



Midpeninsula Regional
Open Space District

R-16-02
Meeting 16-01
January 13, 2016

STUDY SESSION AGENDA ITEM 1

AGENDA ITEM

Discussion and Approval of a Selection Process for the Measure AA Bond Oversight Committee

GENERAL MANAGER'S RECOMMENDATIONS

1. Discuss possible options for interviewing and selecting the members of the Measure AA Bond Oversight Committee
2. Approve a procedure outlining the interview and appointment process for the Measure AA Bond Oversight Committee.

SUMMARY

Measure AA requires formation of a bond oversight committee to review bond expenditures to verify conformity with the adopted expenditure plan. On August 12, 2015, the Board of Directors adopted a resolution approving the bylaws for the Measure AA Bond Oversight Committee's (Committee) and deferred final decision on the selection and appointment process until the close of the recruitment period. Staff is returning with several alternatives for interviewing and appointing Committee members.

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.

The Committee's bylaws defining its roles and responsibilities were approved by the Board on August 12, 2015, and the Committee members' terms will start on July 1, 2016, approximately four months prior to the completion of the audit of the first year's expenditures. At a study session on September 24, 2014, the Board decided to defer approval of a selection and appointment process until the close of the application period on December 11, 2015.

Discussion

Measure AA requires Committee members to be selected by the Board and interviewed and approved in open session. Following a robust recruitment campaign, 29 applications were received. In the schedule previously approved by the Board, the appointments are to be approved at the March 23, 2016 Board meeting and oaths of office administered on April 13, 2016 to the newly appointed Committee members. In order to meet the timeline, the Board may choose among several options for interviewing and appointing the Committee members.

Interviews and appointments by full Board of Directors (Option A)

In this alternative, all eligible applicants would be interviewed by the full Board of Directors during one or more special meetings. Prior to forwarding the applications to the Board for review, the applications would be pre-screened by staff to assure applicants meet the minimum eligibility qualifications, as defined in Measure AA of being 18 years or older and a resident living within the District's boundaries. The interview would consist of several predetermined questions and would last approximately 10 minutes per applicant. If the entire group of 29 was to be interviewed, a minimum of 5 hours would be required just to complete the interviews.

Following the interview process, the Board will formally vote on the applicants at a regular Board meeting either by ballot or by separate votes on each applicant. The appointments would be by a majority vote, requiring at least four affirmative votes. In order to facilitate the appointment of seven Committee members, each Board member could be allotted seven affirmative votes for the first round of appointments. The candidates receiving the most affirmative votes and at least four affirmative votes will be appointed. In the event of a tie or if seven Committee members are not chosen after the first vote, then Board members would be allotted the same number of votes as remaining Committee vacancies for each subsequent round of voting. Should a tie between the candidates receiving the most affirmative votes occur, the affected applicants will be voted on again. If a tie still remains, and the affected applicants each have received at least four affirmative votes, the Board President would ask the General Counsel to draw the name of the person to be appointed.

While this method provides every eligible applicant an opportunity to be interviewed by the full Board and to receive an individual up-or-down vote, it would be very time consuming and cumbersome. When a large number of applications are received, the interview process would most likely require several special Board meetings and the appointment process during the regular meeting could be lengthy. Also the formal interview by the full Board may be intimidating to some applicants, and the vote procedure may be embarrassing to those who receive fewer or no affirmative votes.

Board Ad Hoc Committee (Option B)

The Board may choose to appoint an ad hoc committee of its members to interview and make recommendations on Committee member appointments. Applications could be screened by the members of the ad hoc committee who would then select the applicants to be interviewed. The ad hoc committee would interview the applicants at an open and publicly noticed meeting. Following completion of the interview process, the ad hoc committee would make a recommendation to the Board of Directors of a slate of seven nominees to serve on the Committee. The ad hoc committee's recommendations would then require a motion and approval by at least four affirmative votes by the Board of Directors at a regular meeting. This method provides a streamlined process by which applications would be screened, selected applicants would be interviewed by the Board ad hoc committee, nominations would be made by the ad hoc committee, and appointments would be made by the full Board by motion adopted by at least four affirmative votes.

Nominations by Individual Board members (Option C)

Under this method, nominations are made by each Board member, to be submitted to the full Board for appointment by motion adopted by at least four affirmative votes. As with the methods described above, applications would be pre-screened by staff to assure applicants meet the minimum eligibility qualifications. All applications for available Committee seats would be forwarded to the full Board. Each of the Board members would review the applications, interview selected applicants in an open and publicly noticed meeting, and nominate one applicant. All nominations would be presented to the full Board for appointment by motion adopted by at least four affirmative votes.

Nominations by individual Board members provides an alternative process by which applications are screened, selected applicants are interviewed, and nominations are made by each Board member, for appointment by the full Board of Directors.

As described above, all interviews would be open to the public and properly noticed according to state law. The primary differences in the three options are the size of the interview panel for the applicants and the process for nominating candidates for approval by four affirmative votes of the Board of Directors. Upon approval of a selection and appointment process by the Board, the District Clerk will contact applicants to schedule interviews based on the process chosen.

Selection Criteria

In addition to the selection process, the Board may choose to approve additional selection criteria by which to inform their selection of Committee members. At the September 24, 2014 study session, the Board approved two selection criteria:

- Board preference that at least one member of the Committee will have a financial background.
- Committee will reflect the diversity and geographics of the District as much as possible.

Criteria used by other agencies include:

- Attendance or participation at past or current District Board, Committee, Citizens' Advisory Committee meetings or District outreach workshops (Vision Plan)
- Participation in civic organizations or other nonprofit organizations
- Preference for experience in municipal finance and budgeting
- Knowledge of the District

- Participation in other bond oversight or similar committees

FISCAL IMPACT

Any alternative chosen by the Board will require some level of additional staff time to support the Committee interview process, including necessary supplies and materials. These costs will be identified and incorporated into the annual District Budget for approval by the Board.

BOARD COMMITTEE REVIEW

Due to the important nature of the Bond Oversight Committee and the short timeline for interviewing and appointing Committee members, this report was brought to the full Board without prior Committee review to allow all Board members to weigh in.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act. Notice was also provided to the current applicants for the Measure AA Bond Oversight Committee

CEQA COMPLIANCE

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

NEXT STEPS

Following approval of a Committee member selection process, District staff will contact applicants to schedule interviews and arrange Board or Committee meetings as necessary.

Attachments

1. Alternative Methods of Making Appointments to the Measure AA Bond Oversight Committee
2. Measure AA Oversight Committee Bylaws

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