

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

TO: Board of Trustees
FROM: Bruce Baron, Chancellor
REVIEWED BY: Jose Torres, Executive Vice Chancellor
PREPARED BY: Jose Torres, Executive Vice Chancellor
DATE: December 13, 2018
SUBJECT: Consideration of Approval to Adopt Resolution #2018-12-13-FPC
Approving Amended and Restated Bylaws for the Independent Citizens'
Bond Oversight Committee

RECOMMENDATION

It is recommended that the Board of Trustees approve Resolution #2018-12-13-FPC approving Amended and Restated Bylaws for the Independent Citizens' Bond Oversight Committee.

OVERVIEW

An election was held in the San Bernardino Community College District ("District") on February 5, 2008 (the "Proposition M") for the issuance and sale of up to \$500,000,000 of general obligation bonds of the District. An election was also held in the District on November 6, 2018 for the issuance and sale of up to \$470,000,000 of general obligation bonds of the District (the "Measure CC").

ANALYSIS

Both Proposition M and Measure CC were approved under Proposition 39 which requires that the District establish, populate and empower an independent citizens' bond oversight committee. As required by Proposition 39, the District, through Board action, established an independent citizens' oversight committee in connection with Proposition M (the "Committee"), and the District now wishes to expand the responsibilities of the Committee to include the review of expenditures of both Proposition M and Measure CC bond proceeds, and to approve the Amended and Restated Bylaws which set forth these expanded powers and responsibilities.

INSTITUTIONAL VALUES

III. Resource Management for Efficiency, Effectiveness, and Excellence

FINANCIAL IMPLICATIONS

Because the Education Code prohibits the use of bond funds for the support of the Committee, there may be a fiscal impact to the General Fund resulting from the expansion of the role of the Committee.

RESOLUTION #2018-12-13-FPC OF THE BOARD OF TRUSTEES OF THE
SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
DESIGNATING A CITIZENS BOND OVERSIGHT COMMITTEE FOR MEASURE CC,
APPROVING AMENDED AND RESTATED BYLAWS THEREFOR

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WHEREAS, the Board of Trustees of the San Bernardino Community College District (the “District”) previously adopted a resolution requesting San Bernardino County (the “County”) to call an election for general obligation bonds (the “Bond Election”) to be held on November 6, 2018; and

WHEREAS, notice of the Bond Election has been duly given and on November 6, 2018 a measure for the issuance of bonds of the District in the amount of \$470,000,000 (“Measure CC”) was approved by more than 55% of the voters voting on Measure CC; and

WHEREAS, Section 15278 of the Education Code of the State of California provides that the governing board of a community college district shall establish and appoint members to an independent citizens' oversight committee, within 60 days of the date that the governing board enters the election results on its minutes; and

WHEREAS, the Board of Trustees of the District has established independent citizens' bond oversight committee in connection with issuance of bonds under its Proposition M approved by voters on February 5, 2008, and the Board desires that such committee perform the same oversight responsibilities for Measure CC; and

WHEREAS, the Board of Trustees has previously approved Bylaws governing such committee but now desires to amend and restate such Bylaws, in whole, to make them applicable to both Proposition M and Measure CC.

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT DOES HEREBY FIND, DETERMINE AND CERTIFY AS FOLLOWS:

Section 1. Authorization. Proposition M and Measure CC were authorized pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution and subdivision (b) of Section 18 of Article XVI of the California Constitution in accordance with the requirements of the Strict Accountability In Local School Construction Bonds Act of 2000 (the “Act”).

Section 2. Establishment of Committee. The District’s Proposition M Independent Citizens' Bond Oversight Committee (the “Committee”) is hereby designated to also serve as the independent bond oversight committee for both Proposition M and Measure CC for the purposes set forth in the Act.

