



Midpeninsula Regional
Open Space District

R-15-45
Meeting 15-07
March 25, 2015

AGENDA ITEM 4

AGENDA ITEM

Fiscal Year 2015-16 Annual Claims List

CONTROLLER'S RECOMMENDATIONS

1. Approve the Fiscal Year 2015-16 Annual Claims List, including debt service payments.
2. Approve the exclusion of claims with a cumulative total \$25,000 or less from future Annual Claims Lists.

SUMMARY

Pursuant to Board Policy 1.03, the Annual Claims list for Fiscal Year 2015-16 (FY2015-16) 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. At the Regular Board Meeting on March 12, 2014, the Board authorized the General Manager or designee to approve payment of claims up to \$25,000 (R-14-54) to increase operational efficiencies, subject to Board ratification at the Board's next regularly scheduled meeting. As part of this report and to be aligned with the Board-approved authority bestowed to the General Manager, the Controller recommends that future Annual Claims Lists include only claims that exceed \$25,000. The Annual Claims items are included in the proposed FY2015-16 Budget, which is part of a separate Agenda Item at this same meeting.

DISCUSSION

In accordance with Board Policy 1.03, the list of annual claims for the coming fiscal year is submitted to the Board of Directors for review and approval prior to the commencement of the fiscal year. Per past practice, the Annual Claims list provided as part of this report includes claims for all amounts, including those that are under \$25,000. On March 12, 2014, the Board adopted Resolution 14-12 authorizing the General Manager or designee to approve the payment of claims up to \$25,000, subject to Board ratification at the next Regular Board meeting (R-14-54). In light of this delegation of payment approval authority and the post facto ratification by the Board, it is redundant to list claims that are \$25,000 or less on the Annual Claims List. The Controller therefore recommends that Annual Claims Lists for future years include only those claims with an annual total exceeding said \$25,000 authority.

Recusal Statement

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.

Debt Service Claims

The debt service claims list reflects payments required of the District to meet outstanding District debt obligations. Attachment A lists the District's current debt service annual claims for FY2015-16, and Attachment B provides a detailed list of debt service obligations.

ANNUAL CLAIMS

ITEM DESCRIPTION	AMOUNT
Staff Salaries	\$12,265,857
Debt Service (includes note paying agent fees)	\$9,910,823
Retirement Plans	\$2,072,847
Group Insurance Premiums	\$1,786,749
State Mandated Insurance-Unemployment & Workers Comp.	\$541,669
Fuel - Valley Oil Company	\$135,000
Dispatch Services (City of Mountain View)	\$150,000
Utilities - Electricity/Gas/Propane/Telephone/Cellular Telephone (PG&E***/Cal Water/Amerigas/Verizon***/AT&T***)	\$157,410
Wellington Park Investors (AO Office Lease)	\$171,100
Legislative Consultant (Public Policy Advocates)	\$45,000
Deer Hollow Farm Agreement (City of Mountain View)	\$50,000
Director's Fees	\$26,000
Janitorial Services - 3 Offices	\$25,300
Internet Provider - Sonic.net	\$25,960
American Tower Corporation (Coyote Peak Repeater)	\$22,000
Antenna Site Rental - Pinnacle (Repeater Site)	\$22,000
WEX (gasoline credit card)	\$32,000
Payroll Services (ADP)	\$30,000
Copier Leases and Usage - 3 Offices	\$23,800
Garbage/refuse services (Recology/Green Waste/Mission Waste)	\$21,830
Tomita Radio Equipment Site Rental	\$14,000
Office Alarm Services (ADT/Protection One/Tyco Integrate)	\$13,900
Landscaping Services (330 Distel Circle)	\$8,000
Pitney Bowes Postage Machine Lease	\$3,128
Bank Fees	\$2,500
FedEx/UPS (Courier services)	\$1,250
Data Safe (Shredding services)	\$560
TOTAL:	\$27,558,683

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

BOARD COMMITTEE REVIEW

This item was not reviewed by a Board Committee; however, the Action Plan and Budget Committee reviewed the Proposed FY2015-16 Budget in February.

