

SONOMA COUNTY OPEN SPACE FISCAL OVERSIGHT COMMISSION

COMMISSIONERS

Mike Sangiacomo (Sonoma)
Todd Mendoza (Petaluma)
Dee Swanhuysen (Sebastopol)

Bob Anderson (Healdsburg)
Eric Koenigshofer (Occidental)
Jeff Owen (Alternate)

Regular Meeting
747 Mendocino Avenue – Suite 100, Santa Rosa, CA 95401
April 7, 2016 5:00 pm

AGENDA

1. **Call to Order.**
2. **Agenda Items to be Held or Taken Out of Order; Off-Agenda Items.**
3. **General Announcements Not Requiring Deliberation or Decision.**
4. **Public Comment.**
The Brown Act requires that time be set aside for public comment on items not agendized.
5. **Correspondence/Communication.**
6. **Approval of Commission Minutes.** [Attachment 1]
7. **Financial Report.** [Attachment 2]
8. **Ad Hoc Committee Reports.**
 - Annual Report/Audit Report Review (Anderson, Swanhuysen)
 - Matching Grant Program (Owen, Swanhuysen) - inactive
 - Finances (Owen, Sangiacomo) - inactive
 - Review of County Services (Mendoza, Koenigshofer) - inactive
 - Management Review Recommendations (Anderson, Koenigshofer) - inactive
 - Stewardship (Mendoza, Sangiacomo) – inactive
9. **Commission's Fifth Annual Report to the Board of Directors.** [Attachment 3]
(Continued from March 3, 2016)
10. **Rules of Governance Update.** [Attachment 4]
11. **East Washington Park Matching Grant Program.** [Attachment 5]

12. **Closed Session.**

Conference with Real Property Manager

[Attachment 6]

Property: Stewarts Point

Address: 30955, 32025 and 34400 Highway One, Stewarts Point

APNs: 122-230-007, 122-240-002, 122-250-006 (formerly -003) and 122-270-001

Owner: Save the Redwoods League

Negotiating Parties:

Owner's Representative: Catherine Elliott, Save the Redwoods League

District's Representative: William J. Keene, General Manager

Under Negotiation

Acquisition of Interest in Real Property by the Open Space District. The Commission will give instruction to its negotiator(s) on the price. (*Government Code Section 54956.8*).

13. **Report on Closed Session.**

14. **Suggested Next Meeting.** April 21, 2016

15. **Adjournment.**

In compliance with Government Code §54954.2(a), the Sonoma County Open Space Fiscal Oversight Commission will, on request, make this agenda available in appropriate alternative formats to persons with a disability, as required by Section 202 of the ADA of 1990 (42 U.S.C. §12132), and the Federal rules and regulations adopted in implementation thereof. Individuals who need this agenda in another format or need a disability-related modification or accommodation should contact Sue Jackson at 707.565.7346 at least 72 hours prior to the meeting to ensure arrangements for accommodation. Pursuant to Government Code § 54957.5, a copy of all documents related to an item on this agenda submitted to the Fiscal Oversight Commission may be obtained from the Fiscal Oversight Commission office, 747 Mendocino Avenue, Santa Rosa, CA 95401.

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UNAPPROVED

Minutes for the Meeting of March 3, 2016

Commissioners Present: Bob Anderson, Chair; Todd Mendoza, Vice Chair; Dee Swanhuysen, Chair Pro Tem; Eric Koenigshofer (arrived at 5:10 pm); Jeff Owen, Alternate.

Staff Present: Bill Keene, General Manager; Misti Arias, Program Manager – Acquisition; Lisa Pheatt, Counsel; Robert Pittman, Counsel; Sue Jackson, Deputy Clerk/Recorder.

Also Present: Joe Netter

1. **Call to Order.**

Commissioner Anderson called the meeting to order at 5:03 pm.

2. **Agenda Items to be Held or Taken Out of Order; Off Agenda Items.**

There were none.

3. **General Announcements Not Requiring Deliberation or Decision.**

Mr. Keene made the following announcements:

- On March 8, 2016, the Hinderliter, de Llamas and Associates (HdL) contract will go to the Board of Directors for approval. Under the terms of the contract, HdL will conduct on-going reviews to identify and correct unreported transactions and use tax payments and distribution errors; and will follow up with corrective actions. Additionally, HdL will provide quarterly statewide economic forecasts and revenue projections.
- On March 29, 2016, the Sonoma Raceway Open Space Easements will go to the Board of Directors for authorization to rescind and simultaneously replace the Permit and Resource Management Department Scenic Easement held by the County of Sonoma at the Sonoma Raceway with an Open Space Easement conveyed to the District.
- The Conservation Easement Workshop held at the Board of Directors meeting is currently calendared for April 5, 2016.

4. **Public Comment.**

Joe Netter, a member of the public, addressed the Commission. He spoke in opposition to the Young-Armos Incubator Farm and Habitat Restoration Project. Mr. Netter asked that a "Petition of Homeowners and Residents" dated February 10, 2016 (attached) be agendized at

a future meeting. Commissioner Koenigshofer asked Mr. Netter to provide him with a copy of Mr. Netter's talking points.

