

Santa Clara Valley Open Space Authority Expenditure Plan Oversight Committee 2024/2025 Annual Report

This is the 2024/2025 annual report of the Santa Clara Valley Open Space Authority Expenditure Plan Oversight Committee (“EPOC” - formerly the Measure Q and Measure T Expenditure Oversight Committee). The report includes background on Measure Q, Measure T, and the EPOC, findings from the required annual reviews, findings from the annual transaction reviews, and EPOC committee recommendations. Also included is an update on the status of the previous year’s recommendations.

The EPOC reviewed the *2024/2025 Annual Expenditure Plan Status Report: A Review of Measure Q and T Revenues and Expenditures* (“2024/2025 Annual Report”). The 2024/2025 Annual Report provides a comprehensive summary of Measure Q and Measure T revenues, expenditures, projects, administrative costs, and grant activities. Recommendations based on the review of the 2024/2025 Annual Report are described further below.

The EPOC reviewed the *2024/2025 Measure Q and Measure T Annual Audit Report* (“2024/2025 Annual Audit Report”) and concluded that it supported the finding that Measure Q and Measure T funds were collected and allocated in accordance with the Expenditure Plans, as further described below.

The EPOC completed the 2024/2025 transaction review. As part of this review, the EPOC evaluated seven (7) selected sample transactions and two (2) payroll summaries associated with Measure Q and Measure T expenditures. The EPOC concluded that all expenses included in the selected sample transactions reviewed were consistent with the four program areas identified in the Expenditure Plans. The EPOC also reviewed two payroll summaries detailing payroll and benefits costs, grouped by employee name, charged to selected projects.

I. BACKGROUND

Measure Q and Measure T

In November 2014, voters within the Authority’s boundary approved the Measure Q parcel tax. The approval authorized the Authority to levy a tax of \$24 per parcel annually for 15 years. In November 2020, voters within the Authority’s boundary approved the Measure T parcel tax. The approval authorized the Authority to levy a tax of \$24 per parcel until changed by voters.

Measure Q and Measure T Expenditure Plans

The Authority published The Open Space, Wildlife Habitat, Clean Water and Increased Public Access Expenditure Plan ("Measure Q Expenditure Plan"). The Measure Q Expenditure Plan can be found at the link below and on the Investing in Nature page on the Santa Clara County Open Space Authority website.

<https://www.openspaceauthority.org/public-information/governance-policies.html?file=Measure+Q+Expenditure+Plan+-+10-07-2014.pdf&field=File&env=policy%5C-document-67---OnViewFile>

The Authority published The 2020 Open Space, Wildlife Habitat, Clean Water and Increased Public Access Expenditure Plan ("Measure T Expenditure Plan"). The Measure T Expenditure Plan can be found at the link below

https://www.openspaceauthority.org/system/user_files/Documents/Grids/MQ%20Renewal/Expenditure%20Plan%202020%20Measure.pdf

The Expenditure Plans summarize how Measure Q and Measure T funds would be used, identified four program categories within which all funds would be expended, and identified administrative provisions and financial safeguards. The four program areas that are to benefit from this additional revenue were identified in Section B of the Expenditure Plans as follows:

- Protect open space, redwood forests, wildlife habitat, scenic hillsides and agricultural land,
- Protect land and restore natural areas around our creeks, rivers and streams to prevent pollution and improve local water quality and supply,
- Open, improve and maintain parks, open space and trails, and
- Create urban open space, parks, and environmental education programs.

In order to ensure accountability, transparency and public oversight of all funds collected and allocated under Measure Q and Measure T and to comply with state law, the Expenditure Plans required:

On or before January 1 of each fiscal year, the Authority's chief fiscal officer shall file an annual report with the Board that explains the amount of funds collected and expended under the Measures, and the status of the projects authorized to be funded by this revenue.

An Independent Oversight Committee shall convene to review the expenditures of all parcel tax revenues collected under the Measures, including:

- No more than 5% of the revenue generated by this measure and provided to the Santa Clara County Open Space Authority may be used for administrative expenses (Measure Q only)
- Revenue generated by this measure and provided to the Santa Clara Valley Open Space Authority may also be used for such administrative expenses as the Board determines are reasonable and necessary through its annual budget process or other appropriate mechanism (Measure T only).
- No more than 25 percent of the revenues generated by this funding measure will be made available for the Grant Program.
- To the extent permitted by law, up to one-tenth of one percent (0.1 %) of the gross proceeds of the parcel tax shall be made available for the EPOC's activities.

Expenditure Plan Oversight Committee

The Measure Q and Measure T Expenditure Plan Oversight Committee ("EPOC") was created on April 23, 2015 to ensure accountability, transparency and public oversight of all funds collected and allocated under Measure Q and Measure T. The EPOC Bylaws can be found at the link below and under Investing in Nature Measures on the Governance & Policies page of the Santa Clara Valley Open Space Authority website.

