



Midpeninsula Regional
Open Space District

R-17-34
Meeting 17-08
March 22, 2017

AGENDA ITEM 4

AGENDA ITEM

Proposed Enhancement to District's Accounts Payable Claims Process

GENERAL MANAGER'S RECOMMENDATIONS

Approve the recommendations from the Action Plan and Budget Committee:

1. Authorize Accounts Payable staff to release payments over fifty thousand dollars (\$50,000) without holding for Board approval, but continue to provide the current claims report to the board for information.
2. Approve the revised Board Policy 1.03 – Board Agenda.

SUMMARY

The Board of Directors (Board) has directed staff to continuously evaluate and identify enhancements to operational efficiencies and improvements that streamline processes including alignment with the opportunities identified in the Financial and Operational Sustainability Model Study conducted in 2015. The current process of holding claims checks over \$50,000 is manual and prevents the District from enabling the New World System to process electronic transfers. Furthermore, the Board authorizes and commits to the expenditure at the beginning of the contracting process when a contract is approved.

The General Manager recommends that the Board remove the requirement for Accounts Payable staff to hold checks or payments over \$50,000 for which the Board provided prior approval through an adopted budget and authorization to enter under contract or agreement. To implement this streamlined claims procedure enhancement, the General Manager also proposes revising the Claims section of Board Policy 1.03 – Board Agenda. Additionally, a repeal of Resolution 14-12 is necessary to implement the streamlined process and is also being considered for Board approval at the March 22, 2017 Board meeting

MEASURE AA

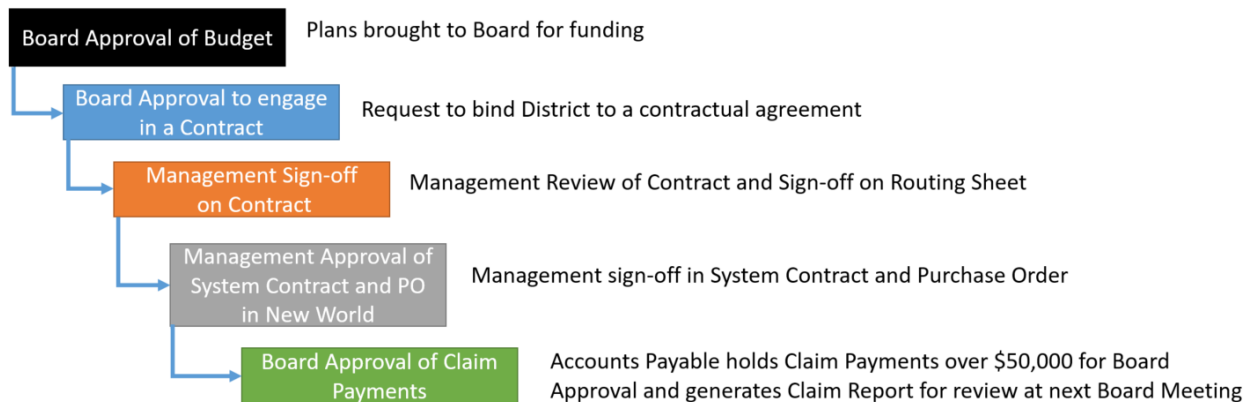
This is not a Measure AA project.

DISCUSSION

Accounts Payable staff holds all single claim payments exceeding \$50,000 until review and approval from the Board at the next regular meeting. The unintended consequences of holding these payments are: (1) creates additional processing steps for Accounts Payable staff, (2) delays payments to vendors, and (3) prevents implementation of efficient, system-wide electronic payments via the New World system.

Current Process to authorize Expenditures

1. Board approval of budget - The Board establishes the funding for the District's plans and sets the components of the District's fund balances including the constraints for specific purposes.
2. Board approval of purchases in excess of \$50,000 – If the cost of service, material, or other valuable consideration exceeds \$50,000, requester must present to the Board for approval, justification to bind the District under a contractual agreement.
3. Management sign-off on contract – The contract and supporting documentation routed for management approval.
4. System contract and purchase order management – Upon receipt of a fully authorized contract, generate and approve a New World system contract and purchase order.
5. Checks over \$50,000 held for Board approval – Accounts Payable staff holds payments in excess of \$50,000 or Board review and approval prior to mailing.



