

**ALBANY UNIFIED SCHOOL DISTRICT
BOARD AGENDA BACKUP
Regular Meeting of August 23, 2016**

ITEM: CITIZENS' BOND OVERSIGHT COMMITTEE PURPOSE AND PROCESS

PREPARED BY: ALLAN GARDE, CHIEF BUSINESS OFFICIAL

TYPE OF ITEM: REVIEW AND DISCUSSION

PURPOSE: To review and discuss the role, purpose, process, and make-up of a citizens' bond oversight committee for Albany Unified School District.

BACKGROUND INFORMATION:

Quick Summary of Measures B & E:

At the [June 28, 2016 Regular Board Meeting](#), the Board approved Resolution 2015-16-23 and Resolution 2015-16-24, which declared the official voting results of Measures B and E by the Alameda County Registrar of Voters. At the [May 24, 2016 Regular Board Meeting](#), the Board reviewed an update on the facts of Measures B & E, including a summary of the key historical Board Meetings regarding facilities.

DETAILS:

Albany Unified School District has chosen to create a Citizens' Bond Oversight Committee (CBOC) for both Measure B and E. Prior to officially requesting residents to apply to be on the committee, this presentation outlines the role, powers, and purpose of a CBOC. The primary role is retrospective in reviewing expenditures to ensure expenses are allowed from the ballot language of Measure B and E. The State has guidelines on specific roles that need to be advertised for the committee.

KEY QUESTIONS/ANSWERS:

1. How will residents become members of the CBOC once they apply?
 - a. The Board will review all letters of interest and are expected to appoint members to the CBOC at the October 13th, 2016 Board Meeting.

FINANCIAL INFORMATION:

There is currently no financial impact related to discussing the purpose and process of a CBOC.

STRATEGIC GOALS ADDRESSED: This Board Item addresses



Objective #3: Communicate and Lead Together.

Goal: All stakeholders will collaborate and communicate about decisions that guide the sites and district.

RECOMMENDATION: Discuss the Citizens' Bond Oversight Committee Purpose and Process

Independent Citizen's Bond Oversight Committee

An Overview

John Palmer





- History
- Purpose
- Accountability Requirements
- Membership
- Solicitation Process
- Notes

Citizens' Oversight Committee - History



- Prior to 2000, school districts would issue Proposition 46 general obligation bonds, which among other things required 2/3 voter approval, but no formal accountability requirements.
- In 2000, Proposition 39 was approved which permitted school districts to issue bonds with a 55% vote, provided that district comply with certain accountability requirements.
- Albany voters approved Bond Measures B & E on June 7th, 2016.
 - Measure E is a Proposition 39 bond.
 - Measure B is a Proposition 46 bond amended to require similar accountability standards as Measure E.

Citizens' Oversight Committee - Purpose



- The purpose of the citizens' oversight committee shall be to inform the public concerning the expenditure of bond revenues.
- The citizens' oversight committee shall actively review and report on the proper expenditure of taxpayers' money for school construction.
- The citizens' oversight committee shall advise the public as to whether a school district is in compliance with the accountability requirements (noted in subsequent slides).

Citizen's Oversight Committee - Accountability



- Requirement that bond proceeds be used only for “**authorized purposes**” and **not for any other purpose**, including teacher and administrator salaries and other school operating expenses.
- **List of the specific school facilities projects to be funded** and certification that the school district governing board has evaluated safety, class size reduction, and information technology needs.
- Requirement that the school district governing board conduct an **annual, independent performance audit**.
- Requirement that the school district governing board conduct **an annual independent financial audit** of the proceeds from the sale of the bonds until all of those proceeds have been expended.

Citizens' Oversight Committee – Accountability

(Continued)



- What may the Citizens' Oversight Committee do to further its purpose?
 - Receive and review the annual independent performance audit, the annual independent financial audit developed by an independent external auditor.
 - Inspect school facilities and grounds.
 - Tour the project sites
 - Review efforts to maximize bond revenues and advise on cost-saving measures.
 - Find efficiencies of scale
 - Joint use of core facilities
 - Bidding practices

Citizens' Oversight Committee - Membership



- Consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms.
- Be comprised, as follows:
 - One member shall be **active in a business organization** representing the business community located within the school district.
 - One member shall be **active in a senior citizens' organization**.
 - One member shall be **active in a bona fide taxpayers' organization**.
 - One member shall be the **parent or guardian of a child enrolled in the school district**.
 - One member shall be **both a parent or guardian of a child enrolled in the school district and active in a parent-teacher organization**, such as the Parent Teacher Association or school site council.
- Make a good faith effort to appoint a Citizens' Oversight Committee and fill any vacancies to ensure the committee is fully constituted and functioning.

Citizens' Oversight Committee – Solicitation Process



- Albany USD plans to follow the Maddy Act for public notices regarding membership vacancies for the committee.
- Interested parties will apply to: Allan Garde, Chief Business Official at agarde@ausdk12.org
- Applications must be submitted by: September 30th, 2016
- The Governing Board will review applications and appoint members to the committee scheduled for the October 13, 2016 Board Meeting.

Citizens' Oversight Committee – Notes



- To provide for consistency and continuity in the Committee's operations and deliberations, request resignation of one or more (but fewer than all) members after one year.
- The Governing Board has a non-delegable responsibility to set policy, establish priority of construction, approve construction contracts, etc.
- The citizens' oversight committee's responsibilities are retrospective (review and report) and not prospective (setting policy, pre-approving expenditures).
- Meetings are expected to be quarterly in the afternoon/evenings.

Thank you!



Please feel free to contact
me with any questions that you may have in the future.

Email: jpalmer@orrick.com

Phone: (415) 773-4246

NOTICE

MADDY ACT

IN ACCORDANCE WITH THE MADDY ACT, CITIZENS OF ALBANY ARE ENCOURAGED TO APPLY FOR THE FOLLOWING VACANCIES:

RESPRESENTIVE(S) TO:

MEASURES B & E COMMUNITY BOND OVERSIGHT COMMITTEE

VACANCIES (9):

- Active member in a business organization representing the business community located within the school district
- Active member in a senior citizens' organization
- Active member in a bona fide taxpayers' organization
- A parent or guardian of a child currently enrolled in the school district
- A parent or guardian of a child currently enrolled in the school district and is an active member of a parent-teacher organization
- Member at large
- Member at large
- Member at large
- Member at large

APPOINTED BY:

ALBANY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

INTERESTED PARTIES PLEASE CONTACT ALLAN GARDE AT (510) 558-3751 TO APPLY. A LETTER OF INTEREST & APPLICATION MUST BE SUBMITTED TO THE ALBANY UNIFIED SCHOOL DISTRICT, 1051 MONROE STREET, ALBANY, CA 94706, or to agarde@ausdk12.org.

NO LATER THAN SEPTEMBER 30, 2016

THIS NOTICE WILL BE POSTED FOR FIFTEEN (15) WORKING DAYS
MONDAY, AUGUST 29, 2016 THROUGH FRIDAY, SEPTEMBER 19, 2016

POSTED: ALBANY UNIFIED SCHOOL DISTRICT WEBSITE (WWW.AUSDK12.ORG)
ALBANY CITY HALL