



Chula Vista Elementary School District

**PROPOSITION E
INDEPENDENT CITIZENS OVERSIGHT COMMITTEE**

**Meeting Minutes
September 18, 2013 – 6 P.M.
Dr. Lowell J. Billings Board Room
Education Service and Support Center**

1. Call to Order

Oscar Esquivel called the meeting to order at 6:03 P.M.

2. Introductions

Introductions were made for Independent Citizens Oversight Committee (ICOC) members, District staff, and Robert J. Whalen.

3. Roll Call

Members Present:

Ami Abbott
Marina Diaz
Sean R. Dunbar
Dr. Diane Gerken
Mary I. Helvie
Karyn Koenig
Debbie Sanders

Members Absent:

None

Others Present:

Dr. Francisco Escobedo, Superintendent
Oscar Esquivel, Asst. Supt. for Business Services and Support
Robert J. Whalen, Bond Counsel, Stradling Yocca Carlson & Rauth
Carolyn Scholl, Facilities Planning Manager
Rudy Valdez-Romero, Director of Maintenance and Operations
Theresa Villanueva, Director of Fiscal Services
Angie Barton, Office Manager (Meeting Recorder)

4. Welcome and Opening Comments

Dr. Francisco Escobedo, Superintendent

Dr. Escobedo welcomed members to the ICOC and thanked everyone for donating their time. He stated that Proposition E will create an environment for the District's students to flourish. Dr. Escobedo expressed his

appreciation to members for their service on the Committee and for their dedication to the District.

5. Overview of the Independent Citizens Oversight Committee

Robert J. Whalen, Bond Counsel, Stradling Yocca Carlson & Rauth

Mr. Whalen was in attendance to provide an overview and orientation for ICOC members. Materials for Items 5.a. through 5.e. were provided to members for their review in advance of tonight's meeting.

a. Proposition E Bond Language

Mr. Whalen stated that the bond language provided to voters (identified as Exhibit "A" and made a part of these minutes) is of significant importance to the ICOC. He emphasized the project list, the 31 school sites in School Facilities Improvement District (SFID) No. 1, and the types of improvements that can be financed with bond funds.

b. Role and Responsibilities of the Committee Under Proposition 39

Proposition 39 allows school bonds to pass with a 55 percent approval vote. One of its safeguards is the requirement for a citizens oversight committee with its composition of community representatives. Mr. Whalen acknowledged that during the introductions, each ICOC member knew the role he/she will fulfill on the Committee.

The ICOC will review expenditures and ensure that the \$90 million authorized under Proposition E is spent as presented to voters. Bond funds cannot be used for overhead or employee salaries.

The ICOC will receive and review a minimum of two audit reports each year. One will be the District's annual performance audit for Proposition E, which will state what facilities and projects were financed during the year. The second will be the District's annual financial audit, which will verify fund balances and the financial position of the District. These audits will be performed by an independent (third party) auditor.

Mr. Whalen added that other activities in which ICOC members may engage include inspection of facilities/visiting school sites (to be facilitated by Mr. Esquivel) and review of deferred maintenance proposals for facilities financed with bond proceeds.

c. Mission Statement, Bylaws, and Annual Reports

The ICOC Bylaws (identified as Exhibit "B" and made a part of these minutes) were adopted by the Board of Education at the time of ICOC formation. The District will provide copies of the annual independent

performance audit and annual independent financial audit. The ICOC will provide a report to the Board of Education and will report at least once annually at a regularly scheduled Board meeting. Mr. Whalen noted Section 3.4 of the Bylaws and stated that the ICOC will not be involved in the activities listed, which include construction contract approvals, prioritizing of school projects, and timing of bond sales. Decisions on these matters will remain with the Board and/or Superintendent.

In response to a Committee member's request for clarification, Mr. Whalen stated that the District will provide technical and administrative support to the ICOC that will include posting of meeting notices as required by the Brown Act, preparing minutes of ICOC meetings, and providing public access to ICOC records on an Internet website. Support costs cannot be funded by bond proceeds and will be provided at the District's expense.

d. Ethics Policy, Form 700

All ICOC members received a copy of the Ethics Policy Statement (identified as Exhibit "C" and made a part of these minutes).