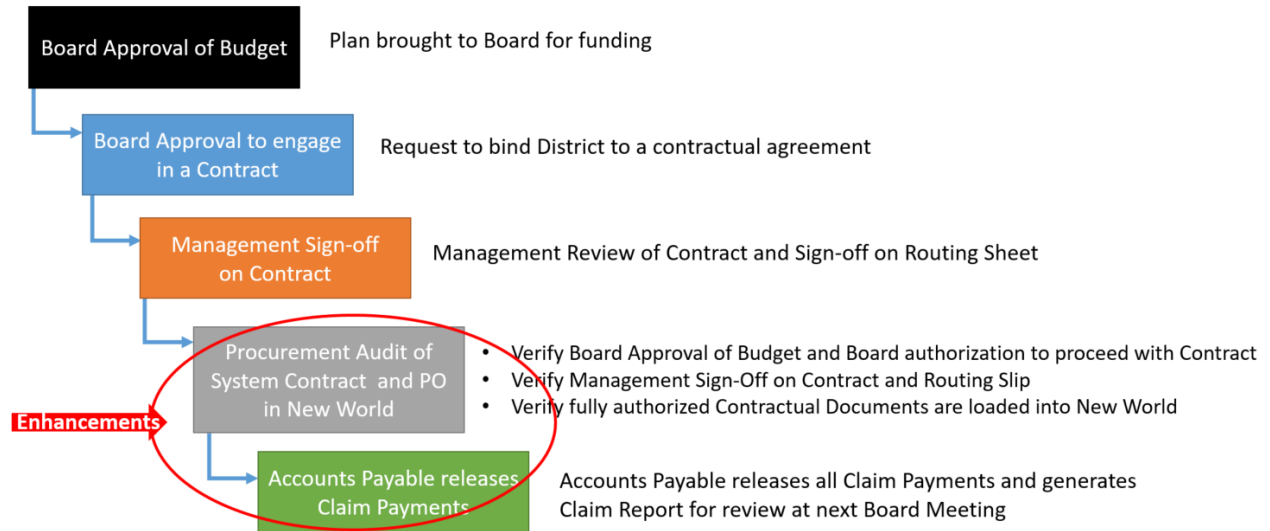
Proposed Process, including additional Controls

With the creation of the Procurement and Contract Specialist role, the District has the staff needed to set additional controls through auditing contractual documentation.

1. Board approval of budget – *No change to process*
2. Board approval of purchases in excess of \$50,000 – *No change to process*
3. Management sign-off on contract – *No change to process*

4. **Planned:** Procurement audit of fully authorized system contract and purchase order –
 - a. Verify Board approval of budget and Board authorization to proceed with contract
 - b. Verify management sign-off on contract routing slip
 - c. Verify fully authorized contractual documents are loaded into New World system

5. **Proposed:** Payments over \$50,000 – With added controls, Accounts Payable releases the checks without prior review from Board. Board provided with Claims report at next Board meeting.



Benefits to Enhanced Process:

1. Fewer invoice payment processing steps – By reducing the number of steps needed to process an invoice, staff can process an increased volume of invoices while also decreasing administration costs to process these invoices. Additionally, the reduced invoice approval cycle, from weeks to a few days, opens up opportunities to negotiate early payment discounts with vendors.

