



Midpeninsula Regional
Open Space District

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**MEASURE AA BOND OVERSIGHT COMMITTEE OF THE
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT**

Administrative Office
330 Distel Circle
Los Altos, CA 94022

Wednesday, January 31, 2018

DRAFT MINUTES

A G E N D A

ROLL CALL

Chair Betlem called the meeting to order at 5:32 p.m.

Members present: Paul Betlem, Elizabeth Eischen, Denise Gilbert, Tom Scannell, Bruce Tolley, and Jo Zientek

Members absent: Carla Dorow

Staff present: Chief Financial Officer/ Director of Administrative Services Stefan Jaskulak, Acting General Manager Ana Ruiz, Acting General Counsel Hilary Stevenson, Finance Manager Andrew Taylor, Executive Assistant/Deputy District Clerk Maria Soria, Budget Analyst I Elissa Martinez, Budget Analyst II Marion Shaw

ORAL COMMUNICATIONS

No speakers.

COMMITTEE BUSINESS

- 1. Approve January 11, 2018 Measure AA Bond Oversight Committee Minutes**

Public comments opened at 5:33 p.m.

No speakers.

Public comments closed at 5:33 p.m.

Motion: Committee member Gilbert moved, and Committee member Scannell seconded the motion to approve the January 11, 2018 Measure AA Bond Oversight Committee minutes.

VOTE: 6-0-0 (Committee member Dorow absent)

2. Review documentation supporting the Selected Sample Transactions

Stefan Jaskulak, Chief Financial Officer/Director of Administrative Services reviewed the Measure AA documentation supporting the sample expenditures as selected at the Bond Oversight Committee (BOC) meeting on January 11, 2018. Mr. Jaskulak reiterated that twenty expenditures were chosen by the Committee members to review and obtain reasonable assurance that expenditures incurred were solely for uses, purposes, and projects authorized in the ballot measure language for Measure AA. Mr. Jaskulak indicated that subsequently the BOC has provided staff with questions, and Mr. Jaskulak reviewed the questions submitted.

Committee member Scannell inquired how the BOC would recognize the signature on an invoice to assure that they are the authorized person to approve the invoice and what is their signing authority amount.

Mr. Jaskulak stated accounts payable staff maintains a binder of staff signatures to confirm the signatures approving an invoice. Unfortunately, the binder is locked every night in a cabinet per protocol, and he is unable to share the contents of the binder with Committee at this meeting.

Committee member Scannell inquired if this information will be shared with the BOC in the future since it is not available at this time.

Mr. Jaskulak acknowledged Mr. Scannell and agreed to provide the information.

Mr. Scannell suggested that in the future staff should use a stamp or an electronic equivalent on the invoices that would indicated the name of the project manager and the name of the next level manager's name. This would assist the BOC in reviewing the backup documentation and confirming the initials next to the name, which will in turn confirm that the invoice has gone through the proper review process.

Mr. Jaskulak indicated that he along with the Finance Manager will consider a method to make the signatures more identifiable but also would not be too cumbersome for the project managers.

Committee member Gilbert suggested that for future samples, staff provide the project manager's name for each sample selection.

Mr. Scannell expressed concern over the data error on the invoice for MAA23-006 in the amount of \$1,543,925 the net amount was paid instead of the gross amount. He expressed his concern that there could be other invoices with a similar error. Mr. Scannell asked what actions would be put in place so that this error is not repeated.

Andrew Taylor, Finance Manager stated that this error happened when the accounts payable department was short staffed and the net amount was paid instead of the gross amount. The error was corrected when the contractor noticed that the payment was incorrect and a check was issued

with the difference. Mr. Taylor stated that he was unaware of any other errors similar to this case. Mr. Taylor also mentioned that even an auditor is not able to examine one hundred percent of all the transactions.

Committee member Gilbert suggested that the BOC findings should be addressed in the BOC final report issued to the Board of Directors.

Committee member Zientek asked when was the error found and inquired if the documentation that the error was corrected could have been provided to the BOC with the other sample expenditures documentation.

Mr. Taylor stated that the error was corrected when the contractor noticed the net amount was paid instead of the gross. The balance of the payment was then subsequently paid.

Mr. Jaskulak stated that staff will provide the additional documentation by the end of the week.

Mr. Scannell emphasized the need for a process to prevent this type of error from happening again.

Mr. Jaskulak commented that he will consider what types of processes may be implemented.

Committee member Gilbert reiterated that this finding should be added to the BOC final report issued to the Board of Directors. If there are any other similar issues, the BOC can indicate some type of process change needed in the report.

Committee member Scannell suggested that when an error is corrected in the accounting process the supporting documentation provided to the BOC should indicate that an error was corrected.

Mr. Jaskulak agreed.

Committee member Scannell also suggested that if there is a fairly large dollar amount in the sample expenditures indicating that there was a change order that the change order should be included in the supporting documentation.

Mr. Jaskulak agreed.

Public comments opened at 6:25 p.m.

No speakers.

Public comments closed at 6:25 p.m.

3. Appointment of Bond Oversight Committee Ad Hoc Committee

Committee member Betlem called for volunteers to serve on a three member ad hoc subcommittee to prepare a draft Measure AA Bond Oversight Committee Report for submittal to the Board of Directors

Committee member Scannell stated that there were many open ended questions during the meeting and inquired if would staff be providing the information to the BOC in order for the ad hoc committee to incorporate some of the findings into the report.

Mr. Jaskulak stated that he would email the information to the BOC by the end of day Monday, February 5, 2018.

Motion: Committee member Gilbert nominated Mr. Betlem, Mr. Scannell and Mr. Tolley to serve on the Ad Hoc Committee, Committee member Scannell seconded the nomination.

VOTE: 6-0-0 (Committee member Dorow absent)

The ad hoc committee members agreed to meet on February 15 at 2:00 pm.

Public comments opened at 6:29 p.m.

No speakers.

Public comments closed at 6:29 p.m.

4. Review of Timeline and Future Meetings

The Committee members reviewed the future meeting dates.

March 1, 2018 Finalize Report to the Board

April 11, 2018 Board Meeting and Presentation of Findings

Public comments opened at 6:35 p.m.

No speakers.

Public comments closed at 6:35 p.m.

ADJOURNMENT

Chair Betlem adjourned the meeting of the Measure AA Bond Oversight Committee at 6:36 p.m.

Maria Soria
Executive Assistant/Deputy District Clerk