Mr. Whalen stated that all public officials must complete and file Form 700 (Statement of Economic Interests) to disclose certain financial information. Each ICOC member must file this form with the District within 30 days of tonight's meeting. Afterwards, Form 700 is filed annually.

e. Brown Act: Introduction, Guidelines, and Rules

Mr. Whalen stated that the Brown Act is open meeting law that applies to the ICOC. He emphasized the following points.

- A member can meet or talk with one other member about ICOC business outside a Committee meeting. However, the member cannot contact another member, then another, and continue contacting members individually to reach consensus. This process is known as a "serial meeting" and is prohibited.
- A member with an item that needs to be discussed with more than one other member should present the issue at an ICOC meeting.
- There will be opportunities for closed session. For example, closed session would be used to discuss litigation that arises out of construction. While decisions in this example would be made by the Board of Education, the ICOC may discuss the litigation in closed session.
- Multiple members can attend a social event as long as ICOC business is not discussed.

A Committee member asked about providing reports on the ICOC to a School Site Council. Mr. Whalen responded that the member can provide these reports. He added that records generated for the ICOC are public records and that meetings are open to the public, which provide transparency for ICOC business.

6. Election of Chair and Vice Chair

Mr. Esquivel asked ICOC members for nominations for the positions of Chair and Vice Chair.

MSCU Abbott, Dunbar that Dr. Diane Gerken be elected Chair of the ICOC.

MSCU Koenig, Sanders that Ami Abbott be elected Vice Chair of the ICOC.

7. Proposition E: Informational Presentation

Mr. Esquivel provided an informational presentation on Proposition E and answered questions from ICOC members. Many of the 31 schools in SFID No. 1 were built over 30 years ago. Bond funds will provide infrastructure to last 30 years. (The life of the bond is 25 years.) The estimated cost shown for each school is the total project cost that includes allowances, change orders, and unforeseen conditions (e.g., termites). Additional information will be provided at future ICOC meetings.

The first phase of Proposition E will consist of six schools scheduled for modernization as follows.

Summer 2014	Summer 2015
Lilian J. Rice Elementary	Vista Square Elementary
Castle Park Elementary	Hilltop Drive Elementary
Rosebank Elementary	Ella B. Allen Elementary

District schools begin the school year in late July and end in early June. The calendar for schools scheduled in Summer 2014 will need to change to a traditional schedule (September to June) for the 2014-15 school year to allow modernization during the summer months. A Committee member requested that the calendar change be publicized immediately to allow families to make plans and adjust their schedules; however, Mr. Esquivel stated that the school calendar is a bargained item that must be negotiated with District employee groups. This process is not yet complete.

The first series of Proposition E bonds was sold in June 2013 in the amount of \$31 million. The Series A bonds were competitively bid and have a 25-year amortization schedule. The tax rate limit is \$29 per \$100,000 of assessed valuation. (As an example, a homeowner would pay \$87 per year

on a \$300,000 home.) The District does not and will not use capital appreciation bonds (CABs), which utilize a method that defers interest payments over a period of time and causes the debt to grow larger as the interest mounts.

The Series A bonds will provide funds for the six sites scheduled for modernization in Summer 2014 and Summer 2015 as well as wireless access for all 31 SFID No. 1 schools. The delivery method for the modernization projects will be through multi-prime bids with a construction manager (Balfour Beatty Construction) assisting the District for the six sites. Mr. Esquivel added that a cost-containment consultant (The Cumming Group) works with the District to review project costs and an energy consultant (Ameresco) reviews energy enhancements.

A Committee member asked when the ICOC will receive copies of the two annual audit reports. Mr. Esquivel answered that the Series A bonds were issued in June 2013. Auditors will be at the District during the week of September 23 to do field work for both audits. The deadline for the auditor to provide reports is December 15.

(NOTE: Subsequent to this meeting, the District was notified by the auditor that the deadline for the first annual performance audit for Proposition E is March 31, 2014. Field work for this audit will be conducted late January/early February. The deadline for the District's annual financial audit remains December 15, 2013.)

8. Remaining Tentative Meeting Dates for 2013-14

November 20, 2013

February 26, 2014

May 14, 2014

ICOC members agreed to hold the next Committee meeting on November 20, 2013. No discussion was held or comments made for the tentative dates of February 26 and May 14, 2014.