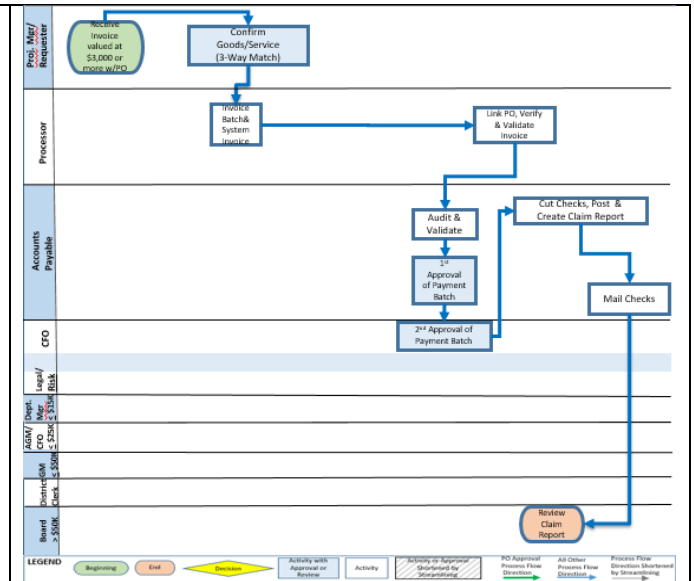
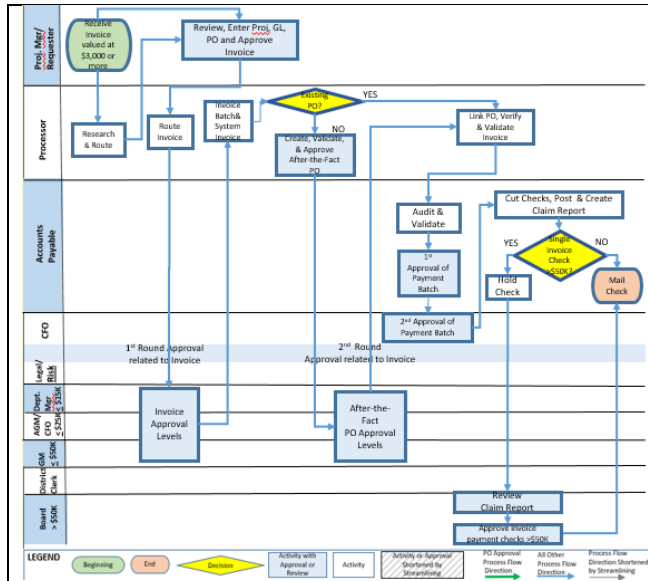
2. Supports electronic payment system – Eliminating payment holds for single claim payments over \$50,000 allows the District to fully utilize the New World accounts payable system and implement this more efficient and more secure method of vendor payment.

Enhanced Invoice processing Steps

If approved, the combined proposed enhancements streamline invoice-processing activities from fifteen steps and eight reviewers to nine steps and five reviewers.

Current Invoice Process

Enhanced Invoice Process



FISCAL IMPACT

There is no negative fiscal impact associated with the General Manager’s recommendations. These recommendations reduce administrative time to process and approve invoices for payment.

BOARD COMMITTEE REVIEW

The District’s Action Plan and Budget Committee held a meeting on February 21, 2017. The Committee voted to forward this Proposed Enhancement to District’s Accounts Payable Claims Process to the full Board of Directors for approval.

PUBLIC NOTICE

Public notice provided pursuant to the Brown Act. No additional notice is required.

CEQA COMPLIANCE

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

NEXT STEPS

If approved by the Board, revise the District’s Board Policy 1.03 – Board Agenda and authorize Accounts Payable staff permission to release claim payments over fifty thousand dollars (\$50,000) without holding for Board Approval, but continue to provide the current claims report to the Board for information.

Attachments

1. Proposed revision to the District's Board Policy 1.03
2. Action Plan and Budget Committee draft minutes for February 21, 2017

Responsible Department Head:

Stefan Jaskulak, CFO/Director of Administrative Services

Prepared by:

Janine Ward, Procurement & Contract Specialist, Administrative Services

Contact person:

Stefan Jaskulak, CFO/Director of Administrative Services

Board Policy Manual

Board Agenda	Policy 1.03 Chapter 1 – Administration & Government
Effective Date:	Revised Date: 11/03/13 / 13/22/13 / 13/17
Prior Versions: <u>11/13/13</u>	

Agenda

All reports, ordinances, resolutions and other matters intended to be considered by the Board at its regular meeting shall be delivered to the District Clerk no later than 5:00 p.m. on the preceding Wednesday for material requiring typing or other preparation, and not later than 5:00 p.m. on the preceding Thursday for material requiring reproduction only.

