHEREAS**, the Committee will be referred to as the Measure AA Bond Oversight Committee;

**NOW, THEREFORE, BE IT RESOLVED**, the Board of Directors of the Midpeninsula Regional Open Space District approves the Measure AA Bond Oversight Committee Bylaws.

**BE IT FURTHER RESOLVED**, that the Board of Directors of the Midpeninsula Regional Open Space District (District) further directs that the General Manager is hereby authorized and directed, on behalf of the District and in its name, to execute and deliver such other documents and to do such acts as may be deemed necessary or appropriate to accomplish the intentions of the above resolution.

\* \* \* \* \*

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on \_\_\_\_\_, 2015, at a Regular Meeting thereof, by the following vote:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Secretary  
Board of Directors

\_\_\_\_\_  
President  
Board of Directors

**APPROVED AS TO FORM:**

\_\_\_\_\_  
General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

\_\_\_\_\_  
District Clerk

# Midpeninsula Regional Open Space District

## Board Policy Manual

<b>Measure AA Oversight Committee Bylaws</b>	<b>Policy 1.____ Chapter 1 – Administration &amp; Government</b>
Effective Date:	Revised Date:
Prior Versions:	

**Purpose:** The Measure AA Bond Oversight Committee (Committee) is appointed by the Board of Directors (Board) for the Midpeninsula Regional Open Space District (District) in order to promote transparency, and ensure oversight and accountability for all funds collected and allocated under Measure AA.

**Committee Responsibilities:** The Committee has the following three responsibilities for each of the years the Measure AA general obligation tax is collected or revenues expended:

- Review Plan expenditures on an annual basis to verify conformity with the Expenditure Plan.
- Review the District’s Annual Audit and Annual Accountability report and present the Committee’s findings to the Board at a public meeting.
- Review any proposed amendments to the Expenditure Plan.

The Committee Chair shall report the Committee’s findings at a public meeting of the Board of Directors.

The Committee shall not have authority to recommend, advise, or direct any such matters that may fall under its responsibility to review. The Committee is not advisory to the Board of Directors and has no power to determine how General Fund monies are spent. The Board of Directors retains its authority to make such decisions and determinations.

**Committee Composition:** The Committee shall consist of seven members, who are residents of the District.

- All members must be at least 18 years of age and reside within the Midpeninsula Regional Open Space District.
- Committee members may not be current District employees, District Board members, or any vendor, contractor, or consultant with active contracts or agreements with the Midpeninsula Regional Open Space District.
- If at any time during their term, a Committee member becomes aware of a potential conflict of interest by a potential contract for services or other possible financial interest in or with the District, the Committee member must notify both the staff contact and the District Counsel immediately for legal review of the issue.
- If at any time during their term, a Committee member ceases to maintain their principal place of residence within the District’s boundaries, then such person shall become

ineligible to continue to serve as a member of the Committee and said position shall be declared vacant by the Board of Directors.

### **Committee Operations:**

**Quorum and voting:** A majority of the Committee constitutes a quorum for the transaction of business. The Committee shall make decisions only by an affirmative vote of at least a majority of all members of the Committee.

**Attendance:** Members will actively support Committee activities and regularly attend meetings. Accordingly, more than three absences during an 18-month period may be cause for removal from the Committee by the Board of Directors.

**Record:** The Committee shall maintain a record of its meetings. Minutes of all meetings consisting of actions taken and the time and place of each meeting shall be kept on file at the District's administrative office. District staff will prepare the minutes for each Committee meeting with the assistance of the Committee Chair. A member roster and record of Committee member attendance shall be maintained by the District Clerk.

**Location of meetings:** The Committee shall meet in the Board Room, 330 Distel Circle, Los Altos, CA, at a time convenient to Committee members and the public or at some other location designated by the Committee within the boundaries of the Midpeninsula Regional Open Space District, which is available to members of the public and complies with state and federal laws regarding accessibility.

**Termination:** A member's term shall terminate on the occurrence of any of the following:

- The member voluntarily resigns by written notice to the Committee Chair or District staff.
- The member fails to continue to meet the qualifications for membership, including attendance and residency requirements.

**Committee Lifespan:** The Committee shall sunset (cease to exist) once it has reviewed and reported on all audit reports covering the 30 years of Measure AA revenue collection. No Board action is required to terminate the Committee.

**Committee Member Terms of Office:** The seven seats on the Committee will have the following staggered terms of office:

Member Seats	First Term		Second Term	
	Appointment	Expiration	Appointment	Expiration
1, 3, 5, 7	July 2016	December 2020	January 2020	December 2024
2, 4, 6	July 2016	December 2018	January 2018	December 2022

Each of the seats will be for four year terms, with the exception of seats 2, 4 and 6 during the first term only. The first term for seats 1, 3, 5, and 7 will serve from July 2016 to December

2020, and seats 2, 4, and 6 will serve from July 2016 to December 2018. All subsequent terms will be for four years running from January through December.

**Committee Meeting Schedule:** The Committee shall meet at least once annually. The District's fiscal year currently ends on June 30 of each year with the Annual Financial Audit Report typically being provided in October each year. Consequently, the Committee shall meet each fall to review the Annual Financial Audit Report to verify that District expenditures conform to the Expenditure Plan. The exact meeting schedule will be dependent on the budget preparation schedule and available meeting dates for Committee members, which may vary from year to year.

When necessary the Committee shall meet to discuss any proposed amendments to the Expenditure Plan. These meetings may occur without regard to the budget cycle. All meetings of the Committee will be public and noticed in accordance with the Ralph M. Brown Act.