5. **Correspondence/Communication.**

There was none.

6. **Approval of Commission Minutes.**

On a motion by Commissioner Mendoza and second by Alternate Commissioner Owen, the minutes of February 4, 2016 were approved, with Commissioner Swanhuysen abstaining.

7. **Financial Report.**

The commissioners reviewed the financial report prepared by Mary Dodge, Administrative and Fiscal Services Manager.

8. **Sonoma Raceway Open Space Easement.**

Resolution 2016- 002

Ms. Arias gave a historical overview of the Sonoma Raceway (now known as Sonoma Speedway LLC), including descriptions of the three property easements and the conditions under which the Scenic Easement (held by the County of Sonoma since 1988) on the Lakeville Property shall be rescinded and superseded by the Open Space Easement. The three properties are:

- a. "Lakeville" – 678 acres
- b. "Mountain" – 220 acres
- c. "53 acre" – 53 acres

No District funds will be expended to accept these easements. The Commission discussed permitted activities and the impact of the activities on the land. Additionally, the Commission discussed its right to establish and impose fees and charges for costs associated with on-going stewardship obligations.

On a motion by Commissioner Koenigshofer and second by Alternate Commissioner Owen, the resolution was approved, with all present in favor.

9. **Ad Hoc Committee Reports.**

- Annual Report/Audit Report Review (Anderson, Swanhuysen)
See Agenda Item #10
- Investment (Swanhuysen, Owen) – Inactive
- Review of County Services (Mendoza, Koenigshofer) -Inactive
- Stewardship (Mendoza, Sangiacomo) – Inactive
- Operation and Maintenance Transaction Review (Anderson, Koenigshofer) – Inactive
- Matching Grant Program (Koenigshofer, Owen) – Inactive
- Management Review Recommendations (Koenigshofer, Anderson) – Inactive

10. **Commission's Fifth Annual Report to the Board of Directors.**

The Commission reviewed the draft of its current Report to the Board of Directors. The Commission determined that, while the report's presentation of findings follows the order described in paragraph 3 of the Board of Supervisor's Resolution #10-0832 (dated 12/7/10) the information would be clearer were it presented in a narrative format, focusing on the

actions taken by the Commission during the year that had a major impact on the fiscal strength of the District. The Commission asked the Annual Report/Audit Report Review Subcommittee to make edits and return the report to the Commission for final approval at the next scheduled Commission meeting.

11. **Planning for 2016.**

Commissioner Anderson led a discussion focused on the activities, responsibilities and relationship between the District, the Commission, the Board of Directors, the County Administrator's Office, other appointed committees such as the District's Advisory Committee and out-of-County groups with similar missions. The discussion was continued to the regular April meeting (April 7, 2016). In addition, the Commission is considering holding a special meeting on April 21, 2016 specifically for further discussion of items identified as priorities.

12. **Suggested Next Meeting.** April 7, 2016

13. **Adjournment.**

On a motion by Commissioner Swanhuysen and second by Commissioner Mendoza, the meeting was adjourned at 7:15 pm.

Respectfully submitted,

Sue Jackson
Deputy Clerk

Sonoma County Agricultural Preservation and Open Space District
Consolidated Balance Sheet - District and OSSTA Funds
February 29, 2016

Assets

Cash and Investments	\$58,858,858
Accounts Receivable	10,000
Other Current Assets	900
Intergovernmental Receivables	86,867
Total Assets	<u><u>\$58,956,625</u></u>

Liabilities and Fund Balance

Current Payables	\$9,668
Accrued Exp/Other Current Liab	2,596
Long-Term Liabilities	30,000
Total Liabilities	<u><u>42,264</u></u>

Fund Balance

Nonspendable - Prepaid Expenditures	900
Restricted - District Activities	58,913,461
Total Fund Balance	<u><u>58,914,361</u></u>
Total Liabilities and Fund Balance	<u><u>\$58,956,625</u></u>

Cash by Fund

OSSTA - Measure F	\$55,072,329
Open Space District	1,608,096
Fiscal Oversight Commission	34,827
Stewardship Reserve	
Cooley Reserve	161,478
Moore Grant Conservation Ben.	75,008
Operations and Maint. Res.	1,907,120
Total Cash by Fund	<u><u>\$58,858,858</u></u>

Sonoma County Agricultural Preservation and Open Space District
Consolidated District and OSTA Budget to Actual
For the eight months ended February 29, 2016

	Budget Final	Actual Year to Date	Encumbrances Year to Date	Remaining Balance	33% of year Remaining
Revenues					
Tax Revenue	\$22,880,000	\$11,604,909	-	\$11,275,091	58.48%
Intergovernmental Revenues	33,019,884	5,752,349	-	27,267,535	84.01%
Use of Money & Prop	475,000	(15,847)	-	490,847	103.34%
Miscellaneous Revenues	0	64,739	-	(64,739)	0.00%
Other Financing Sources	11,993,342	10,421,562	-	1,571,780	13.11%
Total Revenues	68,368,226	27,827,712	-	40,540,514	63.07%
Expenditures					
Salaries and Employee Benefits	4,106,741	2,044,425	-	2,062,316	56.24%
Services and Supplies	8,810,416	2,041,203	\$3,192,247	3,576,966	30.61%
Other Charges	39,886,692	5,915,139	33,054	33,938,499	87.45%
Capital Expenditures	23,205,182	5,400,930	420,658	17,383,594	75.05%
Other Financing Uses	49,513,935	46,977,806	-	2,536,129	6.40%
Total Expenditures	125,522,965	62,379,503	3,645,959	59,497,503	48.27%
Net Earnings (Cost)	(\$57,154,740)	(34,551,791)	(\$3,645,959)	(\$18,956,990)	
Beginning fund balance		93,466,152			
Ending Fund Balance		\$58,914,361			

