



Midpeninsula Regional
Open Space District

R-18-76
Meeting 18-28
July 11, 2018

AGENDA ITEM 3

AGENDA ITEM

Fiscal Year 2018-19 Annual Claims List

GENERAL MANAGER'S RECOMMENDATION

1. Approve the Fiscal Year 2018-19 Annual Claims List, including debt service payments.
2. Adopt a resolution authorizing release of claim payments over \$50,000 by the Controller or designee.

SUMMARY

Pursuant to Board Policy 1.03, the Annual Claims list for Fiscal Year 2018-19 (FY2018-19) is hereby submitted to the Board of Directors (Board) for review and approval so that salaries and benefits, debt service, and recurring expenses may be paid in a timely and efficient manner.

DISCUSSION

The Annual Claims list provided as part of this report includes claims that exceed \$50,000. Approval of the proposed Annual Claims would authorize the accounting office to pay salaries and benefits, debt service, and recurring services in a timely and efficient manner. This item also minimizes late fees, finance charges, and urgent check requests.

On December 16, 2015, the Board authorized the General Manager or designee to approve the payment of claims up to the General Manager's expenditure authority, subject to Board ratification at the next Regular Board meeting (R-15-163).

On March 22, 2017, the Board provided policy direction for the release of claim payments over \$50,000, without holding for Board approval, provided that the General Manager would continue to provide the claims report to the Board for its review after payment. The resolution attached to this report formalizes that policy change.

Recusal Statements

Included as part of the Annual Claims on page 2 of this report is a recusal statement that is read by the presiding Board President for Director Hanko on her economic conflict of interests in AT&T, Verizon, and PG&E claims. The purpose of this annual recusal statement is to enable Director Hanko to meet her conflict of interest recusal responsibilities at one annual meeting rather than being required to repeat the same recusal statement at each regular Board meeting when claims are presented on the Consent Calendar. If approved, recusals on AT&T, Verizon, and PG&E claims by Director Hanko will not need to be made at each regular Board meeting.

On September 1, 2016, Director Riffle disclosed to the Board a remote interest under Government Code 1091(a) as a salaried employee of the non-profit organization Peninsula Open Space Trust (POST). After consultation with the Fair Political Practices Commission and the District's General Counsel, it was determined that the employment relationship with POST is categorized as a "remote interest" under Government Code section 1091, and that such remote interest would not trigger the contracting ban under Government Code section 1090. To remain consistent with that law, however, Director Riffle needs to continue recusing himself from all Board agenda items that affect financial matters relating to POST and the District.

Debt Service Claims

The debt service claims listed below for FY2018-19 reflect payments required of the Midpeninsula Regional Open Space District to meet the outstanding debt obligations for the current fiscal year:

ANNUAL CLAIMS			
DEBT SERVICE			
FISCAL YEAR 2018-2019			
		PRINCIPAL	INTEREST
NOTEHOLDER-LAND			
Hunt		0.00	75,000.00
	Subtotal-Notes	0.00	75,000.00
BONDS PAYABLE			
2011 Bonds		180,000.00	33,600.00
2012 Refunding Notes		395,000.00	68,150.00
2015 Refunding Notes		805,000.00	1,051,725.00
2015 Measure AA GO Bonds		890,000.00	1,702,037.50
2016 Green Refunding Bonds		3,410,000.00	2,361,850.00
2017 Green Refunding/Parity Bonds		639,175.00	2,001,085.00
2018 Measure AA GO Bonds		0.00	2,058,367.64
	Subtotal-Bonds	6,319,175.00	9,276,815.14
TOTALS - NOTEHOLDERS & BONDS		6,319,175.00	9,351,815.14
TOTAL DEBT SERVICE		15,670,990.14	

Annual Claims

The annual claims listed below for FY2018-19 reflect payments in excess of the General Manager's authority:

ANNUAL CLAIMS	
ITEM DESCRIPTION	AMOUNT
Staff Salaries	\$16,425,516
Debt Service (includes note paying agent fees)	\$11,721,637
Group Insurance Premiums	\$3,042,145
Retirement Plans	\$2,036,472
State Mandated Insurance-Unemployment & Workers Comp.	\$512,155
Wellington Park Investors (AO Office Leases)	\$358,266
Utilities - Electricity/Gas/Propane/Telephone/Cellular Telephone (PG&E***/Cal Water/Amerigas/Verizon***/AT&T***)	\$240,620
Dispatch Services (City of Mountain View)	\$197,915
Property/Liability/Vehicle Insurance (CALJPIA)	\$171,447
Fuel - Valley Oil Company	<u>\$135,000</u>
TOTAL:	\$34,841,173

****Annual Recusal Statement: Director Hanko is voluntarily recusing herself from voting on all claims for AT&T, Verizon, and PG&E.*

Annual and Project-Specific Recusals: Director Riffle is recusing himself, as required by law, from voting on all payments to POST that are authorized by the Board via this annual and all future recurring claims reports, and will also do so on an individual basis for project-specific Board actions involving financial transactions with POST.