Section 3. Bylaws. The Committee shall operate pursuant to the Board approved Amended and Restated Bylaws. The Committee shall have only those responsibilities granted to them in the Act, and in the Amended and Restated Bylaws. The Amended and Restated Bylaws, as submitted herewith and attached hereto, are hereby approved. The previous Bylaws relating to Proposition P and Proposition M are rescinded and of no further force and effect.

Section 4. Other Actions. Officers of the Board and members of the Committee are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any

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DESIGNATING A CITIZENS BOND OVERSIGHT COMMITTEE FOR MEASURE CC,
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and all documents which they may deem necessary or advisable in order to give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

ADOPTED, SIGNED AND APPROVED this 13th day of December, 2018.

BOARD OF TRUSTEES OF THE SAN BERNARDINO
COMMUNITY COLLEGE DISTRICT

Board President

ATTEST:

Secretary

RESOLUTION #2018-12-13-FPC OF THE BOARD OF TRUSTEES OF THE
SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
DESIGNATING A CITIZENS BOND OVERSIGHT COMMITTEE FOR MEASURE CC,
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STATE OF CALIFORNIA)
)
SAN BERNARDINO COUNTY)

I, Bruce Baron, do hereby certify that the foregoing Resolution #2018-12-13-FPC was duly adopted by the Board of Trustees of the San Bernardino Community College District at a meeting thereof held on the 13th day of December, 2018 and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

By _____
Secretary

**IN INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE
AMENDED AND RESTATED BYLAWS**

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Section 1. Committee Established. The San Bernardino Community College District (the "District") was successful at the election conducted on ~~November 5, 2002 (the "Prop P Election"), in obtaining authorization from the District's voters to issue up to \$190,000,000 aggregate principal amount of the District's general obligation bonds.~~ On February 5, 2008 the District was ~~successful~~ February 5, 2008 (the "Prop M Election"), in obtaining authorization from the District's voters to issue up to \$500,000,000 aggregate principal amount of the District's general obligation bonds. On November 6, 2018 the District was successful in obtaining authorization from the District's voters to issue up to \$470,000,000 aggregate principal amount of the District's general obligation bonds (the "Prop M Measure CC Election"). The Prop PM Election and the Prop M Measure CC Election are hereinafter referred to collectively as the "Elections." Both Elections were conducted under Proposition 39, being chaptered as the Strict Accountability in Local School Construction Bonds Act of 2000, at Section 15264 *et seq.* of the Education Code of the State ("Prop 39"). Pursuant to Section 15278 of the Education Code, the District is obligated to establish the Committee in order to satisfy the accountability requirements of Prop 39. The Board of Trustees of the San Bernardino Community College District (the "Board") has established the Independent Citizens' Bond Oversight Committee (the "Committee") which shall have the duties and rights set forth in these Bylaws. The Committee does not have independent legal capacity from the District.

Section 2. Purposes. The purposes of the Committee are set forth in Prop 39, and these Bylaws are specifically made subject to the applicable provisions of Prop 39 as to the duties and rights of the Committee. The Committee shall be deemed to be subject to the *Ralph M. Brown Public Meetings Act* of the State of California and shall conduct its meetings in accordance with the provisions thereof. The District shall provide necessary administrative support to the Committee as shall be consistent with the Committee's purposes, as set forth in Prop 39.

The proceeds of general obligation bonds issued pursuant to the Elections are hereinafter referred to as "bond proceeds." The Committee shall confine itself specifically to bond proceeds generated under Prop PM and ~~Prop M Measure CC~~. Regular and deferred maintenance projects and all monies generated from other sources shall fall outside the scope of the Committee's review. However, to the extent that facilities are financed with a combination of Prop PM and ~~Prop M Measure CC~~ monies and other non-bond funds, such projects shall be subject to Committee oversight and review.

Section 3. Duties. To carry out its stated purposes, the Committee shall perform the duties set forth in Sections 3.1, 3.2 and 3.3 and shall refrain from those activities set forth in Sections 3.4 and 3.5:

3.1 Inform the Public. The Committee shall inform the public concerning the District's expenditure of bond proceeds. In fulfilling this duty, all official communications to either the Board or the public shall come from the Chair acting on behalf of the Committee. The Chair shall only release information that reflects the majority view of the Committee.

