



Midpeninsula Regional
Open Space District

R-14-111
Meeting 14-26
September 24, 2014

STUDY SESSION ITEM 1

AGENDA ITEM

Measure AA Bond Oversight Committee

GENERAL MANAGER'S RECOMMENDATIONS

A handwritten signature in black ink, appearing to be "G.M.", is written to the right of the "GENERAL MANAGER'S RECOMMENDATIONS" heading.

1. Discuss and provide input to staff on the Measure AA Bond Oversight Committee and the proposed guidelines, as recommended by the General Manager, regarding its formation, charges, and organization.
2. Provide input regarding the proposed guidelines for Committee membership requirements.

SUMMARY

On June 3, 2014, the voters in the Midpeninsula Regional Open Space District (District) passed Measure AA, approving a \$300 million general obligation bond for thirty years. The ordinance that created the new tax includes a requirement for a bond oversight committee that is charged with reviewing the annual auditor's report to verify conformity with the adopted expenditure plan. This report presents the General Manager's recommendations regarding the Measure AA Bond Oversight Committee (Committee), including scope of responsibility, terms of office, meeting schedule, and the appointment and selection process for committee members. The Board is being asked to consider the General Manager's recommendations and to provide input on the process as necessary.

DISCUSSION

Background

The voters of the Midpeninsula Regional Open Space District passed Measure AA, a \$300 million general obligation bond on June 3, 2014 (Ordinance 14-02). Section 3 of the attached Expenditure Plan 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.

Discussion

This report presents the staff proposals for the structure and organization of the Measure AA Bond Oversight Committee based on the duties and requirements outlined in Ordinance 14-02. Specific topics covered are:

- Lifespan of the Committee
- Scope of Responsibility
- Organizational Structure & Applicability of Existing District Policies and Practices
- Meeting Schedule
- Staff Support
- Member Appointment & Selection Process

Committee Lifespan: Staff recommends that the Committee be established on April 1, 2016 following a six month recruitment and selection process. The Committee would meet initially in spring 2016 for an orientation covering Committee responsibilities, including Brown Act and Conflict of Interest Code regulations and responsibilities outlined in Ordinance 14-02. With the first bond issuance scheduled for May 2015, the first Measure AA expenditure audit would occur during summer 2016, after which the Committee would conduct its first review of Measure AA expenditures. This first bond audit will include eligible funds spent on Measure AA projects prior to the first bond issuance, as authorized by Resolution 14-26.

The Committee would sunset following the completion of all Measure AA projects and associated expenditures. The final year in which the bond tax is collected is projected to be Fiscal Year (FY) 2045-46; however, bond proceeds may not be completely spent until subsequent years. Upon completing its review of the final audit of expenditures the Committee would sunset.

Scope of Responsibility: Staff recommends the Committee fulfill three areas of responsibility as authorized by Ordinance 14-02:

- 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 Chair shall report to the Board of Directors at a public meeting the results of its review of the District's audit.

The Committee shall not have authority to recommend, advise or direct any such matters that may fall under its responsibility to oversee or 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: Ordinance 14-02 requires that the Committee consist of seven at-large members, all of whom shall be District residents. The 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. Staff makes no recommendations regarding any required qualifications for Committee members, other than applicants with a strong and relevant financial background, especially in a governmental capacity, should be given strong consideration.

Committee Member Terms of Office: Staff recommends the use of staggered terms of office to allow committee members to gain experience by serving multiple terms while balancing that goal with the opportunity for the membership of the Committee to change over time. Below are the proposed terms of office:

Member Slots	First Term		Second Term	
	Appointment	Expiration	Appointment	Expiration
1, 3, 5, 7	April 2016	October 2020	November 2020	October 2024
2, 4, 6	April 2016	October 2018	November 2018	October 2022

The full term for each of the seats will be four years. The first term for seats 1, 3, 5, and 7 will serve from April 2016 to October 2020, and seats 2, 4, and 6 will serve from April 2016 to October 2018. All subsequent terms will be for four years running from November through October.

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

- Shall choose a Chair and Vice-Chair
- 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

Committee Meeting Schedule: The District’s fiscal year currently ends on March 31 with the Annual Financial Audit typically completed by July each year. Staff recommends the Committee meet late each summer to review the Annual General Obligation Bond Audit and Accountability Report to verify District expenditures conform to the Expenditure Plan. The actual meeting schedule may vary from year to year depending on the audit preparation schedule. When necessary the Committee would meet to discuss any proposed amendments to the Expenditure Plan. These meeting 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.

Staff Support: Staff from the General Manager’s Office and the Administrative Services Department will have primary responsibility for supporting the Committee.