**Committee Organization and use of Existing District Practices:** The Committee shall follow all relevant existing District practices in terms of organization and conduct. Specifically, that the Committee:

- Shall choose a Chair and Vice-Chair at the first regular meeting of each year
- Shall operate in accordance with the Ralph M. Brown Act
- Shall comply with all state and local mandated conflict of interest/economic interest disclosure requirements
- Shall receive no compensation for their service on the Committee
- Shall comply with all applicable District policies and procedures

In the event of any conflict between these bylaws and the Expenditure Plan or other provisions of law, the Expenditure Plan or law shall prevail.

**Recruitment:** The General Manager's Office shall make efforts to fill Committee vacancies as soon as practical. Upon notification of a vacancy, whether planned or unplanned, staff shall inform the Board of the status of recruitment efforts to fill the vacancy.

**Appointments:** Appointments of Committee members shall be placed on the agenda at a Board of Directors meeting.



**MIDPENINSULA REGIONAL OPEN SPACE DISTRICT  
APPLICATION FOR MEASURE AA BOND OVERSIGHT COMMITTEE**

*Please print or type*

**Name:** \_\_\_\_\_

**Home Address:** \_\_\_\_\_

**Home Phone:** \_\_\_\_\_ **Work Phone:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_ **Cell Phone:** \_\_\_\_\_

**Why do you want to serve on the Measure AA Bond Oversight Committee?**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Do you have any training, expertise or experience that you would like the Board to consider as they review your application for the Bond Oversight Committee?**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**If you have served on other oversight committees or advisory boards/commissions please list and briefly describe your role:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Please provide two references including name, address, phone number, and relationship:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please submit your application by email or mail to: **Bond Oversight Committee**  
c/o Jennifer Woodworth, District Clerk  
330 Distel Circle  
Los Altos, CA 94022  
[jwoodworth@openspace.org](mailto:jwoodworth@openspace.org)

**Applicant Requirements:**

- I am 18 years of age or older.
- I am a resident of the Midpeninsula Regional Open Space District.
- I am not an elected official or a public employee of any agency that oversees or benefits from the proceeds of the Measure AA parcel tax or have any economic interest in any Measure AA-funded projects or programs.
- I have no economic interest (no contracts, no payments, etc) in the District.

**MORE ABOUT THE MEASURE AA BOND OVERSIGHT COMMITTEE**

The Committee is appointed by the Midpeninsula Regional Open Space District's Board of Directors pursuant to Measure AA to ensure accountability, transparency, and public oversight of all funds collected and allocated under Measure AA.

The Expenditure Plan approved as part of Measure AA defines the Committee's roles and responsibilities as follows:

- Review Plan expenditures on an annual basis to verify conformity with the Expenditure Plan.
- Review District's Annual Audit and Annual Accountability report and present the Committee's findings to the Board at a public meeting.
- Review any proposed amendments to the Expenditure Plan.

The Committee does not oversee any other District financial information nor do they set policy or provide input or direction on projects, budgets, work plans, or financial matters pertaining to other District funds. All actions, including decision about selecting projects for funding, will be made by the Board in public meetings.

<b>Committee Recruitment Process</b>		
Prepare ads, announcements, application material	10/1/2015	10/10/2015
Place ad in Plug Into Nature Newsletter	10/5/2015	10/5/2015
Announce openings at Board Meeting (1)	10/14/2015	10/14/2015
Place ads in local newspapers	10/19/2015	10/19/2015
Place ads in Open Space Views	11/20/2015	11/20/2015
Place second ad in local newsletters	10/26/2015	10/26/2015
Place ad on website and at each office	10/1/2015	10/1/2015
Announce openings at Board meeting (2)	10/28/2015	10/28/2015
Place ad in Plug Into Nature Newsletter	11/5/2015	11/5/2015
Announce openings at Board meeting (3)	11/4/2015	11/4/2015
Announce openings at Board meeting (4)	11/18/2015	11/18/2015
Announce openings at Board meeting (4)	12/9/2015	12/9/2015
Application Submission Deadline	12/11/2015	12/11/2015
Review submitted applications to determine if selection criteria needs to be adopted	12/11/2015	12/16/2015
Report to Board on number of qualified applicants	12/16/2015	12/16/2015
Board adopts policy on selection criteria, if needed	1/13/2016	1/13/2016
Schedule interviews	1/14/2016	1/14/2016
Prepare Board binders with applications	1/13/2016	1/20/2016
Distribute Board binders	1/27/2016	1/27/2016
Board interviews applicants at Special Board mtg (round 1)	2/11/2016	2/11/2016
Board interviews applicants at Special Board mtg (round 2)	2/17/2016	2/17/2016
Board votes to appoint BOC members	3/23/2016	3/23/2016
Ceremonial Oath of Office	4/13/2016	4/13/2016
<b>Bond Oversight Committee (BOC) Work</b>		
BOC binder prepared and distributed	6/1/2016	6/30/2016
BOC term starts	7/1/2016	7/1/2016
Mtg 1 - Orientation of BOC members to the District	8/18/2016	8/18/2016
GO Bond Audit received from auditor	10/31/2016	10/31/2016
Prepare BOC packet of information and distribute	10/31/2016	11/9/2016
Mtg 2 - BOC Review GO Bond Audit & Staff Report	11/15/2016	11/15/2016
If needed - prep added reporting/support documents		
If needed - hold BOC follow-up meeting	12/8/2016	12/8/2016