9. Other Items/Open Discussion

Mr. Esquivel stated that ICOC Chair Dr. Gerken and he will meet to discuss items for the November 20 meeting. He thanked everyone for serving on the ICOC and said the main goal is to improve facilities for District students.

10. Adjournment

Mr. Esquivel adjourned the meeting at 7:06 P.M.

ab

CHULA VISTA ELEMENTARY SCHOOL DISTRICT

Proposition E

(This proposition will appear on the ballot in the following form.)

PROP E

"To repair, renovate, construct, and upgrade classrooms and school facilities; increase student access to computers and modern technology; replace temporary classrooms; upgrade heating systems; and make energy cost-saving improvements, shall School Facilities Improvement District No. 1 of the Chula Vista Elementary School District be authorized to issue \$90 million of bonds with legal interest rates, annual audits, independent citizens' oversight, and all funds spent locally and no money used for administrative salaries or taken by the State and spent elsewhere?"

This proposition requires approval by 55%
of the voters voting on the proposition.

Full text of this proposition follows the arguments and rebuttals.

COUNTY COUNSEL IMPARTIAL ANALYSIS

This proposition, if approved by 55% of the votes cast on the proposition, will authorize the School Facilities Improvement District No. 1 of the Chula Vista Elementary School District ("District") to issue and sell \$90,000,000 in general obligation bonds. The sale of these bonds by the District is for the purpose of raising money for the District, and represents a debt of the District. In exchange for the money received from the holders, the District promises to pay the holder of the bonds an amount of interest for a certain period of time, and to repay the bonds on the expiration date.

Voter approval of this measure also will authorize an annual tax to be levied upon the taxable property within the District. The purpose of this tax is to generate revenue to pay the principal and interest on the bonds in an amount sufficient to pay the interest as it becomes due and to provide a fund for payment of the principal on or before maturity.

Proceeds from the sale of bonds authorized by this proposition may be used by the District for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities.

The interest rate on any bond, which is established at the time of bond issuance, cannot exceed 12% per annum. The final maturity date of any bond could be no later than 25 years or 40 years after the date the bonds are issued as determined by the District.

Exhibit "A"
to ICOC Minutes of
September 18, 2013

COUNTY COUNSEL IMPARTIAL ANALYSIS (Continued)

The tax authorized by this proposition is consistent with the requirements of the California Constitution. The California Constitution permits property taxes, above the standard one percent (1%) limitation, to be levied upon real property to pay the interest and redemption charges on any bonded indebtedness for the acquisition or improvement of real property, including the furnishing and equipping of school facilities, when approved by 55% of the voters if:

- (1) the proceeds from the sale of the bonds are used only for the purposes specified,
- (2) the District, by evaluating safety, class size reduction, and information technology, has approved a list of specific projects to be funded,
- (3) the District will conduct an annual, independent performance audit, and
- (4) the District will conduct an annual, independent financial audit.

If a bond measure is approved, state law requires the District to establish an independent citizens' oversight committee. The District has made this ballot proposition subject to these requirements.

Approval of this proposition does not guarantee that the proposed projects in the District that are the subject of these bonds will be funded beyond the local revenues generated by this proposition.

A "YES" vote is a vote in favor of authorizing the District to issue and sell \$90,000,000 in general obligation bonds.

A "NO" vote is a vote against authorizing the District to issue and sell \$90,000,000 in general obligation bonds.

TAX RATE STATEMENT

An election will be held in the School Facilities Improvement District No. 1 of the Chula Vista Elementary School District (the "Improvement District") on November 6, 2012 to authorize the sale of \$90,000,000 in general obligation bonds. The following information is submitted in compliance with Sections 9400-9404 of the California Elections Code.

1. The best estimate of the tax rate that would be required to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on a projection of assessed valuations available at the time of filing of this statement, is \$.02900 per \$100 (\$29.00 per \$100,000) of assessed valuation in fiscal year 2013-14.
2. The best estimate of the tax rate that would be required to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on a projection of assessed valuations available at the time of filing of this statement, is \$.02900 per \$100 (\$29.00 per \$100,000) of assessed valuation in fiscal year 2018-19.
3. The best estimate of the highest tax rate that would be required to fund this bond issue, based on a projection of assessed valuations available at the time of filing this statement, is \$.02900 per \$100 (\$29.00 per \$100,000) of assessed valuation.
4. The best estimate of the average tax rate required to fund this bond issue, based on a projection of assessed valuations available at the time of filing of this statement, is \$.02900 per \$100 (\$29.00 per \$100,000) of assessed valuation.