3.2 Review Expenditures. The Committee shall review expenditure reports produced by the District to ensure that (a) bond proceeds were expended only for the purposes set forth in Prop PM and ~~Prop M Measure CC~~; and (b) no bond proceeds were used for any teacher or administrative salaries or other operating expenses in compliance with Attorney General Opinion 04-110, issued on November-9, 2004.

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AMENDED AND RESTATED BYLAWS**

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3.3 Annual Report. The Committee shall present to the Board, in public session, no later than March 31 following each fiscal year, an annual written report which shall include the following:

- (a) A statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; and
- (b) A summary of the Committee's proceedings and activities for the preceding year.

3.4 Duties of the Board/Chancellor. Either the Board or the Chancellor, as the Board shall determine, shall have the following powers reserved to it, and the Committee shall have no jurisdiction over the following types of activities:

- (i) Approval of contracts,
- (ii) Approval of change orders,
- (iii) Expenditures of bond funds,
- (iv) Handling of all legal matters,
- (v) Approval of project plans and schedules,
- (vi) Approval of Deferred Maintenance ~~Plan~~Plans, and
- (vii) Approval of the sale of bonds.

3.5 Prop-~~P~~ M and Prop-~~M~~ Measure CC Projects Only. In recognition of the fact that the Committee is charged with overseeing the expenditure of bond proceeds, the Board has not charged the Committee with responsibility for:

- (a) Projects financed through the State of California, developer fees, redevelopment tax ~~increment~~increments, certificates of participation, lease/revenue bonds, the general fund or the sale of surplus property without bond proceeds shall be outside the authority of the Committee.
- (b) The establishment of priorities and order of construction for the bond projects shall be made by the Chancellor in his sole discretion.
- (c) The selection of architects, engineers, soils engineers, construction managers, project managers, CEQA consultants and such other professional service firms as are required to complete the project based on District criteria established by the Board in its sole discretion.
- (d) The approval of the design for each project including exterior materials, paint color, interior finishes, site plan and construction methods (modular vs. permanent) which shall be determined by the Board in its sole discretion.

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(e) The selection of independent audit firm(s), performance audit consultants and such other consultants as are necessary to support the activities of the Committee.

(f) The approval of an annual budget for the Committee that is sufficient to carry out the activities set forth in Prop 39 and included herein.

(g) The adoption of a plan for publicizing the activities of the Committee and the determination as to whether a mailer, a newspaper notice or website materials would best suit the distribution of the Committee's findings and recommendations.

(h) The amendment or modification of the Bylaws for the Committee as provided herein, subject to the legal requirements of Proposition 39.

(i) The appointment or reappointment of qualified applicants to serve on the Committee, subject to legal limitations, and based on criteria adopted in the Board's sole discretion as part of carrying out its function under Prop 39.

Section 4. Authorized Activities.

4.1 In order to perform the duties set forth in Section 3.0, the Committee may engage in the following authorized activities:

(a) Receive copies of the District's annual independent performance audit and annual independent financial audit, required by Prop 39 (Article XIII A of the California Constitution) (together, the "Audits") at the same time said Audits are submitted to the District, and review the Audits.

(b) Inspect District facilities and grounds for which bond proceeds have been or will be expended, in accordance with any access procedure established by the District's Executive Vice Chancellor, ~~Business & Fiscal~~ District Support Services.

(c) Review copies of deferred maintenance ~~proposal~~ proposals or plans developed by the District.

(d) Review efforts by the District to maximize bond proceeds by implementing various cost-saving measures.

(e) Receive from the Board, within three months of the District receiving the Audits, responses to any and all findings, recommendations, and concerns addressed in the Audits, and review said responses.

Section 5. Membership.