<https://www.openspaceauthority.org/public-information/governance-policies.html?file=BRD-041-01+---+EPOC+Bylaws+---+12-09-2021+---+Reso+21-81.pdf&field=File&env=policy%5C-document-104---OnViewFile>

The EPOC is an independent oversight committee established to review the expenditures of all parcel tax revenues collected under Measure Q and Measure T. The EPOC consists of seven at-large members appointed by the Open Space Authority Board. Members must reside within the Open Space Authority jurisdictional boundaries, and may not be elected officials of any government, or employees of any agency or organization that directly benefits financially from the proceeds of the parcel tax.

The EPOC meets at least once but no more than four times per year. Meetings are publicly noticed in advance and conducted in accordance with the Brown Act.

The EPOC reviews the Annual Expenditure Plan Status Report, the annual independent financial audit, and conducts audits of selected transactions and payroll summaries to provide independent oversight of Measure Q and Measure T revenues and expenditures. The EPOC reports its findings and recommendations annually to the Board.

The EPOC members as of April 2026 are:

- David Burckhard
- Linda Marquez
- Jeff Micko
- Andrea Wheeler
- Dennis Watson
- Lisa Rosenblum
- Caitlin Dempsey Morais

More information about the EPOC, including the EPOC meeting schedule and the EPOC Annual Oversight Report, can be found at the link below and at the Investing in Nature page on the Santa Clara Valley Open Space Authority website.

<https://www.openspaceauthority.org/public-information/committees/expenditure-plan-oversight-committee.html>

II. REQUIRED REVIEWS

1. Review of the Annual Expenditure Plan Status Report

The EPOC has reviewed the 2024/2025 Annual Expenditure Plan Status Report. The report is a comprehensive summary of Measure Q and Measure T expenditures by program, project and expense category, including administrative and grant expenditures.

Project Expenses

The 2024/2025 Annual Report provides detailed information about all of the projects funded with Measure Q and Measure T funds. The 2024/2025 Annual Report indicates that all expenditures of Measure Q and Measure T funds fell within four program areas identified in the Expenditure Plans.

Administrative Expenses

The 2024/2025 Annual Report indicates that no Measure Q funds were used to pay administrative costs. Under the Measure T Expenditure Plan guidelines, the SCVOSA Board approved a budget of \$2,000,000 of Measure T revenues to partially fund the agency's administrative expenses for Fiscal Year 2024/2025. Accordingly, the Authority only charges a portion of its total annual administrative expenses to Measure T. Any remaining balance is charged to other funding sources.

EPOC Expenses

The 2024/2025 Annual Report clearly describes what expenses are included in EPOC costs. The Annual Report indicates that EPOC costs funded through Measure Q and Measure T revenues did not exceed one-tenth of one percent (0.1%) of the gross proceeds of the parcel tax, and that any remaining EPOC costs were charged to other funding sources.

Grants

The 2024/2025 Annual Report provides a detailed description of grant management and oversight activities. The 2024/2025 Annual Report indicates that grant funding did not exceed 25 percent of revenues generated.

III. ADDITIONAL REVIEWS

Measure Q and Measure T Sample Transactions and Payroll Audit

The EPOC completed a sample transaction and payroll audit to review how Measure Q and Measure T expenditures, payroll allocations, and related supporting documentation were recorded, documented, reviewed, and approved, and to support transparency in the use of Measure Q and Measure T funds.

Measure Q and Measure T Transaction and Payroll Sampling Process.

The Committee was provided with a list of all Fiscal Year 2024/2025 transactions of \$1,000 and greater charged to Measure Q and Measure T funds. From that list, the Committee selected seven (7) transactions and two (2) payroll summaries for detailed review across the four Expenditure Plan Categories and operations and maintenance projects.

The selected transactions and payroll summaries reviewed by the EPOC were:

- Two (2) expenditures related to Expenditure Plan Category 1 (Planning Services for Coyote Valley Conservation Areas)
- One (1) expenditure related to Expenditure Plan Category 2 (Wetland Enhancements and Wildlife Assistance)
- Two (2) expenditures related to Expenditure Plan Category 3 (Resource Management and Public Access Planning Activities)
- Two (2) expenditures related to Expenditure Plan Category 4 (Urban Open Space Grant Program)
- Two (2) payroll summaries reporting total payroll and benefits costs, grouped by employee name, for selected Operations and Maintenance projects

Staff provided supporting documentation for each selected transaction, including purchase orders, expense accounts, vendor invoices, staff approvals, paid bills, and other relevant records, as applicable.

Committee members used transaction cover sheets to document their reviews of each selected transaction. The completed cover sheets are attached as Attachment 1.

1. Measure Q and Measure T Transaction Audit

The EPOC completed a detailed review of seven (7) selected sample transactions representing expenditures across the four authorized Measure Q and Measure T Expenditure Plan Categories, including planning services, resource management activities, and Urban Open Space Grant Program expenditures.

As part of the review process, the Committee evaluated supporting invoices, Acumatica purchase order and payment documentation, project and grant numbers, Board authorizations, expenditure eligibility, and related transaction materials using standardized transaction cover sheets prepared for each selected expenditure.

