



Midpeninsula Regional
Open Space District

FUND E D B Y

MEASURE AA

2014 OPEN SPACE BOND

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

Administrative Office
330 Distel Circle
Los Altos, CA 94022

Thursday January 11, 2018

DRAFT MINUTES

ROLL CALL

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

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

Members absent: Denise Gilbert

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 COMMUNICAITONS

No speakers present.

COMMITTEE BUSINESS

- 1. Selection of 2018 Bond Oversight Committee Chair and Vice-Chair**

Committee member Betlem volunteered to serve as Committee Chair.

Committee member Gilbert arrived at 5:35 p.m.

Motion: Committee member Scannell nominated Mr. Betlem to serve as committee Chair, and Committee member Dorow seconded the nomination.

VOTE: 7-0-0

Committee member Gilbert volunteered to serve as Committee Vice-Chair.

Motion: Committee member Dorow nominated Ms. Gilbert to serve as Vice-Chair, and Committee member Eischen seconded the nomination.

VOTE: 7-0-0

2. Approve March 14, 2017 Measure AA Bond Oversight Committee Minutes

Public comments opened at 5:36 p.m.

No speakers present.

Public comments closed at 5:36 p.m.

Motion: Committee member Gilbert moved, and Committee member Zientek seconded the motion to approve the March 14, 2017 Measure AA Bond Oversight Committee minutes.

VOTE 7-0-0

3. Review Annual Accountability Report

Chief Financial Officer/ Director of Administrative Services Stefan Jaskulak provided an overview of the Midpeninsula Regional Open Space District's Second Annual Measure AA Accountability Report. Mr. Jaskulak stated that the timeframe of the report spans from July 1, 2016 through July 30, 2017 and reflects the Measure AA expenditures during this period. An estimated \$37.5 million has been expended of Measure AA funds through June 30, 2017. Mr. Jaskulak stated the structure of the document is guided by Measure AA Ballot language, specifically by Priority Portfolio Actions and by Region. Mr. Jaskulak reviewed the contents of the report and noted that the FY2016-17 audit report was also included for committee members' information.

Committee member Gilbert inquired regarding the Cooley Landing Project asking if this project was funded by Measure AA funds or by the City of East Palo Alto. Ms. Gilbert also inquired if the native planting from the vendor Grassroots Ecology was funded by the City of East Palo Alto.

Acting General Manager Ana Ruiz stated that the building of the Education Center was funded by the City of East Palo Alto, and Measure AA funds were used to pay for the planting of the native plants in the outside parking area on Midpen lands.

Committee member Gilbert inquired if funds were transferred to the City of East Palo Alto to pay for the native planting work.

Ms. Ruiz explained that the District paid the vendor directly, but will confirm with staff.

Committee member Gilbert also inquired on the Russian Ridge – Pubic Recreation, Grazing, and Wildlife Protection Projects Portfolio, which describes completion of year four of the San Francisco garter snake field study and ongoing bull frog eradication work was done at Mindego Ranch. However, page 69 of the Financial Report by Project summary states the work was for Grazing Infrastructure at Mindego Hill Trail and the dollar amount does not match.

Mr. Jaskulak commented that he would verify the description and amount.

Committee member Scannell proposed that next year the Accountability Report should be consistent in the language throughout its entirety of the report, and the report should be clear as to whether a project is a Measure AA or Non-Measure AA funded project.

Mr. Jaskulak commented that staff would make a better effort next year by adding in the project number per land item per section.

Public comments opened at 6:20 p.m.

No speakers present.

Public comments closed at 6:20 p.m.

4. Affirm the Agreed-Upon Procedures for the Review of Measure AA Expenditures and Select Sample Transactions

Mr. Jaskulak reviewed the proposed sample selection of expenditures for the Committee to review and the types of documents that would be provided as backup information for the expenditures using the Agreed-Upon Procedures.

Committee member Scannell asked the District staff to confirm with the auditor that they used the same process as last year to conduct their audit. Finance Manager, Andrew Taylor reported he would follow-up with the auditor and report back to the Committee.

Public comment opened at 6:35 p.m.

No speakers present.

Public comment closed at 6:35 p.m.

Motion: Committee member Dorow moved and Committee member Gilbert seconded the motion to:

1. Affirm the procedures and sampling size as previously approved and implemented for the review of the Annual Accountability Report of 6/30/2017, known as the Agreed-Upon Procedures with the following amendments:
 - For fiscal year 2016-17, there were only four eligible land purchases, so the committee elected to review the ten invoices with the highest dollar amount, four land purchases, and six other expenditures, as selected by the Committee.
 - Add the following set of procedures for Committee members to use when analyzing the sample expenditures:
 - Confirm that the amount listed on the expenditure report corresponds to the backup documentation.
 - Verify that the date of the expenditures is within the timeframe of fiscal year 2016-17. [i.e date work performed]
 - Verify that the vendors included in any backup documentation are correctly listed in the spreadsheet of Measure AA expenditures.
 - Verify project manager has signed off on invoice payment.
 - Verify that the expenditures listed in the Expenditure Report are eligible for Measure AA bond funds reimbursement.
 - Confirm the project number is listed within the correct portfolio.
 - At least one of the sample selections should be an internal labor transfer of funds. Confirm backup documentation shows the Measure AA project associated with the labor reimbursement, the staff member's pay rate, title, date work was performed, total calculation of hours being reimbursed by Measure AA funds, and project manager sign-off on the document.
 - For land purchases, confirm the Board resolution and staff report to approve the purchase is included in backup documentation, and confirm correct purchase price is listed in the wire transfer for the actual transaction.
2. Select sample expenditures from the Annual Accountability Report of 6/30/2017 based on the Agreed-Upon Procedures.

VOTE: 7-0-0

By consensus, the Committee selected the six samples from additional expenditures.

5. Review of Timeline and Future Meetings

The Committee members discussed the future meeting dates and agreed upon the following:

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|------------------|---|
| January 31, 2018 | Review Samples Outline Report to the Board Select the three person Ad-Hoc Committee to draft the report |
| March 1, 2018 | Finalize Report to the Board |
| April 11, 2018 | Board Meeting and Presentation of Findings |

Public Comment opened at 7:02 p.m.

No speakers present.

Public Comment closed at 7:02 p.m.

ADJOURNMENT

Chair Betlem adjourned the meeting of the Measure AA Bond Oversight Committee at 7:03 p.m.

Maria Soria
Executive Assistant/Deputy
District Clerk