These projections of assessed valuations and tax rates are based on experience within the Improvement District and are derived from information obtained from official sources. The actual tax rates and the years in which they will apply may vary depending on the timing of bond sales, the amount of bonds sold at each sale and actual assessed valuation in each year. The timing of the bond sales and the amount of bonds sold at any given time will be determined by the needs of the Improvement District. Actual assessed valuations will depend upon the amount and value of taxable property within the Improvement District as determined in the assessment and the equalization process.

Dated: July 11, 2012

Oscar Esquivel,
Assistant Superintendent, Business Services and Support
Chula Vista Elementary School District

ARGUMENT IN FAVOR OF PROPOSITION E

Chula Vista is a strong, thriving and desirable community, known throughout the state for the quality of its elementary schools. But many of the schools and classrooms in the Chula Vista Elementary School District have become inadequate to provide students with the learning environment needed to succeed.

While our facilities have been well maintained over the years, many of our schools were built over 30 years ago. Our classrooms and schools require major upgrades and improvements to meet today's technological, educational, and safety standards.

Your YES vote on Proposition E will create a lasting, positive impact on the quality of our schools and neighborhoods and the values of our homes.

Proposition E will improve our children's classrooms and school facilities by:

- Upgrading classrooms with up-to-date wireless technology.
- Repairing and modernizing aging classrooms and school facilities throughout the District.
- Replacing temporary classrooms that have exceeded their useful life with new permanent classrooms.
- Installing energy cost saving systems.
- Upgrading and replacing outdated heating, ventilation, and air conditioning systems.

Proposition E makes financial sense and has taxpayer protections in place:

- Iron-clad restrictions that no funds can be spent on administrative salaries, benefits or pensions.
- Annual review by an independent citizens' oversight committee of all expenditures.
- Legally required annual audits of all spending.
- Interest rates are at historic lows. By borrowing at these lower rates, taxpayers will save tens of millions of dollars in interest.
- By law, Proposition E funds **MUST** be used for our children's schools and **CANNOT BE TAKEN AWAY BY THE STATE AND SPENT ELSEWHERE!**

Proposition E will improve our children's education, help maintain housing values, stimulate our local economy, and save taxpayers millions of dollars in interest.

Proposition E deserves our support.

Please join us and VOTE YES ON PROPOSITION E!

DAVID BEJARANO
Clerk, Board of Education

LILIA CARNAHAN
District Advisory Counsel, Past Chair

CESAR ROMERO
Operations Manager of General
Services and Procurement

BERNARDO VASQUEZ
Local Business Owner

CHERYL COX
Mayor, City of Chula Vista

ARGUMENT AGAINST PROPOSITION E

No argument against the proposition was filed in the office of the Registrar of Voters.

CHULA VISTA ELEMENTARY SCHOOL DISTRICT

Proposition E

BALLOT PROPOSITION – FULL TEXT

The following is the full proposition presented to the voters by the Chula Vista Elementary School District.

"To repair, renovate, construct, and upgrade classrooms and school facilities; increase student access to computers and modern technology; replace temporary classrooms; upgrade heating systems; and make energy cost-saving improvements, shall School Facilities Improvement District No. 1 of the Chula Vista Elementary School District be authorized to issue \$90 million of bonds with legal interest rates, annual audits, independent citizens' oversight, and all funds spent locally and no money used for administrative salaries or taken by the State and spent elsewhere?"

PROJECT LIST

The Board of Education of the Chula Vista Elementary School District evaluated the facility needs for 31 of the District's oldest schools that have not had the benefit of the facilities improvements made in the District's newest schools which have been financed by special taxes levied on newly developing areas of the District. The Board has determined that critical facilities needs exist at these 31 schools. The Board has established School Facilities Improvement District No. 1 of the Chula Vista Elementary School District (the "Improvement District") in order to authorize the financing of improvements at these 31 schools. In developing the list of projects for these schools, the Board has evaluated safety issues, class size reduction, and information technology needs. The District conducted a facilities evaluation and received input in developing the project list. The Board has prioritized the key health and safety needs so that the most critical facility needs are addressed. The Board has concluded that if these needs are not addressed now, the problems will only become more pressing.

