



Midpeninsula Regional  
Open Space District

## MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

### ACTION PLAN AND BUDGET COMMITTEE

Administrative Office  
5050 El Camino Real  
Los Altos, CA 94022

**Tuesday, May 21, 2024**

*The Action Plan and Budget Committee conducted this meeting in accordance with California Government Code section 54953.*

### DRAFT MINUTES

#### **CALL TO ORDER**

Chair Riffle called the meeting of the Action Plan and Budget Committee to order at 1:00 p.m.

#### **ROLL CALL**

Members present: Craig Gleason, Karen Holman, Curt Riffle

Members absent: None

Staff present: General Manager Ana M. Ruiz, General Counsel Hilary Stevenson, Assistant General Manager Susanna Chan, Assistant General Manager Brian Malone, Chief Financial Officer/Director of Administrative Services Stefan Jaskulak, District Clerk/Assistant to the General Manager Maria Soria, Executive Assistant/Deputy District Clerk Loana Lumina-Hsu, Controller Michael Foster, Budget & Finance Manager Rafaela Ocegüera, Natural Resources Manager Kirk Lenington, Chief Ranger/Visitor Services Manager Matt Anderson, Planning Manager Jane Mark, Land & Facilities Manager Brandon Stewart, Engineering & Construction Manager Jay Lin, Information Systems & Technology Manager Casey Hiatt, Real Property Manager Allen Ishibashi, Management Analyst II Elissa Martinez, and Management Analyst I Jordan McDaniel

Chair Riffle announced that the public has the opportunity to comment on the agenda, and the opportunity to listen to this meeting through the internet or via telephone. This information can be found on the meeting agenda, which was physically posted at the District's Administrative Office, and on the District website.

**REMOTE PARTICIPATION UNDER AB2449**

Pursuant to AB2449, Director Holman provided notice she is participating in the Committee meeting using video teleconference under the just cause exemption of illness.

**ADOPTION OF AGENDA**

**Motion:** Director Gleason moved, and Director Holman seconded the motion to adopt the agenda.

**ROLL CALL VOTE: 3-0-0 (Motion Passed Unanimously)**

**ORAL COMMUNICATIONS**

Deputy District Clerk Loana Lumina-Hsu reported there were no public speakers for this item.

**COMMITTEE BUSINESS**

**1. Approve the May 7, 2024 Action Plan and Budget Committee Meeting Minutes**

Public comment opened at 1:02 p.m.

Ms. Lumina-Hsu reported there were no public speakers for this item.

Public comment closed at 1:02 p.m.

Chair Riffle requested a correction on page four, second paragraph, to remove “budget includes staffing” and change it to “if the budget assumes full staffing each year.”

**Motion:** Director Gleason moved, and Director Holman seconded the motion to approve, with the amended May 7, 2024 Action Plan and Budget Committee meeting minutes.

**ROLL CALL VOTE: 3-0-0**

**2. Fiscal Year 2024-25 Budget and Three-Year Capital Improvement and Action Plan Review (R-24-54)**

Chief Financial Officer/Director of Administrative Services Stefan Jaskulak reviewed the chart of Measure AA (MAA) expenditures trend by program: Natural Resources Protections Projects, Public Access Projects, and Land Projects, which was requested by the Committee. He continued presenting the Fiscal Year 2025 (FY25) Measure AA Summary with a FY25 proposed budget of \$7.3M with 30 projects across the 12 MAA portfolios.

Chair Riffle stated the presented chart and summary is helpful for where the District has been and plans for the upcoming year, and asked if there can be a three-year chart or plan showing planned spending for Measure AA funds for the near year’s Action Plan and Budget Committee meetings.

Mr. Jaskulak confirmed staff will be able to create the chart.

