

**SONOMA COUNTY OPEN SPACE
FISCAL OVERSIGHT COMMISSION**

COMMISSIONERS

Mike Sangiacomo (Sonoma)
Todd Mendoza (Petaluma)
Regina De La Cruz (Rohnert Park)

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

Regular Meeting
747 Mendocino Avenue – Suite 100, Santa Rosa, CA 95401
March 7, 2019 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.**
Minutes of February 7, 2018 [Attachment 1]
7. **Financial Report.**
Financial Statements – January 31, 2018 [Attachment 2]
8. **Ad Hoc Committee Reports.**
Annual Report/Audit Report Review (Anderson, Owen)
Matching Grant Program (De La Cruz/Owen)
Real Estate Options (Koenigshofer /Owen)
Fire Recovery Review (Anderson/Koenigshofer)
9. **Closed Session.**
Conference with Real Property Negotiator
Property Address: 747 Mendocino Avenue, Santa Rosa
APN: 180-760-047
Owners: Papeete LLC

Negotiating Parties:

Owners' Representative: Arlene Allsman

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

Under Negotiation:

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

10. **Report on Closed Session.**

11. **Suggested Next Meeting.** April 4, 2019

12. **Adjournment.**

AGENDAS AND MATERIALS: Agendas and most supporting materials are available on the District's website at sonomaopenspace.org. Due to legal, copyright, privacy or policy considerations, not all materials are posted online. Materials that are not posted are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at 747 Mendocino Avenue, Santa Rosa, CA.

SUPPLEMENTAL MATERIALS: Materials related to an item on this agenda submitted to the Commission/Committee after distribution of the agenda packet are available for public inspection at the District office at 747 Mendocino Avenue, Santa Rosa, CA during normal business hours.

DISABLED ACCOMMODATION: If you have a disability which requires an accommodation, an alternative format, or requires another person to assist you while attending this meeting, please contact Mary Dodge at 707-565-7349, as soon as possible to ensure arrangements for accommodation.

**SONOMA COUNTY OPEN SPACE
FISCAL OVERSIGHT COMMISSION**

COMMISSIONERS

Mike Sangiacomo (Sonoma)
Todd Mendoza (Petaluma)
Regina De La Cruz (Rohnert Park)

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

UNAPPROVED

Minutes for the Meeting of February 7, 2019

Commissioners Present: Regina De La Cruz (Chair), Bob Anderson (Vice Chair), Eric Koenigshofer (Chair Pro Tem), Mike Sangiacomo, Jeff Owen (Alternate)

Staff Present: Bill Keene, General Manager; Lisa Pheatt, Counsel; Misti Arias, Program Manager – Acquisition; Sara Press, Land Acquisition Associate – Acquisitions; Sara Ortiz, Administrative Aide; Indigo Bannister, Extra Help – Technician.

1. Call to Order.

Commissioner De La Cruz called the meeting to order at 5:01 p.m.

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.

Bill Keene made the following announcements:

- Colliss Settlement Agreement is expected to go before the Board of Directors on February 26, 2019.
- Healdsburg Ridge Open Space Preserve Transfer is expected to go before the Board of Directors on March 12, 2019.
- SMART Hearn to Bellevue Matching Grant Project is expected to go before the Board of Directors on March 19, 2019.
- Stewardship Workshop is expected to go before the Board of Directors on July 23, 2019.
- Sheri Emerson, Stewardship Program Manager, will return to the Commission next month with the Stewardship policy.

4. Public Comment.

There was none.

5. Correspondence/Communication.

There was none.

6. **Approval of Minutes.**

On a motion by Commissioner Anderson and a second by Commissioner Koenigshofer, the December 6, 2018 minutes were approved and submitted, with Commissioner Owen abstaining.

On a motion by Commissioner Owen and a second by Commissioner Anderson, the January 17, 2019 minutes were approved and submitted, with Commissioner De La Cruz and Commissioner Sangiacomo abstaining.

7. **Financial Report.**

Bill Keene notified the Commission that Mary Dodge, Administrative and Fiscal Manager, is out of town and will be able to answer any questions regarding the financial report ending December 31, 2018 upon her return.

Notes:

Alternate Commissioner Owen questioned if there is a statutory requirement on when the State of California releases tax funds to the District.

Lisa Pheatt, Deputy County Counsel, will update the Commission.

Alternate Commissioner Owen questioned if we pay the State of California for the tax funds based on the total balance.

The Commission will pose these questions to Lloyd de Llamas of Hinderliter, de Llamas, & Associates the next time he appears before the Commission.

8. **Ad Hoc Committee Reports.**

- Annual Report/Audit Review (Anderson/Owen) – Nothing to report
- Matching Grant Program (Koenigshofer/Owen) – Nothing to report
- Stewardship Reserve and Finances (Mendoza/ Sangiacomo) – Nothing to report
- Real Estate Options (Mendoza/Owen) – Nothing to report
- Fire Recovery Policy and Review (Anderson/Koenigshofer) – Nothing to report

9. **Creation of Ad Hoc Committees for 2019 and Assignment of Commissioners.**

Ad hoc committees were formed and commissioners were assigned as follows:

- Annual Report/Audit Review (Anderson/Owen)
- Matching Grant Program (De La Cruz/Owen)
- Real Estate Options (Koenigshofer/Owen)
- Fire Recovery Policy and Review (Anderson/Koenigshofer)

Stewardship Reserve and Finances was made into a standing agenda item.