Any Board member or Board appointed staff member may place a matter on the agenda for Board consideration. The District Clerk shall prepare the agenda according to the order of business as determined by the General Manager. A copy of the agenda and all available supporting materials shall be mailed by 5:00 p.m. on the Friday preceding each regular Board meeting or delivered by 7:00 p.m. on the Saturday preceding each regular Board meeting. Supplementary materials may be received by the District Clerk after that time, provided the matter refers to an already agendized item.

Agendas will be available with no charge upon request to public officials, newspapers in the District, and members of the public at the District office by 9:00 a.m. on the Monday preceding the regular meeting. Agendas will be posted in a location that is freely accessible to members of the public at least 72 hours before a regular meeting or at least 24 hours before a special meeting.

Supporting materials (reports, memoranda, resolutions, nonconfidential written communications to the Board, and other informational materials not previously published or distributed) may be obtained upon request by public agencies, newspapers in the District and members of the public at the District office by 9:00 a.m. on the Monday preceding the regular meeting, and 24 hours before a special meeting.

Written materials distributed during a public meeting by any person in connection with a matter subject to discussion or consideration shall be made available for inspection at the meeting if prepared by District staff or by a member of the Board, or immediately after the meeting if prepared by some other person.

Absent extraordinary circumstances, communications to the Board from members of the public shall be deemed nonconfidential. A memorandum from the General Manager explaining the justification for this decision “not to distribute materials to members of the public” shall accompany the written communications when sent to the Board. There will be no charge for the materials if available; otherwise the cost of reproduction will be charged.

No action or discussion shall be undertaken on any item not appearing on the posted agenda by the Board, provided that matters deemed to be of an urgent nature by a two-thirds vote of the Board, (or, if less than two-thirds of the Board members are present a unanimous vote of those members present) with an explanation stated as to the urgency, may be acted upon. (See also Government Code § 54954.2.)

Board Member Requests to Place Matters on the Agenda for Reconsideration

If the Board has previously voted on a matter, a Board member may place a request for reconsideration of the prior Board action on the agenda if that member voted on the prevailing side. A motion to reconsider may be made at the same meeting such action was taken, the next Regular Board meeting, or any intervening Board meeting. If the motion to reconsider is made and approved at the same meeting the action was taken, the matter may be reconsidered at that meeting, at the next Regular Meeting, or any intervening Board meeting, at the discretion of the Board of Directors. After a motion to reconsider has been made and approved by a majority of the Board, unless the matter is reconsidered at the same meeting Board action was taken, the District Clerk shall place the prior Board action on the Board agenda for reconsideration at the next Regular Meeting, an intervening Board meeting, or at the earliest feasible Board meeting if it is infeasible to agendaize the matter at the next Regular Meeting, unless otherwise directed by the Board. The reconsideration rules contained in this Section shall not limit the Board's inherent legislative authority to rescind, amend, repeal, or otherwise nullify a prior Board action at a subsequent Board meeting. The reconsideration rules in this Section are not applicable to Board-appointed employees or their designees who may agendaize matters for reconsideration, amendment, rescission, or repeal if deemed necessary to efficiently conduct District business or accomplish the District's mission. (Report R-08-130)

Order of Business

The order of business shall be determined by the General Manager for the purpose of preparing meeting agendas, using the following format, unless in the General Manager's opinion, a different order would be more appropriate:

1. Roll Call
2. Pledge of Allegiance (see Section 1.42)
3. Oral Communications
4. Special Orders of the Day
5. Adoption of Agenda
6. Adoption of Consent Calendar
7. Approval of Minutes (Consent Item)
8. Written Communications (Consent Item)
9. Claims (Consent Item)
- ~~9-10.~~ Unfinished Business
- ~~10.~~ Public Hearings/
11. Board Business
12. Informational Reports—Directors and Staff
- ~~13.~~ Revised Claims (Consent Item)
- ~~14.~~13. Closed Session

15-14. Adjournment

The order of business as set forth in the meeting agenda shall not be departed from except by consent of the majority of the Board.

Roll Call

Before proceeding with the business of the Board, the District Clerk or minute taker shall call the roll of the Board of Directors, and the names of those present shall be entered into the minutes.

Pledge of Allegiance

The Pledge of Allegiance shall be recited at the first meeting of July, and a special presentation shall be made at that time.