Assistant General Manager Susanna Chan continued the staff presentation with an overview of the projects within the Public Access, Education and Outreach program. Of the program's thirty-nine projects, thirty-three are ongoing initiatives and six are new projects. Ms. Chan spoke on project spotlights of Bay Area Ridge Trail: Highway 17 Crossing and Bear Creek Stables (BCS) Project. Ms. Chan stated at the May 14, 2024 Special Board of Directors meeting, the Board approved the creation of the Bear Creek Stables Ad Hoc Committee to return to the full Board in approximately four months. She explained based on the range of topics to be covered, staff from Land and Facilities, Engineering and Construction, Planning, and Finance Departments will have to shift their workplans to support the ad hoc process. She stated since this is an unexpected process, staff will have to be pulled from projects and she shared the projects will be impacted. She reviewed the FY25 Big Rocks projects and of the 20 projects, 8 projects (Wildland Fire Capacity, Purisima-to-the-Sea Parking, Purisima-to-the-Sea Trail, Highway 35 Multi-Use Trail Crossing/Parking, Bear Creek Stables Project, La Honda Creek Parking/Trailhead Access Phase 1, Agricultural fencing projects, Lone Madrone Corrals) and 1 project (Coastal Field Office Build Out) may be impacted to work on the Bear Creek Stables Ad Hoc Committee. These projects progress may be slowed down due to staffing capacity and workloads due to the shift in focus to work with the Bear Creek Stables Ad Hoc Committee. While these are Big Rocks projects which the Board selected to continue moving forward no matter what, second tier projects will be impacted including project schedules as staff transitions project work and onboarding. She stated at this point the second tier projects have not yet been identified. She also stated that the projects have tight timelines, the projects areas are in sensitive natural habitats, and delays may potentially cause the projects to miss this year's construction window.

General Manager Ana Ruiz explained the Big Rocks projects are led by senior staff due to the size and complexity of the projects. However, the senior staff will have to be pulled to work on the BCS Ad Hoc process. Ms. Ruiz explained the District will try to keep projects on track but there is a domino effect and projects may have delays.

Mr. Jaskulak explained delays have financial considerations as well due to inflations, time slips, missed construction season for the year, and there will be increased construction costs including potential \$500,000 in of cost overruns due to delays in construction and inflation.

Chair Riffle asked and received clarification on construction and project costs the Bay Area Ridge Trail: Highway 17 Crossing project.

Director Holman asked the current state of the Agricultural fencing projects and Long Madrone Corrals.

Land and Facilities Manager Brandon Stewart explained the projects have not started and will begin in FY25.

Ms. Ruiz explained one of the senior staff members who works heavily on BCS projects and co-leads the infrastructure and fencing projects will be moved to work with the BCS Ad Hoc Committee.

Director Holman asked for further explanation of why a staff member removed from the infrastructure and fencing projects would have an impact.

Mr. Stewart explained culmination of projects at several open space preserve, across boundary fencing, and fencing improvements for the conservation grazing program, and will be placed out to bid as a whole in one large Request for Proposals.

Director Holman asked what is involved such as design or construction.

Mr. Stewart explained the District has the specifications for the grazing fencing, and the construction will go through the bidding process.

Director Holman asked who from staff is going to work on the BCS Ad Hoc Committee and why their involvement would effect the infrastructure and fencing projects.

Mr. Stewart explained Senior Property Management Specialist Omar Smith will help with the BCS Ad Hoc Committee, and Mr. Smith is assisting Grazing Conservation Program Manager Matthew Shapero on the fencing and infrastructure projects. Mr. Smith will be pulled from the projects to work on BCS Ad Hoc Committee.

Director Holman stated last year she requested an additional way to identify projects by preserve and asked if staff was able to find a solution to her request.

The Committee discussed Director Holman's request and the majority stated an additional index or identification method is not needed.

Ms. Ruiz stated Directors can contact her with inquiries on preserves and projects, and she will direct the inquiry to the appropriate staff.

Director Gleason stated huge impact from the winter and saw staff was creative to find ways to shift around effort to not take impact on big critical projects and that the initial look at the FY25 Big Rocks Projects. He acknowledged the new project of the BCS Ad Hoc Committee will not be easy and understands staff will have to shift work and projects will be impacted.

Chair Riffle thanked staff for the FY25 Big Rocks project chart highlighting impacted projects and asked for the chart to be included in the Budget Book and to have the Big Rocks projects discussion with the Full Board of Directors so the Board can discuss impact of the decision to create the Bear Creek Stables Ad Hoc Committee. He stated the impact to staff is greater than thought and asked about how does the decision change the budget.

Ms. Chan stated staff will be reallocated to work on and support the BCS Ad Hoc Committee and there will be impacts to the budget due to delays as explained by Mr. Jaskulak. She stated staff is still evaluating and looking to see what the impacts are for the secondary projects.