Note: Sales tax received by February 28, 2015 was \$11,347,499 - 2.21% increase from prior year

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April 7, 2016

Board of Directors
Sonoma County Agricultural Preservation and Open Space District
575 Administration Drive
Santa Rosa, CA 95403

Re: 2015 Annual Report

Dear Board Members:

This letter constitutes the Commission's Fifth Annual Report as required by Board of Supervisors' Resolution No. 10-0832 dated December 7, 2010. The report covers the period from February 5, 2015 February 29, 2016.

Background

Following the voters approval of Measure F in 2006, the Board of Supervisors reorganized the Sonoma County Open Space Authority into the current Commission effective April 1, 2011. As part of that reorganization, the Commission is required to perform certain fiscal oversight duties with respect to the use of funds held in the County's Open Space Special Tax Account and to review and comment on the District's annual audit all as set forth in Resolution No. 10-0832.

What follows is the Commission's Fifth Annual Report to the District's Board of Directors on the Commission's progress in performing its assigned tasks.

Commission's Fifth Annual Report

The highlight of the Commission's 2015 effort was to realize \$13.6 million in savings to the District by refunding Measure F Sales Tax Revenue Bonds issued in November of 2007. The Commission's recommendation, accepted by the County's Treasurer, involved both the refinancing of the District's debt at a lower interest rate plus the utilization of District's reserve funds to pay down its bonds. The result is the District's full outstanding debt will be retired six years ahead of schedule. The Commission's effort on the bond refunding is detailed in section 5 of this report

1. Transfer of Funds from the Open Space Special Tax Account to the County's General Fund. To date,

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the Commission has no information of any such transfer of funds other than for the reasonable value of goods and services provided by the County to the District. In that regard, County departments that provide services to the District under contract or state-approved cost plan are doing so pursuant to the contracts or the plan, which require informative billing with respect to both direct and indirect costs. For this reporting period, the Commission focused on the legal services provided to the District by the Sonoma County Counsel's Office. The Commission recommended that District staff ensure the following tasks are accomplished: (1) that the two parties move quickly towards the execution of a written agreement outlining the scope of legal services to be provided to the District, (2) that a memo be written by County Counsel to the District demonstrating the procedures in place to prevent a conflict of interest by County Counsel regarding the District's business and the County's business, (3) and that County Counsel work with the County Administrator's Office to enhance the conduct of board meetings, so the public can more easily determine when the Board is acting as the District's Board and when the Board is acting as the County's Board or another entity's Board during meetings and within the corresponding meeting minutes.

2. *Operations and Maintenance Expenditures.* The Commission is required to review District operations and maintenance expenditures for compliance with the 2006 Expenditure Plan and the District's implementing policies. The Commission has proceeded with this task on a case-by-case basis with reviews of the District's matching grant program and reviews of fee lands transfers as well as conducting an overview of the fiscal year 2014-2015 accounting transactions for recreational lands. That transaction overview was conducted by a committee of the Commission and an independent auditing firm, Maze & Associates, which reviewed a sample of expenses coded to the operations and maintenance category, and six executed agreements between the District and the park operations entities receiving the transferred land. The results of that review were summarized in an October 29, 2015 memo from the Commission to the District. The memo commends District staff on their coding of expenditures appropriately to the operations and maintenance category in compliance with Measure F, and also provides recommendations to strengthen office protocols related to the expenditure category, including direction to conduct an in-service training for District staff on the criteria for coding their time cards and other expenses to the category. The Commission was informed that this staff training occurred and that the District has office protocols in place for regular updates and further trainings on this expenditure category. Additionally, the Commission participated in a review of the District's Initial Public Access, Operations and Maintenance Policy, which was adopted by the District's Board on February 2, 2016.

3. *Procurement Practices.* During the Commission's third review period (the Commission's February 6, 2014 Annual Report), the Commission completed a review of the District's procurement practices for the purchase of goods and services from private vendors and determined that the District was meeting reasonable procurement standards. The District's practice is to follow the County's procurement practices. The Commission has determined that the District is continuing to utilize the County's procurement practices and the General Manager is satisfied that the practice meets the District's needs.

4. *Respond to Requests of the Board of Directors for Advice.* During this report period, there no requests for advice from the District Board. The Commission has received and dealt with the following matters as requested by the District's General Manager:

- A. January 6, 2015: Review of the progress on the District's dynamic calculation model for the District's stewardship needs at 2031 and beyond. The review occurred with District staff and with staff from the Center for Natural Lands Management, the consultant assisting the District

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with developing the model. The consultant will present the next update on the model at a future Commission meeting. There is more detail on the Commission's effort on this task detailed in item M below and in section 9 of this report.