Oral Communications—Public

Members of the public may address the Board under the category Oral Communications during meetings on any matter not on the agenda concerning the affairs of the District. The presiding member of the Board may limit presentations of speakers under this section to three minutes. If the Oral Communications category exceeds fifteen minutes, the President, with the approval of the Board, may delay additional oral communications to a designated time later in the meeting. Members of the public may address the Board on any agenda item when that item is considered by the Board.

Absent extraordinary circumstances, the Board will not discuss oral communication items unless the communication relates to an item appearing on the agenda for that meeting. The Board may briefly respond, as questions for clarification, provide information resource references, request staff to report back at a future meeting, or place the item on the agenda of a future meeting.

A member of the public may request under oral communications that an item be removed from the consent calendar.

At beginning of each meeting, the President shall make a statement outlining the procedures for public comment.

A member of the public may address the Board on an item not on the agenda under Oral Communications. Each speaker will ordinarily be limited to 3 minutes. There shall be no action or discussion on items not appearing on the agenda. However, Board members may briefly respond to public questions, ask a question for clarification, refer the matter to staff, request staff to report back at a future meeting as an informational report or place the matter on a future agenda.

Special Orders of the Day

Any Board member or Board appointed staff member may schedule special presentations, introductions or other activities deemed appropriate to this category, which shall be placed on the agenda by the District Clerk.

Adoption of Agenda

The Board shall determine the order of business to be considered at regular meetings, including placement of items removed from the consent calendar, and shall adopt the agenda, with additions or deletions. Only items of an urgent nature may be added to the agenda at this time, provided that any action be taken pursuant to Section 1.30.

Adoption of Consent Calendar

The following items shall normally be included on the consent calendar: 1) approval of minutes; 2) written communications; 3) agenda items that the General Manager deems do not require Board discussion; and 4) revised claims. All items on the consent calendar shall be approved by one motion unless a request is made by a Board member to remove an item from the consent calendar for separate discussion. A member of the public may request under oral communications that the Board remove an item from the consent calendar for separate discussion.

Board members, the General Manager, and members of the public may request that an item be removed from the Consent Calendar during consideration of the Consent Calendar.

Board members may ask brief questions for clarification or make brief statements on an item without removing it from the Consent Calendar.

Board members may vote "no" on Consent Calendar items without pulling them from the Consent Calendar by asking that the minutes reflect a "no" vote on a specified agenda item.

Approval of Minutes (Consent Item)

Unless removed from the consent calendar by a member of the Board or the public, the minutes of the previous Board meeting(s) shall be approved without reading during the adoption of the consent calendar, provided that the District Clerk has previously furnished each member of the Board with a copy.

Written Communications (Consent Item)

The District Clerk is authorized to receive and open all mail addressed to the Board of Directors from members of the public. Any such written communication addressed to the Board shall be reproduced and distributed in the next regular mailing to the Board members and to members of the press who have requested supporting materials (see Section 1.30).

All written communications, unless they relate to an item on the agenda, must be received no later than 5:00 p.m. on the Tuesday the week preceding a Board meeting in order to be distributed with the agenda and supporting materials and considered by the Board at the forthcoming meeting. If, in the opinion of the General Manager, a written communication should not be distributed with the agenda and supporting materials without a draft response, which has yet to be prepared, the written communication may be distributed later, but no later

than at the forthcoming Board meeting. Written communications not directly related to an item on the agenda received after the 5:00 p.m. Tuesday deadline may be distributed with the agenda and supporting materials and considered by the Board at the forthcoming meeting if, in the opinion of the General Manager, time is of the essence for consideration of the written communication by the Board. Written communications directly related to an item on the agenda will be accepted for distribution up to 3:00 p.m. on the day of the meeting. Written communications directly related to an item on the agenda but received after 3:00 p.m. on the day of a meeting must be accompanied by thirty copies for distribution in order to be considered by the Board as written communication at the meeting.

Draft replies to written communications which have not been considered by the Board may be submitted with the written communication, provided such draft replies are labeled as follows: "Draft Response prepared by Staff." Any member of the Board may request that such written communication be placed on the agenda as an emergency item in accordance with Section 1.30 for consideration by the Board.