Measure Q and Measure T Transaction Audit Findings

The EPOC verified that the selected transactions reviewed were consistent with the authorized expenditure categories established in the Measure Q and Measure T Expenditure Plans. The EPOC concluded that the transactions reviewed were appropriately documented and approved based on the supporting materials provided for review.

During the review process, Committee members requested additional clarification and contextual information regarding procurement procedures, supporting payment documentation, project context, and related reference materials associated with selected transactions.

Measure Q and Measure T Transaction Audit Recommendations

Based on the sample transactions audit, the EPOC made the following recommendations:

1. Include procurement policy and related procurement process reference materials in the binder for future review cycles. Open Space Authority Staff provide an overview of Master Services Agreement (MSA) process in a future meeting
2. Include project names in pivot tables and related transaction summary materials.

2. Measure Q and Measure T Payroll/Time-card Audit

The EPOC completed a review of payroll and labor allocation documentation for two (2) selected projects during the FY 2024/2025 review cycle. The purpose of the review was to better understand how staff labor hours are planned, tracked, and allocated across projects, and whether the mix and proportion of staff positions appeared appropriate for the work being performed.

Measure Q and Measure T Payroll/Time-card Audit Findings

For Project P-000089, Máyyan 'Ooyákma Coyote Ridge Open Space Preserve Operations and Maintenance, the EPOC reviewed payroll summaries, labor hour reports, supplemental labor documentation, and related project materials. The Committee concluded that the payroll documentation reviewed was consistent with the supporting materials provided and that the staffing classifications and labor allocations appeared appropriate for the operational phase of the project.

The EPOC noted that project names were not included on certain Total Employee and Weekly Summary payroll printouts, which made review and cross-referencing more difficult. The EPOC identified a need for additional project planning and staffing context, including RASCI documentation where available.

For Project P-000099, El Toro Operations and Maintenance, the EPOC reviewed payroll and labor allocation records and concluded that the labor costs reviewed appeared consistent with the supporting documentation provided. During discussion with staff, the Committee received additional context regarding employee housing arrangements associated with operations at the preserve, which helped explain staffing distribution and labor allocation patterns for the project.

Measure Q and Measure T Payroll/Time-card Audit Recommendations

Based on the payroll and labor allocation review, the EPOC made the following recommendations:

1. Include a definition and explanation of the Responsible Accountable Support Consult and Inform (RASCI) framework to provide clarity of roles and related project staffing documentation in future review materials.
2. Provide the most recent RASCI document for selected payroll review projects, if available.
3. Include project names on Total Employee and Weekly Summary payroll printouts included in the review binder.

4. Include supplemental contextual information in future binders for projects with unique operational arrangements, where relevant to understanding labor allocation and staffing patterns.

IV. STATUS OF 2023/2024 EPOC RECOMMENDATIONS

Related to selection of transactions

1. Remove all transactions from the selection list with amounts less than \$1,000
 - a. Done
2. Align transaction categories with EP1-4
 - a. Done

Related to transaction cover sheet revisions

1. Add "(reimbursement request for grants)" after "invoice" in line 4
 - a. Done
2. Change "matches PO" to "is less than or equal to PO" in line 7
 - a. Done
3. Add "(board resolution for grants)" after "expense purchase order" in line 8
 - a. Done

Related to payroll/time-card review materials

1. Provide the most recent RASCI document with each selected transaction, if available
 - a. Not completed. Staff clarified that the RASCI framework is not intended to budget labor hours or costs and instead provided supplemental project staffing information to support payroll review activities.
2. Change language in line 8 as follows:
"Does the number of hours/labor costs appear appropriate to the staffing levels projected in the RASCI?"
 - a. Done

V. 2024/2025 EPOC RECOMMENDATIONS

Recommendations related to future review materials and binder organization

Based on the Committee's review process, the EPOC made the following recommendations for future review materials and binder organization:

1. Include procurement policy and related procurement process reference materials in the binder for future review cycles. Open Space Authority Staff provide an overview of Master Services Agreement (MSA) process in a future meeting.

2. Include a definition and explanation of the RASCI framework in future review materials.
3. Provide the most recent RASCI document with each selected transaction, if available.
4. Staff offer optional review orientation sessions to EPOC members.

Recommendations related to the sample transactions audit

Based on the Sample Transactions Audit, the EPOC made the following recommendations:

1. Include project names in the pivot table and related transaction summary materials.

Recommendations related to the payroll/time-card audit

Based on the Payroll/Time-card Audit, the EPOC made the following recommendations:

1. Include a definition and explanation of the Responsible Accountable Support Consult and Inform (RASCI) framework to provide clarity of roles and related project staffing documentation in future review materials.
2. Include project names on the Total Employee and Weekly Summary printouts.
3. Include relevant contextual information in future payroll review materials when unique operational arrangements affect labor allocations.

Recommendations related to the public facing EPOC documents

Based on the EPOC review of the Annual Oversight Report at the June 03, 2026 meeting the following recommendation is made:

1. Make past approved EPOC Annual Oversight Reports available via the EPOC webpage on the Open Space Authority website.