- B. January 15, 2015: Review of Colgan Creek Restoration Phase 3, a Matching Grant Project. City of Santa Rosa staff addressed Commission questions regarding location of project, boundary lines, and costs. This project was reviewed by the Commission's Matching Grant Program committee in early 2014 (during the application review).
- C. February 5, 2015: Review of the District's draft Initial Public Access, Operations and Maintenance Policy. The Commission provided recommendations to District staff. The outcome of the Commission's effort on this task is detailed in section 2 of this report.
- D. March 5, 2015: Review of the District's draft Initial Public Access, Operations and Maintenance Policy. The Commission provided recommendations to District staff. The outcome of the Commission's effort on this task is detailed in section 2 of this report.
- E. March 27, 2015: Review of a possible re-funding of the Measure F Sales Tax Revenue Bonds that were issued in November of 2007. This review occurred with District staff and with County Treasury staff along with the consultant, KNN Public Finance. The outcome of the Commission's effort is detailed in section 5 of this report.
- F. April 9, 2015: Review of the District's draft Initial Public Access, Operations and Maintenance Policy. The Commission provided recommendations to District staff. The outcome of the Commission's effort on this task is detailed in section 2 of this report.
- G. May 7, 2015: Review of the District's and County Treasury staff options for the potential re-funding of the Measure F Sales Tax Revenue Bonds that were issued in November of 2007; a presentation was provided by KNN Public Finance, the consultant on bond issuance. The outcome of the Commission's effort on this task is detailed in section 5 of this report.
- H. May 7, 2015: Review of the District's FY 15/16 and FY 16/17 budget.
- I. May 14, 2015: Second review of the options related to the potential re-funding of the Measure F Sales Tax Revenue Bonds that were issued in November of 2007; a presentation was provided by KNN Public Finance, the consultant on bond issuance. The outcome of the Commission's effort on this task resulted in the Commission's Minute Order #13 and is detailed in section 5 of this report.
- J. September 10, 2015: Review of the District's draft Initial Public Access, Operations and Maintenance Policy. The Commission provided recommendations to District staff; including that the draft policy be comprehensive and include prior board-adopted policies on the subject. The outcome of the Commission's effort on this task is detailed in section 2 of this report.
- K. October 29, 2015: Review of the District's draft Initial Public Access, Operations and Maintenance Policy. The Commission provided recommendations to District staff. The outcome of the Commission's effort on this task is detailed in section 2 of this report.
- L. November 12, 2015: Review of the District's draft Initial Public Access, Operations and Maintenance Policy. The Commission requested several updates to the draft and recommended that the updated version be presented to the District's Board. The outcome of the Commission's effort on this task is detailed in section 2 of this report.
- M. December 3, 2015: Review of the progress on the District's dynamic calculation model for the District's stewardship needs at 2031 and beyond. The review occurred with District staff and with staff from the Center for Natural Lands Management, the consultant assisting the District with developing the model. The Commission provided several recommendations on the model to District staff. There is more detail on the Commission's effort on this task in section 9 of this report.

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- N. January 6, 2016: Review of the District's plan for the 2016 Matching Grant Program.
- O. January 6, 2016: Review of the District's financial reports.

For more details of the Commission's effort on the above matters, please refer to the Commission's meeting agendas and minutes. A link is provided at the end of this report.

5. *Preview District Borrowing Transactions.* The Commission reviewed and recommended a refunding of the Measure F Sales Tax Revenue Bonds that were issued in November of 2007; the bonds were originally issued to finance the acquisition of parkland and other real property. The 2015 refunding was managed by the County Treasurer, who presented several refunding scenarios to the Commission. The Commission recommended a refunding scenario that included a \$30 million cash contribution from the District's Stewardship Reserve Fund to reduce the outstanding debt and an accelerated repayment schedule. The outcome of that July 2015 refunding will yield a \$13.6 million savings to the District from the original payment structure. That savings is the result of (1) the District's cash contribution towards the debt, (2) the accelerated repayment structure, which will have the debt paid off in FY 2024-2025 instead of FY 2030-2031, and (3) due to favorable market conditions, the interest rate decreased from 4.76% to 1.68%. The Commission further recommended via their Minute Order #13 that replenishment of the Stewardship Reserve Fund is to begin in FY 2024-25, at \$7.5 million annually for seven years, and that structured payment action should in no way curtail any additional contribution necessary to fully fund the Stewardship Reserve to the amount determined to be necessary at the end of Measure F in 2031.

6. *District's Annual Audit.* The Commission's Audit Report Review Committee reviewed the District's FY 14/15 Audit Report as prepared by Maze & Associates. The Committee provided direction to District staff to contact Maze & Associates to (1) correct the labeling within the report by specifying the Measure F sales tax revenue and the OSSTA Fund (Open Space Special Tax Account); Maze had use the label of "County" for these items, (2) clarify the wording regarding the District's available funds in the Operations and Maintenance Fund to be up to 10% of the Measure F sales tax revenue earned less the amount used for eligible expenses during the Measure F term, (3) add to the multiple year sales tax revenue graph a note that California began collecting internet commerce use tax on September 15, 2012 as that policy had significant impact on the Measure F sales tax revenue (AB153 or the "Amazon Tax"), and (4) enhance the Schedule of Interest in Land, which is located in the Other Supplementary Information section of the report, by adding an identifier to each land interest to note whether the interest is a Conservation Easement, an Open Space Easement, or a Fee interest and to note whether an interest includes a corresponding endowment.