The Board shall consider the recommendation of the General Manager and determine whether a written communication shall be placed on the agenda in accordance with the procedures of Section 1.30, considered in connection with an item already on the agenda, and/or referred to a committee, a Director or staff for simple acknowledgement, response or draft response or shall determine that an adequate response has been made.

A written communication addressed to an individual Director may, at the discretion of the individual Director, be considered a personal letter, a written communication or may be relayed to the members of the Board as an informational item.

Members of the public may read written communications into the District's record during oral communications at a regular meeting and offer explanations of any such document. The presiding member of the Board may limit presentations of the speakers, including the reading of a written communication, to three minutes. Written communications received at a regular Board meeting shall be reproduced and distributed to absent Board members and to members of the press who have requested supporting materials no later than the next regular mailing to the Board. Written communications which are distributed to the Board at a time other than a regular mailing shall be distributed to members of the press who have requested supporting materials within two working days of when they are sent to the Board. Written communications accompanied by an extraordinary quantity of attachments may, at the discretion of the General Manager, be duplicated and distributed with some or all the attachments excluded. The General Manager shall note on the written communication or in an accompanying memorandum that the entire written communication, including attachments is available at the District office for public review. The General Manager shall determine the most appropriate method for presenting the attachments to the Board of Directors. Copies of the excluded attachments will be made available on the same basis as any other public record.

If a Board member represents the District before another agency or organization, the Board member shall represent the majority position of the Board.

When contacting another agency or organization in a personal capacity, Board members should indicate that his/her comments are given as an individual and not as an official representative of the District Board of Directors.

Revised Claims (Consent Calendar)

~~Public Resources Code § 5547, 5544.22, 5540, and 5549 as amended.~~

~~Claims against the District shall be paid for which an expenditure has prior approval by a majority of the Board and adopted in the District's budget. No claims against the District shall be paid unless the same shall be first approved by a majority of the Board at a meeting thereof.~~

Payment of employees' salaries and fringe benefits and other recurring claims may be authorized by the Board on an annual basis.

Unfinished Business

When a regular meeting is adjourned before the completion of the agenda, all unfinished items shall be listed under Unfinished Business on the next regular Board meeting agenda, at the discretion of the General Manager or unless otherwise designated by a majority of the Board.

Public Hearings

Any matter which, in the opinion of the Board of Directors, President, or General Manager requires notice to and response by members of the public may be placed on the agenda under this category.

During consideration of agenda items the following sequence is to be adhered to, unless specific exceptions are agreed to by the Board:

1. Presentation on agenda item;
2. Board and staff members may ask questions for clarification, followed by preliminary Board comments and discussion if any;
3. Public Comment period;
4. Board discussion and deliberations; additional comment from public only when requested by Board members and directed through the presiding officer;
5. Board action on agenda item.

Persons addressing the Board should be requested to state their name and address for the record.

Persons who are recognized should address the Board from the podium microphone prior to speaking, not speak from their seats.

The person recognized by the President should address the Board, not staff members or other audience members. There should not be a dialogue between audience members and staff, or between audience members. Public comments and questions should be directed through the President.

Only one person at a time should address the Board; other audience members should wait to be recognized before speaking. The President should discourage out-of-turn speaking by the public.

At the close of public comment, the President should indicate that the matter is now returned to the Board for deliberation and decision.

Board Business

These are business items being presented to the Board for consideration that do not fall under the category of Unfinished Business (see Section 1.49). Action in the form of an ordinance, resolution, motion or direction to staff may be required for items in this category.

Informational Reports—Directors and Staff

Informational, short reports by Directors and staff members on items of interest to the District may be given under this category. No action is expected but could occur at a regular meeting with a vote as required by Section 1.30.

Informational reports should be restricted to brief announcements or reports related to District business and shall generally be no more than three minutes per person. There shall be no action or discussion concerning Informational Reports.

Board members may refer a matter to staff, request staff to report back to the Board at a future meeting as an informational report or place the matter on a future agenda.

Informational reports of a personal nature that are unrelated to District business should not be shared during a public meeting.

Fees Charged for Special Mailings

Reasonable fees may be charged by the General Manager for reproducing and mailing materials on special projects.