5.1 Number.

The Committee shall consist of a minimum of seven (7) members appointed by the Board of Trustees from a list of candidates submitting written applications, and based on criteria established by Prop 39, to wit:

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- One (1) student enrolled and active in a community college support group, such as student government.
- One (1) member active in a business organization representing the business community located in the District.
- One (1) member active in a senior citizens' organization.
- One (1) member active in a bona-fide taxpayers association.
- One (1) member active in a support organization for the college, such as a foundation.
- Two (2) members of the community at-large.

5-15.2 Qualification Standards.

- (a) To be a qualified person, he or she must be at least 18 years of age.
- (b) The Committee may not include any employee, official of the District or any vendor, contractor or consultant of the District.

5-25.3 Ethics: Conflicts of Interest.

(a) Members of the Committee are not subject to the Political Reform Act (Gov. Code §§ 81000 *et seq.*), and are not required to complete Form 700; but each member shall comply with the Committee Ethics Policy attached as "Attachment A" to these Bylaws.

(b) Pursuant to Section 35233 of the Education Code, the prohibitions contained in Article 4 (commencing with Section 1090) of Division 4 of Title 1 of the Government Code ("Article 4") and Article 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code ("Article 4.7") are applicable to members of the Committee. Accordingly:

(i) Members of the Committee shall not be financially interested in any contract made by them in their official capacities or by the Committee, nor shall they be purchasers at any sale or vendors at any purchase made by them in their official capacity, all as prohibited by Article 4; and

(ii) Members of the Committee shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to duties as a member of the Committee or with the duties, functions, or responsibilities of the Committee or the District. A member of the Committee shall not perform any work, service, or counsel for compensation where any part of his or her efforts will be subject to approval by any other officer, employee, board, or commission of the District's Board of Trustees, except as permitted under Article 4.7.

5-35.4 Term. Except as otherwise provided herein, each member shall serve a term of ~~three~~ two (2) years, beginning on the month July 1 immediately following the member's appointment by the Board. No member may serve more than ~~two (2)~~ three (3) consecutive terms. At the Committee's

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first meeting, members will draw lots or otherwise select a minimum of two members to serve for an initial one (1)-year term and the remaining members for an initial two (2)-year term. Members whose terms have expired may continue to serve on the Committee until a successor has been appointed. Members who have previously served on the Prop P and Prop M Committee shall be permitted to serve on the Committee and, if appointed by the Board, are entitled to serve new three (3) consecutive two (2) year terms from the date of their appointment.

5.45.5 Appointment. Members of the Committee shall be appointed by the Board through the following process: (a) the District will advertise in the local newspapers, on its website, and in other customary forums, as well as solicit appropriate local groups for applications; (b) the Chancellor or his designee will review the applications; and (c) the Chancellor or his designee will make recommendations to the Board.

5.55.6 Removal; Vacancy. The Board may remove any Committee member for any reason, including failure to attend two consecutive Committee meetings without reasonable excuse or for failure to comply with the Committee Ethics Policy. Upon a member's removal, his or her seat shall be declared vacant. The Board, in accordance with the established appointment process shall fill any vacancies on the Committee. The Board shall seek to fill vacancies within 90 days of the date of occurrence of a vacancy.

5.65.7 Compensation. The Committee members shall not be compensated for their services.

5.75.8 Authority of Members. (a) Committee members shall not have the authority to direct staff of the District; (b) individual members of the Committee retain the right to address the Board, either on behalf of the Committee or as an individual; (c) the Committee shall not establish sub-committees for any purpose; and (d) the Committee shall have the right to request and receive copies of any public records relating to projects funded by the Prop ~~P M~~ and ~~Prop M Measure CC~~.

Section 6. Meetings of the Committee.

6.1 Regular Meetings. The Committee is required to meet at least once a year including an annual organizational meeting to be held in ~~November~~July, but shall not ~~hold regular meetings~~meet more frequently than quarterly.