7. *Annual Financial Report.* The County Auditor has identified the District as a "component unit" of the County in the 2012-2013 Comprehensive Annual Financial Report (commonly referred to as the "CAFR"). There is a difference of opinion between the Commission and the Auditor on this issue and that difference is explained in the Commission's second annual report to the District's Board dated April 23, 2013.

8. *Appraisal Review.* During the term of this report the Commission has reviewed the following District real property appraisals for compliance with the District's Appraisal Standards and, when appropriate, has reported its comments to the District's General Manager for consideration by the Board of Directors:

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- A. March 5, 2015: Foppiano Vineyards Conservation Easement, Healdsburg
- B. July 9, 2015: Rancho Mark West, Santa Rosa
- C. August 20, 2015: Richardson-Kashia, Jenner
- D. November 12, 2015: Estero Ranch, Bodega
- E. November 12, 2015: Sebastopol Skatergarten Expansion (Matching Grant Program)
- F. February 4, 2016: Hansen Ranch, Petaluma

9. *District's Administration of the Stewardship Fund.* During this report term, the Commission's Stewardship Committee met with the District's Stewardship Manager, Finance Manager, and their consultant, the Center for Natural Lands Management, to review the District's plan to develop and implement a financial forecasting model for the District's stewardship needs at 2031 and beyond. That forecasting model was presented to the full Commission in a report titled, District's Stewardship Reserve Requirement Review. There are three tasks that were quantified for this model: (1) annual monitoring, (2) enforcement, and (3) potential legal defense. The model is designed to be managed by District staff, so when a property acquisition occurs, its corresponding annual monitoring expense can be added to the forecast and the needed fund reserve adjusted. The Commission recommended that District staff continue to explore the model's application and the resulting needed reserve goal and present those updates to the Commission in 2016.

Additionally, the Commission's Investment Committee met with the County's Treasury staff to explore investment options for the District's Stewardship Fund and for other District funds as allowed by the District's investment policies. At this time, the Commission is not recommending a change in investment strategy and will continue to explore options in 2016. The District's funds are included within the County Treasury's investment pool and the Treasury's management fees are at market rate.

10. *Compliance with Measure F.* To date, no information has come to the attention of the Commission showing non-compliance with Measure F.

11. *Review of the Auditor's Annual Report on the Activities of the District (Government Code §50075.3).* As of the date of this report, the Sonoma County Auditor has prepared the report for two annual periods: the period ending June 30, 2014 and period ending June 30, 2015. The Commission's Annual Report/Audit Report Review Committee has reviewed both reports and is satisfied that both reports summarize the Measure F annual sales tax revenue and allowable expenditures, and pending project status. The Commission recommends that the District add this report to its website in the Budget and Financial section.

This report was approved by the Commission at its meeting held on April 7, 2016.

Respectfully submitted,

Bob Anderson
Sonoma County Open Space Fiscal Oversight Commission Chair

cc: Mr. Bill Keene, Sonoma County Agricultural Preservation and Open Space District General

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Manager

Mr. David Sundstrom, Sonoma County Auditor-Controller Treasurer-Tax Collector

Mr. Bruce Goldstein, Sonoma County Counsel

Ms. Veronica Ferguson, Sonoma County Administrator

Links:

Measure F as approved by voters in November 2006

<http://smartvoter.org/2006/11/07/ca/sn/meas/F/>

Board of Supervisors' Meeting Minutes from December 7, 2010

Resolutions 10-0832, 10-0833, 10-0834

file:///C:/Users/C/Downloads/20101207_minutes.pdf

http://sonoma-county.granicus.com/MetaViewer.php?view_id=2&clip_id=130&meta_id=41975

Sonoma County Open Space District Fiscal Oversight Commission's Role, Rules of Governance, Meeting Agendas & Minutes

<http://www.sonomaopenspace.org/who-we-are/board-and-advisors/fiscal-oversight-commission/>

Official Statement County of Sonoma Measure F Sales Tax Revenue Bonds issued November 2007

<http://emma.msrb.org/MS61446-MS262167-MD505658.pdf>

County of Sonoma Agenda Item Summary Report on the 2007 Measure F Sales Tax Revenue Bonds Refunding

http://sonoma-county.granicus.com/MetaViewer.php?view_id=2&clip_id=505&meta_id=162825

County of Sonoma Measure F Sales Tax Revenue Refunding Bonds Series 2015 A (Limited Tax Bonds – Agricultural Preservation and Open Space)

<http://emma.msrb.org/EA725772-EA569231-EA965212.pdf>

Sonoma County Agricultural Preservation and Open Space District's Board of Directors'