10. **Closed Session.**

The Commission adjourned to Closed Session at 5:14 p.m.

11. **Report on Closed Session.**

The Commission reconvened to Open Session at 6:14 p.m. and reported the following:

Healdsburg Ridge Properties Transfer

Resolution 2019-002

On a motion by Commissioner Anderson and second by Commissioner De La Cruz, the Commission determined that the cumulative value of the encumbrances at least equals the fair market value of the Healdsburg Ridge Open Space Preserve.

747 Mendocino Avenue, Santa Rosa Purchase

Resolution 2019-003

On a motion by Commissioner Koenigshofer and second by Alternate Commissioner Owen, the Commission determined that the acquisition price for 747 Mendocino Avenue, Santa Rosa does not exceed Fair Market Value.

Notes: Since Arlene Allsman, owner of 747 Mendocino Avenue, has said she needs time to find another property to purchase for a 1031 Exchange, Commissioner Koenigshofer suggested that once the District is ready to purchase the building, rent for the succeeding months go towards the purchase price.

12. **Suggested Next Meeting.** March 7, 2019

13. **Adjournment.**

The meeting was adjourned at 6:15 p.m.

Respectfully submitted,

Sara Ortiz
Deputy Clerk

Sonoma County Agricultural Preservation and Open Space District
 Consolidated Balance Sheet - District and OSSTA Funds
 January 31, 2019

Assets	
Cash and Investments	\$57,881,623
Accounts Receivable	19,156
Other Current Assets	50,041
Intergovernmental Receivables	10,000
Total Assets	\$57,960,820
Liabilities and Fund Balance	
Current Payables	\$82,166
Other Current Liabilities	35,857
Due to Other Governments	46,401
Deferred Revenue	10,000
Long-Term Liabilities	30,000
Total Liabilities	204,424
Fund Balance	
Nonspendable - Prepaid Expenditures	
Restricted - District Activities	57,756,396
Total Fund Balance	57,756,396
Total Liabilities and Fund Balance	\$57,960,820

Cash by Fund	
OSSTA - Measure F	\$49,566,470
Open Space District	1,673,570
Fiscal Oversight Commission	6,258
Stewardship Reserve*	
Cooley Reserve	150,481
Operations and Maintenance	6,484,844
Total Cash by Fund	\$57,881,623

*On July 1, 2015 the County of Sonoma Measure F Sales Tax Refunding Bonds, Series 2015 were issued. The transaction provided a savings of \$13.6 million, in part by following the Commission's recommendation of paying down \$30 million in principal, as well as obtaining a lower interest rate. The Commission recommended using the \$10 million in the Stewardship Reserve Fund as part of the \$30 million paydown. Additionally, the Commission directed use of the \$7.5 million annual savings resulting from the shortened term to fund the Stewardship Reserve beginning in the fiscal year 2024-2025. FOC Minute Order #13 dated May 14, 2015 reflects this direction.

Sonoma County Agricultural Preservation and Open Space District
Consolidated District and OSSTA Budget to Actual
For the seven months ended January 31, 2019
58% of Year Complete

	Budget Final	Actual Year to Date	Encumbrances Year to Date	Remaining Balance	% of Remaining
Revenues					
Tax Revenue *	\$23,043,630	\$9,854,809		\$13,188,821	57.23%
Intergovernmental	5,500,000	245,650		5,254,350	95.53%
Use of Money & Prop	390,000	926,728		(536,728)	-137.62%
Miscellaneous Revenues	4,585,000	29,680		4,555,320	
Other Financing Sources	1,465,490			1,465,490	100.00%
Total Revenues	34,984,120	11,056,867		23,927,253	68.39%
Expenditures					
Salaries and Benefits	4,394,633	2,272,857		2,121,776	48.28%
Services and Supplies	6,563,949	1,720,207	\$4,117,121	726,621	11.07%
Other Charges	3,900,445	95,399	1,246,165	2,558,881	65.60%
Capital Expenditures**	34,877,500	10,697,733	232,685	23,947,082	68.66%
Other Financing Uses	8,938,459	3,842,526		5,095,933	57.01%
Total Expenditures	58,674,986	18,628,722	5,595,971	34,450,293	58.71%
Net Earnings (Cost)	(\$23,690,866)	(7,571,855)	(\$5,595,971)	(\$10,523,040)	
Beginning fund balance		65,328,251			
Ending Fund Balance		\$57,756,396			

* Sales tax collected as of January 31, 2018 was \$8,370,980 reflecting an 18% increase over the prior year, an amount not consistent with the current economy. Per discussion with our sales tax consultants, HdL, problems with collection and timing at the Board of Equalization (now called the Department of Tax and Fee Administration) have duplicate payments reported and unrecorded adjustments. It may be a few months until the true numbers are revealed. HdL estimates actual sales tax for Ag + Open Space to be up by 8.5%

** Capital expenditure breakdown

Wendle	\$1,626,115
Rip's Redwoods	4,281,135
Gravelly Lake	3,099,402
Cresta 3	1,640,397
CIP - Bldg & Improvement	50,684
	<u>\$10,697,733</u>