FISCAL IMPACT

This item will have no financial impact as the listed Annual Claims have been included in the proposed FY2015-16 Budget, which is scheduled to be approved by the Board of Directors at this same Regular Meeting of March 25, 2015 (R-15-44). 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 would minimize the occurrence of late fees, finance charges, and urgent check requests.

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 to prepare open purchase orders for the listed vendors and pay bills as they are received. Also, the Annual Claims List for future years will be modified to only include claims that are over \$25,000.

Attachments:

1. Current Debt Service Annual Claims FY2015-16
2. Detailed List of Debt Service Obligations FY2015-16

Responsible Manager:

Kate Drayson, Administrative Services Manager

Prepared by:

Andrew Taylor, Senior Accountant

ATTACHMENT A

**ANNUAL CLAIMS:
DEBT SERVICE
FISCAL YEAR 2015-2016**

	<u>PRINCIPAL</u>	<u>INTEREST</u>
NOTEHOLDER-LAND		
Daloia	20,728.93	4,120.03
Hunt	0.00	75,000.00
Bergman	850,000.00	25,500.00
Subtotal-Notes	<u>870,728.93</u>	<u>104,620.03</u>
 BONDS PAYABLE		
2007 Bonds - Series A	2,635,000.00	2,412,125.00
2011 Bonds	95,000.00	1,079,000.00
2012 Refunding	355,000.00	678,425.00
2015 Refunding	405,000.00	1,247,923.33
Subtotal-Notes	<u>3,490,000.00</u>	<u>5,417,473.33</u>
 TOTALS - NOTEHOLDERS & BONDS	<u><u>4,360,728.93</u></u>	<u><u>5,522,093.36</u></u>
 TOTAL DEBT SERVICE	 9,882,822.29	

ATTACHMENT B

**DEBT SERVICE
FISCAL YEAR 2015-2016**

Payable to	Close of Escrow	Original Note	Rate %	Term	Remaining Principal At March 31, 2015	Final Payment Due	FY 2015/2016 - Debt Service Payments		
							Total	Principal	Interest
Daloia	10/11/2002	240,000.00	6.25%	15 Years	62,143.55	10/10/2017	24,848.96	20,728.93	4,120.03
Hunt	04/15/2003	1,500,000.00	5.50%	10 years	1,500,000.00	04/01/2023	75,000.00	0.00	75,000.00
Bergman	10/27/2010	<u>850,000.00</u>	4.00%	5 Years	<u>850,000.00</u>	11/30/2015	<u>875,500.00</u>	<u>850,000.00</u>	<u>25,500.00</u>
		<u>2,590,000.00</u>			<u>2,412,143.55</u>		<u>975,348.96</u>	<u>870,728.93</u>	<u>104,620.03</u>
2007 Bonds Series A	12/15/2006	52,415,000.00	4% to 5%	20 years	49,935,000.00	09/01/2027	5,047,125.00	2,635,000.00	2,412,125.00
2011 Bonds	05/05/2011	20,500,000.00	2% to 6%	30 years	20,385,000.00	09/01/2041	1,174,000.00	95,000.00	1,079,000.00
2012 Refunding Notes	02/02/2012	31,264,707.20	2% to 5%	30 years	33,229,501.25 *	09/01/2041	1,033,425.00	355,000.00	678,425.00
2015 Refunding Notes	01/22/2015	<u>23,630,000.00</u>	2% to 6%	19 years	<u>23,630,000.00</u>	09/01/2034	<u>1,652,923.33</u>	<u>405,000.00</u>	<u>1,247,923.33</u>
		<u>127,809,707.20</u>			<u>127,179,501.25</u>		<u>8,907,473.33</u>	<u>3,490,000.00</u>	<u>5,417,473.33</u>
		<u>130,399,707.20</u>			<u>129,591,644.80</u>		<u>9,882,822.29</u>	<u>4,360,728.93</u>	<u>5,522,093.36</u>

* Includes Accretions