~~6.1.5. Special Meetings. Special meetings of the can be called if necessary.~~

6.2 Location. All meetings shall be held within the San Bernardino Community College District, located in San Bernardino and Riverside Counties, California.

6.3 Procedures. All meetings shall be open to the public in accordance with the *Ralph M. Brown Act*, Government Code Section 54950 *et seq.* Meetings shall be conducted according to such additional procedural rules as the Committee may adopt. A majority of the number of Committee members shall constitute a quorum for the transaction of any business except adjournment.

Section 7. District Support.

7.1 The District shall provide to the Committee necessary technical and administrative assistance as follows:

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- (a) preparation of and posting of public notices as required by the *Brown Act*, ensuring that all notices to the public are provided in the same manner as notices regarding meetings of the District Board;
- (b) provision of a meeting room, including any necessary audio/visual equipment;
- (c) preparation, translation and copies of any documentary meeting materials, such as agendas and reports; and
- (d) retention of all Committee records, and providing public access to such records on an Internet website maintained by the District.

7.2 District staff and/or District consultants shall attend all Committee proceedings in order to report on the status of projects and the expenditure of bond proceeds.

Section 8. Reports. In addition to the Annual Report required in Section 3.3, the Committee may report to the Board from time to time in order to advise the Board on the activities of the Committee. Such report shall be in writing and shall summarize the proceedings and activities conducted by the Committee.

Section 9. Officers. The Chancellor shall appoint the initial Chair. Thereafter, the Committee shall elect a Chair and a Vice-Chair who shall act as Chair only when the Chair is absent. The Chair and Vice-Chair shall serve in such capacities for a term of one year and may be re-elected by vote of a majority of the members of the Committee.

Section 10. Amendment of Bylaws. Any amendment to these Bylaws shall be approved by a majority vote of the Board.

Section 11. Termination. The Committee shall automatically terminate and disband concurrently with the Committee's submission of the final Annual Report which reflects the final accounting of the expenditure of all Prop-~~P~~ M and ~~Prop-M~~ Measure CC monies.

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**CITIZENS' BOND OVERSIGHT COMMITTEE
ETHICS POLICY STATEMENT**

This Ethics Policy Statement provides general guidelines for Committee members to follow in carrying out their roles. Not all ethical issues that Committee members face are covered in this Statement. However, this Statement captures some of the critical areas that help define ethical and professional conduct for Committee members. The provisions of this Statement were developed from existing laws, rules, policies and procedures as well as from concepts that define generally accepted good business practices. Committee members are expected to strictly adhere to the provisions of this Ethics Policy.

POLICY

- **CONFLICT OF INTEREST.** A Committee member shall not make or influence a District decision related to: (1) any contract funded by bond proceeds, or (2) any construction project which will benefit the Committee member's outside employment, business, or a personal finance or benefit an immediate family member, such as a spouse, child or parent.

- **OUTSIDE EMPLOYMENT.** A Committee member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to: (1) any contract funded by bond proceeds, or (2) any construction project. A Committee member shall not make or influence a District decision related to any construction project involving the interest of a person with whom the member has an agreement concerning current or future employment, or remuneration of any kind. For a period of two (2) years after leaving the Committee, a former Committee member may not represent any person or organization for compensation in connection with any matter pending before the District that, as a Committee member, he or she participated in personally and substantially. Specifically, for a period of two (2) years after leaving the Committee, a former Committee member and the companies and businesses for which the member works shall be prohibited from contracting with the District with respect to: (1) bidding on projects funded by the bond proceeds; and (2) any construction project.

- **COMMITMENT TO UPHOLD LAW.** A Committee member shall uphold the federal and California Constitutions, the laws and regulations of the United States and the State of California (particularly the Education Code) and all other applicable government entities, and the policies, procedures, rules and regulations of the San Bernardino Community College District.

- **COMMITMENT TO DISTRICT.** A Committee member shall place the interests of the District above any personal or business interest of the member.