BOARD COMMITTEE REVIEW

This item was not previously reviewed by a Board Committee; however, the Action Plan and Budget Committee reviewed the FY2018-19 District Budget in April and May.

FISCAL IMPACT

The listed Annual Claims are included in the FY2018-19 District Budget, which was approved by the Board of Directors at the Regular Meeting of June 13, 2018 (R-18-63).

PUBLIC NOTICE

Public notice was provided as required by the Brown Act. No additional notice is required.

CEQA COMPLIANCE

Approval of the Annual Claims is not considered a project under the California Environmental Quality Act (CEQA) and no environmental review is required.

NEXT STEPS

With Board approval, staff will proceed with preparing open purchase orders for the listed vendors and pay invoices upon receipt.

Attachments:

1. Detailed List of Debt Service Obligations FY2018-19
2. Resolution authorizing Controller or designee to pay claims over \$50,000

Responsible Manager:

Stefan Jaskulak, Chief Financial Officer

Prepared by:

Andrew Taylor, Finance Manager

ATTACHMENT 1

**DEBT SERVICE
FISCAL YEAR 2018-2019**

Payable to	Close of Escrow	Original Note	Rate %	Term	Remaining Principal At June 30, 2018	Final Payment Due	FY 2018/2019 - Debt Service Payments		
							Total	Principal	Interest
Hunt	04/15/2003	<u>1,500,000.00</u>	5.50%	10 years	<u>1,500,000.00</u>	04/01/2023	<u>75,000.00</u>	<u>0.00</u>	<u>75,000.00</u>
		<u>1,500,000.00</u>			<u>1,500,000.00</u>		<u>75,000.00</u>	<u>0.00</u>	<u>75,000.00</u>
2011 Bonds	05/05/2011	1,080,000.00	3% to 4%	30 years	930,000.00	09/01/2021	213,600.00	180,000.00	33,600.00
2012 Refunding Notes	02/02/2012	8,705,600.70	3% to 5.44%	30 years	8,705,600.70	09/01/2033	463,150.00	395,000.00	68,150.00
2015 Refunding Notes	01/22/2015	23,630,000.00	2% to 5%	19 years	21,815,000.00	09/01/2034	1,856,725.00	805,000.00	1,051,725.00
2015 Measure AA GOs	07/29/2015	45,000,000.00	1.5% to 5%	30 years	43,350,000.00	09/01/2045	2,592,037.50	890,000.00	1,702,037.50
2016 Refunding Green Bond	09/22/2016	57,410,000.00	3% to 5%	22 years	53,845,000.00	09/01/2038	5,771,850.00	3,410,000.00	2,361,850.00
2017 Refunding Green Bond	12/28/2017	25,025,000.00	3% to 5%	20 years	25,025,000.00	06/30/2038	1,201,085.00	0.00	1,201,085.00
2017 Parity Green Bonds	12/28/2017	11,220,000.00	5%	10 years	11,220,000.00	06/30/2028	1,439,175.00	800,000.00	639,175.00
2018 Measure AA GOs	02/14/2018	<u>50,000,000.00</u>	2% to 5%	30 years	<u>50,000,000.00</u>	09/01/2048	<u>2,058,367.64</u>	<u>0.00</u>	<u>2,058,367.64</u>
		<u>222,070,600.70</u>			<u>214,890,600.70</u>		<u>15,595,990.14</u>	<u>6,480,000.00</u>	<u>9,115,990.14</u>
		<u>223,570,600.70</u>			<u>216,390,600.70</u>		<u>15,670,990.14</u>	<u>6,480,000.00</u>	<u>9,190,990.14</u>

RESOLUTION NO. 18-__

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AUTHORIZING PAYMENT OF CLAIMS PURSUANT TO CALIFORNIA PUBLIC RESOURCES CODE SECTION 5552

WHEREAS, California Public Resources Code section 5552 empowers the Board of Directors to authorize the Controller to approve the payment of claims in any amount without the prior, specific approval of the Board, that are for any purpose for which an expenditure has been previously authorized in the Midpeninsula Regional Open Space District’s (District) adopted budget and which do not exceed the amount of expenditure so authorized, so long as such demands are presented to the Board of Directors at its next regular meeting for its review and approval; and

WHEREAS, the Board of Directors desires to authorize the Controller or his/her designee(s) to approve claims against the District, regardless of dollar value, without the prior specific approval of the Board, as provided in Public Resources Code section 5552 and Board Policy 3.03.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Midpeninsula Regional Open Space District hereby authorizes the Controller or designee(s) to approve all claims against the District that are for any purpose for which an expenditure has been previously authorized in the District’s adopted budget, and directs the General Manager or designee(s) to include these claims on the Claims Report for ratification by the Board at its next regular meeting for the Board’s review and approval.

* * * * *

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on _____, 2018, 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