February 2, 2016 Meeting Agenda Item #27 Initial Public Access, Operations and Maintenance Policy @ 1:17 minute marker on meeting video

http://sonoma-county.granicus.com/MediaPlayer.php?view_id=2&clip_id=581

APRIL 7, 2016

**RESOLUTION OF BOARD OF COMMISSIONERS OF THE
SONOMA COUNTY OPEN SPACE FISCAL OVERSIGHT COMMISSION ADOPTING CERTAIN
UPDATES TO THE BOARD'S RULES OF GOVERNANCE**

Whereas, on April 21, 2011, this Board adopted certain Rules of Governance; and

Whereas, this Board finds that a Code of Conduct is appropriate to assure that its members, while exercising their office, conduct themselves in a manner that will instill public confidence and trust in the fair operation and integrity of the Sonoma County Agricultural Preservation and Open Space District ("District"); and

Whereas, County Counsel recommends that the Board's Rules of Governance specify a procedure to address conflicts of interest because members are subject to the District's Conflict of Interest Code.

Now, therefore, be it Resolved that, this Board's Rules of Governance are hereby supplemented with those provisions attached hereto as Exhibit "A." County Counsel is directed to prepare and distribute a conforming copy of the Rules of Governance, as hereby amended.

COMMISSIONERS:

AYES: _____ NOES: _____ ABSTAIN: _____ ABSENT: _____

SO ORDERED.

Exhibit A

Rule 15. Order and Decorum

The Chair shall preserve order and decorum and shall decide all questions of order and procedure subject to an appeal to the Board. The nature of any appeal shall be briefly stated and the Chair shall have the right to state the reason for his or her decision.

A Board member wishing to speak shall refrain until he or she has been recognized by the Chair. While a member is speaking, member shall be respectful and shall not engage in or entertain private discussions.

Consistent with the purpose of the Rules, members are encouraged to use a formal style, including appropriate titles, in addressing the public, staff and each other. All members shall refrain from the use of profanity, emotional outbursts, personal attacks or any speech or conduct which tends to bring the organization into disrepute.

Rule 16. Commitment to Civility

To assure civility in its public meetings, staff and the public are also encouraged to engage in respectful dialog that supports freedom of speech and values diversity of opinion. To achieve compliance with these rules, members, staff, and the public are encouraged to:

- Create an atmosphere of respect and civility where elected officials, District staff, and the public are free to express their ideas;
- Establish and maintain a cordial and respectful atmosphere during discussions;
- Foster meaningful dialogue free of personal attacks;
- Listen with an open mind to all information, including dissenting points of view, regarding issues presented to the Board;
- Recognize it is sometimes difficult to speak at Board meetings, and out of respect for each person's feelings, allow them to have their say without comment, including booing, whistling or clapping;
- Adhere to speaking time limit.

Rule 17. Use of Electronic Devices and Documents

The Board shall refrain from emailing, texting, using social media, or otherwise engaging in electronic communications during Board meetings on matters that are listed on the Board's agenda.

Rule 18. Conflicts of Interest

Any member with a disqualifying conflict of interest must, in compliance with the Political Reform Act:

- a) Publically state the nature of the conflict in sufficient detail to be understood by the public;
- b) Recuse himself/herself from discussing and voting on item; and
- c) Leave the room until after the discussion, vote, and other disposition of the matter is concluded, unless the matter has been placed on the Consent Calendar.

The member may be allowed to address the Board as a member of the public. Disclosure of a conflict shall be noted in the official Board minutes. The member must also comply with all other applicable conflicts of interest laws.

Members may not have a financial interest in a contract approved or considered by the Board. In these cases, disclosure and recusal does not remove the conflict and such a contract is considered void (Government Code §1090). The member is encouraged to discuss possible conflicts with County Counsel prior to the meeting.

(Existing Rules 15-17 to be renumbered to Rules 19-21.)



DATE: March 25, 2016 (Meeting April 7, 2016)

TO: Fiscal Oversight Commissioners

FROM: Stuart Martin, Land Acquisition Specialist

SUBJECT: East Washington Park Phase One Matching Grant Project

Summary

The East Washington Park Phase One Matching Grant Project has developed 10.68 acres of public open space on East Washington Street. The park is located on the northern boundary of Petaluma just south of Adobe Rd. The project encompasses three synthetic all-purpose playing fields, pathways, parking, utilities, and other improvements. Phase One is located on the far eastern portion of a larger 22.88 acre parcel owned by the City. The remainder of the property will be developed in the future by the City in additional park phases.

Background

The City of Petaluma was awarded \$2,000,000 from the District's Matching Grant Program in 2007 to develop urban open space and recreational opportunities on the East Washington site. The City originally applied to the District for \$8 million to develop the entire 22.48 acres, but the District approved \$2 million. When it was clear that all funding sources fell short to develop the entire property, the City decided to break the project into phases, and develop Phase One first. The City owned the entire 22.48 acres for many years prior to applying to the District for recreational development funding.

The City approved the Conceptual Master Plan for the entire property in June, 2007. In 2008, after the District grant was approved, the City requested that the District apply their matching funds just to Phase One. District staff agreed that the matching grant could be applied just to Phase One of the project given that it met the objectives outlined in the application.