Midpeninsula Regional
Open Space District

ACTION PLAN AND BUDGET COMMITTEE

Administrative Office
330 Distel Circle
Los Altos, CA 94022

February 21, 2017

DRAFT MINUTES

ROLL CALL

Director Kishimoto called the meeting to order at 2:32 p.m.

Members Present: Curt Riffle and Yoriko Kishimoto

Members Absent: Jed Cyr

Staff Present: General Manager Steve Abbors, Chief Financial Officer Stefan Jaskulak, General Counsel Sheryl Schaffner, District Clerk/Assistant to the General Manager Jennifer Woodworth; Procurement Specialist Janine Ward, Senior Accountant Andrew Taylor

ADOPTION OF AGENDA

Motion: Director Riffle moved, and Director Kishimoto seconded the motion to adopt the agenda.

VOTE: 2-0-0 (Director Cyr absent)

ORAL COMMUNICATIONS

No speakers present.

COMMITTEE BUSINESS

1. Selection of Committee Chair for Calendar Year 2017

Motion: Director Riffle moved, and Director Kishimoto seconded the motion to nominate Director Cyr as the Action Plan and Budget Committee Chair for calendar year 2017.

VOTE: 2-0-0 (Director Cyr absent)

2. Approve the April 19, 2016 Action Plan & Budget Committee Minutes.

Motion: Director Riffle moved, and Director Kishimoto seconded the motion to approve the Action Plan and Budget Committee minutes for April 19, 2016.

VOTE: 2-0-0 (Director Cyr absent)

3. Review Proposed Enhancement to District's Accounts Payable Claims Process (R-17-25)

Chief Financial Officer/Director of Administrative Services Stefan Jaskulak provided the staff presentation summarizing the current process for authorizing expenditures and proposed changes to the process. Mr. Jaskulak described the various benefits to streamlining the invoice process, including using more efficient and secure electronic payments and decreasing administrative costs.

Director Riffle requested additional information regarding the proposed repeal of Resolution 14-12.

General Counsel Sheryl Schaffner explained repealing Resolution 14-12 is needed to align the District's current process with Board Policy 3.03 and Public Resources Code 5549, which allow the General Manager to enter into contracts up to \$50,000.

Director Riffle spoke in favor of streamlining the claims process and the additional enhancements proposed for the invoice process.

Director Kishimoto stated the Board would be able to ask questions regarding a contract's specifications and the recommended vendor when contracts over \$50,000 are approved by the Board of Directors.

Public comment opened at 3:07 p.m.

No speakers present.

Public comment closed at 3:07 p.m.

Motion: Director Riffle moved, and Director Kishimoto seconded the motion to recommend to the full Board of Directors, for review and approval the following actions:

1. Authorize Accounts Payable staff to release payments over fifty thousand dollars (\$50,000) without holding for Board approval, but continue to provide the current claims report to the board for information.
2. Recommend Board approval of the revised Board Policy 1.03 – Board Agenda.

VOTE: 2-0-0 (Director Cyr absent)

4. Revised Board Policy 3.06 – Initial and Continuing Disclosures Relating to Bond Issuances (R-17-26)

Chief Financial Officer/Director of Administrative Services Stefan Jaskulak provided the staff presentation describing the history of current Board Policy 3.06 *Initial and Continuing Disclosures Relating to Bond Issuances* and proposed policy revisions.

Ms. Schaffner stated the proposed revisions to policy enhance the District's ability to comply with legal requirements and removed redundant steps.

Director Kishimoto requested a summary of the substantive changes to the revised policy.

Mr. Jaskulak explained several redundancies and templates were removed that required communication between the finance and disclosure group because they are largely the same staff members.

Public comment opened at 3:19 p.m.

No speakers present.

Public comment closed at 3:19 p.m.

Motion: Director Riffle moved, and Director Kishimoto seconded the motion to recommend Board approval of revisions to Board Policy 3.06 for disclosures relating to District bond issuances.

VOTE: 2-0-0 (Director Cyr absent)

ADJOURNMENT

Director Kishimoto adjourned the meeting of the Action Plan and Budget Committee of the Midpeninsula Regional Open Space District at 3:24 p.m.

Jennifer Woodworth, MMC
District Clerk