Director Riffle inquired if the budget for Bear Creek Stables will be updated due to the Board decision that was made at the May 14, 2024 meeting.

Mr. Jaskulak explained the budget will not be changed at this point and stated when the Board makes a decision on the Bear Creek Stables, then the budget will be adjusted accordingly.

Chair Riffle asked if the Big Rocks chart will be adjusted as well based on the Board's decision on the Bear Creek Stables.

Ms. Chan continued the project spotlights including La Honda Creek Open Space Preserve projects of trail connections, parking, and trailhead access; Highway 35 trail crossing; Bear Creek Redwoods Open Space Preserve Phase II Trail Improvements, and answered Directors questions on project statuses.

Ms. Chan continued the project spotlights including Purisima Creek Redwoods Open Space Preserve projects of Road Vehicle Access, Purisima-to-the-Sea Parking, and Purisima-to-the-Sea Trail. Ms. Chan explained with the current work on projects permitting, most projects will enter construction season in FY27. She further explained staff is aware of the large construction season of FY27 and the District is planning staff resources accordingly to manage construction projects.

Director Gleason asked and received clarification on the increase in project cost for Purisima-to-the-Sea Parking from conceptual design phase to design phase, and impacts on the District's trail crews plans over the next two construction seasons.

Assistant General Manager Brian Malone explained trail crews are scheduling projects that are being planned, however, there may be delays with projects stacking up which would push out work on trails.

Ms. Chan reviewed the FY25 Public Access, Education and Outreach Program Area Summary.

Chair Riffle asked and received clarification on the Beatty parking Area and Trail connections construction project and the Newt Crossing Project, crossing options, and potential leveraged benefits of the two projects coordination.

Public comment opened at 2:02 p.m.

Ms. Lumina-Hsu reported there were no public speakers for this item.

Public comment closed at 2:02 p.m.

Ms. Chan provided an overview of the projects within the Assets and Organizational Support program. Of the program's thirty projects, twenty-six are ongoing initiatives and four are new projects. Ms. Chan spoke on project spotlights of Coastal Field Office, Skyline Field Office (SFO) Renovation, and Financial Operational and Sustainability Model (FOSM) Update Implementation.

Chair Riffle asked and received clarification on the SFO Renovation construction timeline, complexity of the site, and permitting efforts in two counties due to the location of the site.

Director Holman asked and received clarification on the FY25 scope of work for the Hawthorns Historic Complex Partnership Project.

Chair Riffle requested to add page reference for projects when staff presents to the full Board.

Ms. Chan highlighted the 20-Year MAA Project Implementation Plan stating the plan will develop a master schedule for the remaining projects, an implementation timeline, projections for

yearly funding allocation for projects. Ms. Chan stated the District committed to work on this project and work will start in FY25.

Director Holman asked and received clarification of the FY25 and FY26 scopes of work for the Title 24 Residential improvements project, the upcoming audit for residential improvements, bid and award contract timeline, and staff's planned efforts for Title 24 compliance.

Director Gleason asked and received clarification on the timeline for the 20-year MAA Project Implementation Plan, engagement process with the community, and process to update the Board.

Chair Riffle asked and received clarification on the District's radio upgrade project, existing technology and area coverage, upgrades to repeater sites, dead spots, and ranger training.

Public comment opened at 2:24 p.m.

Ms. Lumina-Hsu reported there were no public speakers for this item.

Public comment closed at 2:24 p.m.

Chair Riffle stated the information was presented well and requested adding the page numbers for the projects for the Board presentation.

Mr. Jaskulak reviewed the next steps with review of the Budget by the full Board and scheduled Board adoption.

Director Gleason commented he appreciates staff looking into the big lump of projects going into construction in FY27.

Director Holman expressed appreciation for the Big Rocks review and the Measure AA (MAA) expenditures trend by program chart.

Chair Riffle expressed appreciation for the materials and presentation, including the Big Rocks.

Chair Riffle asked the Committee if the Committee would like to continue with the once-a-year December check-in of Big Rocks projects or to include a mid-year check-in. Discussion ensued with appreciation for a mid-year check-in.

Mr. Jaskulak suggested the check-in be in December which can be presented when the Board meets in December for the Strategic Goals and Objectives discussion.