The City Council on October 8, 2010 approved a CEQA Mitigated Negative Declaration and Monitoring Plan for the entire East Washington Park Project and approved plans and specifications for Phase One. Construction started in July, 2014. A public dedication ceremony occurred April 17, 2015 after the playing fields were completed and opened to use. All of the improvements associated with the District's grant were completed in July, 2015.

Matching Grant Project

The \$2 million District funds for Phase One will reimburse the cost of field turf for two multi-purpose playing fields including base preparation and synthetic turf; an irrigation system with recycled water utilities; earthwork for the third field; and fencing.

The District and the City will enter into a Conservation Easement that covers 10.68 acres of Phase One and will encompass all three playing fields, the parking area, pathways, and surrounding improvements. District staff agreed with the City that including the entrance road didn't further the conservation purpose of the conservation easement.

The District and the City will also enter into a Recreation Covenant. The Covenant ensures that the improvements paid for by the District will be continuously used, maintained and operated by the City as a public park and urban open space preserve in perpetuity, available to the public for public outdoor recreation use for at least twenty five years from the date of the Covenant, in a manner consistent with the Conservation Easement. The City also has to use, operate and maintain the Property encumbered by the conservation easement as a public park and urban open space preserve in perpetuity, available to the public for outdoor public recreation uses in a manner consistent with the Conservation Easement and the City's Master Plan.

Project Match

As required under the Matching Grant Program Guidelines, the Matching Grant Agreement obligated the City of Petaluma to provide a match of at least \$2,000,000. The City has already expended a total of \$6,494,853 total for Phase One, which amounts to a match of \$4,494,853, greatly exceeding the District's requirement.

The City's match paid for planning and design; site preparation; earthwork; wet utilities including water, storm, and recycled water systems; access road and parking; installation of a concrete pedestrian and bicycle pathway; East Washington Street access improvements; fencing; electrical systems; and field lighting.

District Acquisition Plan: Connecting Communities and the Land

The project furthers objective and policies in the District's Acquisition plan by partnering with a City to establish a park of regional importance near the Petaluma urban area.

District Expenditure Plan

The grant is consistent with the District's Expenditure Plan, specifically regarding other open space projects, including urban open space and recreation projects within and near incorporated areas and other urbanized areas of the county which include trails, athletic fields, and urban greenspace.

City of Petaluma General Plan

On March 21, 2016, the City of Petaluma's City Council determined that the park is consistent with the City's General Plan.

Fair Market Value Determination

The Conservation Easement and Recreation Covenant are interests in real property being acquired by the District. Therefore, the Fiscal Oversight Commission is being requested to determine that the District is not paying more than fair market value for these interests. The City of Petaluma is conveying the Conservation Easement and Recreation Covenant to the District as a condition to receiving Matching Grant funds for recreational development of Phase One. No funds are being paid by the District for the acquisition of either the Conservation Easement or the Recreation Covenant. Since the District's Matching Grant does not include any payment for the Conservation Easement or the Recreation Covenant, the District is not paying more than the fair market value for the acquisition of these interests.

Recommendation

District staff recommend that the Commission adopt a resolution that by accepting the Conservation Easement and Recreation Covenant as a condition of providing funding for the development of recreational improvements on the 10.68 acre East Washington Park Phase One property, the District is not paying more or receiving less than the fair market value for the interests so received.