Appointment and Selection of Committee Members: Staff recommends a robust recruitment and application process to solicit interested members of the public (a draft application is attached). All applications received by the deadline will be compiled by District staff and

provided to the Board of Directors. The Board will evaluate the applications, conduct interviews of top candidates, and appoint Committee members by the end of March 2016.

Potential Advisory Body to Provide Input on Measure AA Projects

At its August 28, 2014 study session, several Board members expressed interest in the Bond Oversight Committee performing an advisory function related to Measure AA projects. The Board has several options associated with creation of an advisory body as follows:

1. Choose to task the Bond Oversight Committee with an advisory role in addition to its oversight role regarding review of Measure AA expenditures and review of changes to the expenditure plan.
2. Form a separate advisory body, which can meet on a regular or as needed basis to provide input on Measure AA or other District projects (see attached memorandum regarding the potential ongoing role for the Vision Plan Community Advisory Committee).
3. Choose not to create an advisory body, but use its existing committee structure and related public notice and comment process to review and provide input to the full Board of Directors on Measure AA and other District projects. Members of the recently sunset Community Advisory Committee could provide ongoing input to staff in developing recommendations for Board committee consideration on an as needed basis.

The Board may also wish to consider other options for creation of an advisory body not outlined in this report.

FISCAL IMPACT

Once the Committee is established, staff time to support the Committee and necessary supplies and materials may incur additional costs. These costs will be identified and incorporated into the Annual District Budget for approval by the Board. If the Board forms a separate advisory body or chooses to task the Bond Oversight Committee with an advisory role, a new staff position may be needed to provide administrative support to the body dependent on how often the body meets, the type of documents it reviews or produces, etc.

BOARD COMMITTEE REVIEW

Due to the important nature of this Committee, 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. 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. Additional notice was provided to members of the District's Community Advisory Committee.

CEQA COMPLIANCE

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

NEXT STEPS

Following this study session, staff will return to the Board at later date with a resolution establishing the Measure AA Bond Oversight Committee and adopting its bylaws.

Attachments

1. Draft Application for Measure AA Bond Oversight Committee
2. Memorandum regarding Potential Ongoing Role for Community Advisory Committee

Responsible Department Head:
Steve Abbors, General Manager

Prepared by:
Jennifer Woodworth, District Clerk

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

Please print or type

Name: _____

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



Midpeninsula Regional
Open Space District

Memorandum

DATE: September 24, 2014

MEMO TO: Board of Directors

THROUGH: Stephen E. Abbors, General Manager

FROM: Kirk Lenington, Natural Resources Department

SUBJECT: Potential Ongoing Role for Community Advisory Committee

Background

The District's Vision Plan Project was initiated in August 2012, with a goal to engage the District's partners, stakeholders, and the public in a process to determine a District-wide 40 year vision for land preservation, resource management, public recreation, and working lands. Critical to this process was the formation of a volunteer Community Advisory Committee (CAC) to participate in the Vision Plan as an important component of the overall strategy to meaningfully engage the public in the planning process and build support for the District. The CAC was discussed and formed through several Study Sessions conducted by the Board of Directors (R-12-100, R-12-117, R-12-119) before finally ratifying the finalized membership in February 2013 (R-13-32).

The CAC met 10 times between its formation in February 2013 and its final meeting in March 2014, providing valuable feedback and diverse perspectives on the Vision Plan process and resulting work products.

Discussion

During its final meeting, the CAC brainstormed possible future roles for itself and its membership. The opinion expressed by the CAC was that the District would be better served by the creation of project-specific task forces or issue-specific advisory panels when necessary, rather than an ongoing permanent advisory body. The CAC pointed out that its function was largely that of a project-specific task force during the preparation of the Vision Plan, the purpose of which was clearly established at the outset. The CAC composition was based on the array of community interests and perspectives that were required to accomplish its assigned task.

Members of the CAC provided some examples of issue-specific advisory committees that could be formed to provide feedback to the Board and staff. One example was a climate change mitigation advisory committee that could be created to simply serve as an "on-call" sounding board for the staff to convene from time to time to try out different policy or program ideas. The advisory committee would not need to have regular meetings and would not need to create a District action plan for addressing climate change. Furthermore, staff time would be minimized

because the advisory committee composition would be selected based on existing expertise and knowledge, therefore limiting the time required of staff to provide educational and background materials to the committee members.

Many of the CAC members expressed their interest in potentially serving on future advisory committees that may be formed for either project-specific or issue-specific purposes. Some CAC members also expressed an interest in being considered for participation on the Bond Oversight Committee. Staff recommends the District evaluate the benefit of advisory committee on a case by case basis and convene advisory committees where such input and feedback would provide valuable input and feedback to the District. The composition of any voluntary advisory committee could be drawn from the CAC membership roster as a starting point.