Committee agreed with the suggestion.

Public comment opened at 2:31 p.m.

Ms. Lumina-Hsu reported there were no public speakers for this item.

Public comment closed at 2:31 p.m.

**Motion:** Director Gleason moved, and Director Holman seconded the motion affirming, with any changes requested by the Action Plan and Budget Committee, that the Proposed Fiscal Year 2024-25 Budget and Fiscal Year 2024-25 to 2026-27 Capital Improvement and Action Plan is ready to be forwarded to the full Board of Directors for consideration.

**ROLL CALL VOTE: 3-0-0 (Motion Passed Unanimously)**

**3. Annual Review of Fiscal Management Policies for Fiscal Year 2024 (R-24-61)**

Budget and Finance Manager Rafaela Ocegüera provided the staff presentation and reviewed the proposed amendments to Board Policy 3.01 – *Banking Relationship Management*, and Board Policy 3.02 – *General Accounting, Internal Control and Capital Asset Policy*.

Chair Riffle asked how many contracts will be effected by the proposed threshold to be included in proposed amendment to Board Policy 3.02.

Ms. Ocegüera explained that only two contracts will meet the SBITA criteria, and most of the contracts the District has are annually-based.

Ms. Ocegüera continued the staff presentation and stated there were no changes to Board Policy 3.08 - *Investment Policy* and Board Policy 3.09 – *Debt Management Policy*, which does need to be affirmed annually.

Director Gleason stated the Board Policy addresses types of funds and the minimum requirements, but does not discuss when there is too much in funds. Director Gleason inquired if there interest in the future to review the fund balance policy and asked Controller Michael Foster if the District should amend a policy or create a policy on fund maximums. Director Gleason stated he looked at the past few years of District funds which increased from \$55 million to \$105 million.

Controller Michael Foster and Mr. Jaskulak explained the various District reserves, project allocations, decrease in California state funding, and the District’s pivot to applying for Federal and foundation grants.

Mr. Jaskulak explained during the recent Bond Issuance process, the rating officers noticed there was a dip in the District’s reserves and questioned the dip, which Mr. Jaskulak had to explain the District used reserves to take care of new Administrative Office. Mr. Jaskulak stated rating officers do notice the amount of reserves and how the District is short tens of millions of dollars for projects in the current Capital Improvement and Action Plan (CIAP) timeline.

Mr. Foster stated the District may not look organized as revenue exceeds the budget and spending is below the budget, and the positive cash flow is then added to the reserves, and it may look like the District is putting extra money in reserves. He stated he can work with staff on suggestions on how to show uncertainties in portfolios (called an “upside/downside”), how much money the portfolios will need, and how the portfolios will be funded.

Mr. Jaskulak explained how the reserves are categorized at a high-level so the District and Board can remain nimble in allocating reserves, and the negatives to defining reserves.

Mr. Foster stated the 20-year MAA Project Implementation Plan review will be important for understanding where the District stands for funding the 25 Measure AA portfolios and seeing the projected costs will be beneficial and informative in consideration of the Vision Plan projects and other District expenses.

Chair Riffle stated to address public perception, the District can better articulate reserves are defined funds for upcoming expenses, and Directors can explain the Board approves the budget and funding reallocations.

Director Gleason stated based on discussion, there is no urgent need to update the policy and accepted staff's explanation.

Public comment opened at 2:54 p.m.

Ms. Lumina-Hsu reported there were no public speakers for this item.

Public comment closed at 2:54 p.m.

**Motion:** Director Holman moved, and Director Gleason seconded the motion to forward the policies and the proposed amendments to the full Board of Directors for consideration of their approval and affirmation.

**ROLL CALL VOTE: 3-0-0 (Motion Passed Unanimously)**

Mr. Foster provided an answer to Chair Riffle's question from the Action Plan and Budget Committee meeting on May 7, 2024 regarding how much in taxes are paid into the District each year by an average constituent and for a descriptor, and Mr. Foster stated it is \$5 per month per District constituent.

**ADJOURNMENT**

Chair Riffle adjourned the meeting of the Action Plan and Budget Committee of the Midpeninsula Regional Open Space District at 2:56 p.m.

Loana Lumina-Hsu  
Deputy District Clerk