East Washington Park Matching Grant Project Site Map

0 250 500 Feet



Intermittent Stream

MGP Conservation Easement Area

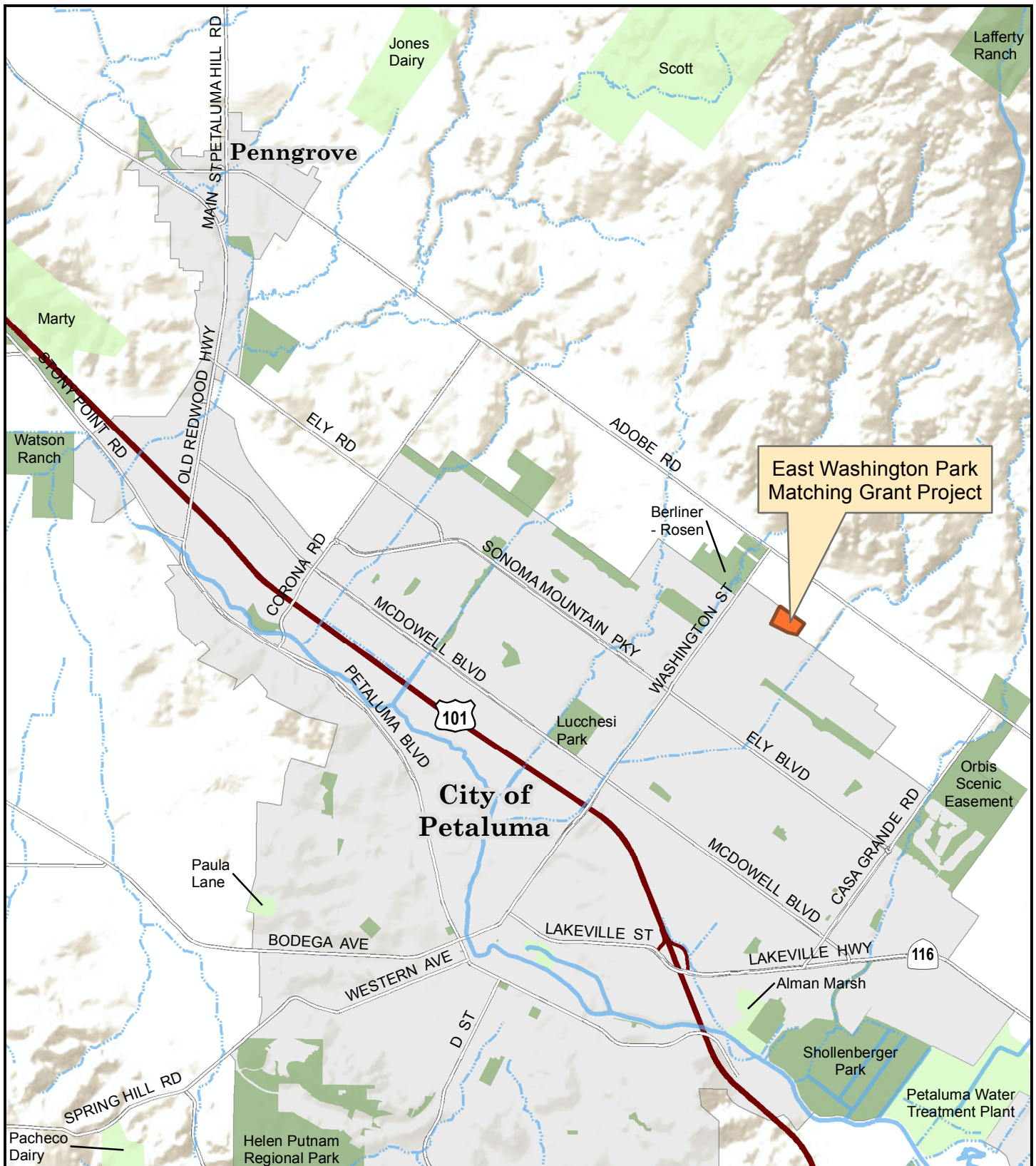
Assessor Parcel

Open Space Easement

Map Date: 3/29/2016
Sources: SCWA (streams); County GIS (parcels, streets); NASA/UMD/WSI (aerial image)
This map is for illustrative purposes only; it is not intended to be a definitive property description.

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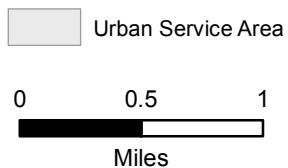
ATTACHMENT 5(A)



East Washington Park Matching Grant Project Location Map



SONOMA COUNTY
AGRICULTURAL PRESERVATION
AND OPEN SPACE DISTRICT



- Urban Service Area
- District Conservation Easement
- Other Public and Protected Land



Map Date: 3/29/2016
Sources: CPAD (protected lands); SCWA (streams);
County GIS (roads, communities)
This map is for illustrative purposes; it is not intended
to be a definitive property description.

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ATTACHMENT 5(B)

DATED: April 7, 2016

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE SONOMA COUNTY OPEN SPACE FISCAL OVERSIGHT COMMISSION DETERMINING THAT THE DISTRICT IS NOT PAYING MORE, OR RECEIVING LESS, THAN THE FAIR MARKET VALUE OF THE INTERESTS SO RECEIVED

WHEREAS, by virtue of the contract dated December 7, 2010, between the County of Sonoma and the Sonoma County Agricultural Preservation and Open Space District ("the District") and Sonoma County Board of Supervisors Resolution No. 10-0832 dated December 7, 2010, this Board of Commissioners is required to review each proposed District acquisition or conveyance in order to determine whether the District would be paying more or receiving less than fair market value for the open space interests being acquired or conveyed; and

WHEREAS, the City of Petaluma applied to the District's 2008 Matching Grant Program and was accepted with a recommendation for funding of \$2,000,000 by the District's Board of Directors on September 9, 2008 for recreational development of the 10.68 acre East Washington Park Phase One property (Matching Grant Project); and

WHEREAS, as a condition of the Matching Grant Project, the City of Petaluma is conveying a Conservation Easement and a Recreation Covenant over the 10.68 acres of Phase One to the District; and

WHEREAS, the District's General Manager is proposing to recommend to the District Board of Directors a matching grant subject to the recordation of (1) a Conservation Easement generally limiting the use of the Property to public outdoor recreation compatible with the open space values of the Property and (2) a Recreation Covenant obligating the City to operate and maintain the Property for public outdoor recreation in perpetuity.

NOW THEREFORE BE IT RESOLVED, that this Board of Commissioners hereby finds, determines, declares and orders as follows:

1. *Truth of Recitals.* The foregoing recitals are true and correct.

2. *Fair Market Value.* This Commission is satisfied that by accepting the Conservation Easement and Recreation Covenant as a condition of providing funding for the development of recreational improvements on the 10.68 acre East Washington Park Phase One property, the District is not paying more or receiving less than the fair market value for the interests so received.

COMMISSIONERS:

AYES: _____ **NOES:** _____ **ABSTAIN:** _____ **ABSENT:** _____