The facilities and improvements to be financed by the bonds issued for the Improvement District include the modernization, replacement, renovation, construction, acquisition, equipping, furnishing, and other improvements to the facilities of the District located at the following schools.

School	Year Constructed
Ella B. Allen Elementary School	1947
Castle Park Elementary School	1952
Chula Vista Learning Community Charter School	2001
Chula Vista Hills Elementary School	1989
Clear View Elementary School	1991
Hazel Goes Cook Elementary School	1954
Mae L. Feaster Charter School	1950
Myrtle S. Finney Elementary School	1961
Halecrest Elementary School	1961
Harborside Elementary School	1953
Hilltop Drive Elementary School	1943
Juarez-Lincoln Elementary School	1970
Karl H. Kellogg Elementary School	1958
J. Calvin Lauderbach Elementary School	1956
Loma Verde Elementary School	1964
Los Altos Elementary School	1971
John J. Montgomery Elementary School	1950
Robert L. Mueller Charter School	1955
Otay Elementary School	1975
Palomar Elementary School	1959
Parkview Elementary School	1970
Lilian J. Rice Elementary School	1938
Greg Rogers Elementary School	1962
Fred H. Rohr Elementary School	1965
Rosebank Elementary School	1952
Silver Wing Elementary School	1968
Sunnyside Elementary School	1959
Burton C. Tiffany Elementary School	1975
Valle Lindo Elementary School	1967
Valley Vista Elementary School	1969
Vista Square Elementary School	1953

Such projects shall include but shall not be limited to:

- Upgrade computer labs and classrooms with up-to-date computers and wireless technology.
- Enhance technology infrastructure.
- Install energy cost-saving systems.
- Improve student safety by installing additional lighting, fencing, and security equipment.
- Repair and modernize aging school facilities.
- Replace relocatable classrooms that exceeded useful life and replace with new or permanent structures.
- Improve and/or replace heating, ventilation, and air-conditioning systems to improve energy efficiency.
- Upgrade playground safety fall zones.
- Upgrades for Americans with Disabilities Act compliance such as the installation of panic hardware and accessibility infrastructure.
- Upgrade and modernize restroom and classroom accessories and lighting.
- Upgrade and modernize electrical systems.
- Upgrade and modernize to energy efficient window systems.
- Upgrade and modernization of food services facilities.

Whenever specific items are included in the list above, they are presented to provide an example and are not intended to limit the generality of the broader description of authorized projects.

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program management, staff training expenses and a customary contingency, and escalation for unforeseen design and construction costs. Each of the projects listed above includes the payment of the costs of preparation of all facility planning, facility assessment reviews, environmental studies, construction documentation, inspection and permit fees, and temporary housing of dislocated District activities caused by the projects. In the absence of state matching funds, which the District will pursue to reduce the District's share of the costs of the projects, the District may not be able to complete some of the projects listed above. The budget for each project is an estimate and may be affected by factors beyond the District's control. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. Based on the final cost of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur if the Board determines that such an approach would be more cost effective in creating enhanced and operationally efficient campuses. Necessary site preparation/restoration and landscaping may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, redirecting fire access, and acquiring any necessary easements, licenses, or rights of way to the property. Bond proceeds shall be expended only for the specific purposes identified herein. Proceeds of the Bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to the projects being financed.

FISCAL ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the District may be assured that their money will be spent only to address specific facilities needs of the Improvement District all in compliance with the requirements of Article XIII A, Section 1 (b)(3), of the State Constitution and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following).

Evaluation of Needs. The Board hereby certifies that it has evaluated safety, class size reduction, and information technology needs in developing the project list contained in this ballot proposition.

Independent Citizens Oversight Committee. The Board shall establish an Independent Citizens Oversight Committee pursuant to Education Code Section 15278 and following to ensure Bond proceeds are expended only on the school facilities projects listed in this ballot proposition. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board.

Performance Audits. The Board shall conduct an annual independent performance audit to ensure that the Bond proceeds have been expended only on the school facilities projects listed in this ballot proposition.

Financial Audits. The Board shall conduct an annual independent financial audit of the Bond proceeds until all of those proceeds have been spent for the school facilities projects listed in this ballot proposition.

Special Bond Proceeds Account: Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent of the District shall cause a report to be filed with the Board annually stating: (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as the Superintendent shall determine and may be incorporated in the annual budget, audit, or another appropriate routine report to the Board.

FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of Bonds authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities including the furnishing and equipping of school facilities or acquisition or lease of real property for school facilities and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

The proceeds of the Bonds will be deposited into a Building Fund to be held by the San Diego County Treasurer as required by the California Education Code.

PROPOSITION E
INDEPENDENT CITIZENS OVERSIGHT COMMITTEE
BYLAWS

Section 1. Committee Established.

The Chula Vista Elementary School District (the "District") caused an election to be conducted on November 6, 2012 (the "Election"), within School Facilities Improvement District No. 1 of the Chula Vista Elementary School District (the "Improvement District") on Proposition E to authorize the District to issue up to \$90,000,000 aggregate principal amount of general obligation bonds on behalf of the Improvement District. The Election was conducted in accordance with 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 and the Strict Accountability in Local School Construction Bonds Act of 2000, Section 15264, et seq., of the Education Code of the State (together, "Proposition 39"). Pursuant to Section 15278 of the Education Code, the District is now obligated to establish a committee in order to satisfy the accountability requirements of Proposition 39. The Board of Education of the Chula Vista Elementary School District (the "Board") hereby establishes the Proposition E Independent Citizens Oversight Committee (the "Committee"), which shall have the duties and rights set forth in these Bylaws. The Committee does not have legal capacity independent from the District.

Section 2. Purposes.

The purposes of the Committee are set forth in Proposition 39, and these Bylaws are specifically made subject to the applicable provisions of Proposition 39 as to the purposes, duties, and rights of the Committee. Minutes of the proceedings of the Committee and all documents received and reports issued shall be a matter of public record and be made available on an Internet website maintained by the Board.

The proceeds of general obligation bonds issued pursuant to the Election are hereinafter referred to as "bond proceeds." The Committee shall confine itself specifically to monitoring the expenditure of bond proceeds generated under Proposition E. Regular and deferred maintenance projects and all monies generated under other sources shall fall outside the scope of the Committee's 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 below and shall observe the limitations set forth in Sections 3.4 and 3.5 below.

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 consensus 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 the Proposition E; and (b) no bond proceeds were used for any teacher or administrative salaries or other operating expenses.

3.3 Annual Report.

The Committee shall present to the Board, in public session, an annual written report that 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 and/or Superintendent.

Either the Board or the Superintendent, 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:

- (a) Approval of contracts;
- (b) Approval of change orders;
- (c) Expenditure of bond funds;
- (d) Handling of all legal matters;
- (e) Approval of project plans and schedules;
- (f) Approval of all deferred maintenance plans; and
- (g) Approval of the sale of bonds.

3.5 Proposition E 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 increments, certificates of participation, lease/revenue bonds,

the general fund, or the sale of surplus property without bond proceeds, which shall be outside the authority of the Committee.

(b) The establishment of priorities and order of construction for the bond projects, which shall be made by the Board in its sole discretion.

(c) The selection of architects, engineers, soils engineers, construction managers, project managers, California Environmental Quality Act consultants, and such other professional service firms as are required to complete the bond projects based on District criteria established by the Board, which selection shall be made by the Board in its sole discretion.

(d) The approval of the design for each project including exterior materials, paint color, interior finishes, site plans, and construction methods (modular vs. permanent), which shall be determined by the Board in its sole discretion.

(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 its activities.

(g) 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 Proposition 39.

Section 4. Authorized Activities.

4.1 In order to perform the duties set forth in Sections 3.1, 3.2, and 3.3 above, the Committee may engage in the following authorized activities:

(a) Receive and review copies of the District's annual independent performance audit and annual independent financial audit as required by Article XIII A of the California Constitution.

(b) Inspect school facilities and grounds, in accordance with any access procedure established by the District's Superintendent, for which bond proceeds have been or will be expended.

(c) Review copies of any deferred maintenance proposals or plans for facilities financed with bond proceeds.

(d) Review efforts by the District to maximize bond proceeds by implementing various cost-saving measures as set forth in Section 15278(c)(5) of the Education Code.

Section 5. Membership.

5.1 Number.

The Committee shall consist of at least seven (7) members based on criteria established by Proposition 39, which provides that:

- One (1) member shall be active in a business organization representing the business community located in the District.
- One (1) member shall be active in a senior citizens organization.
- One (1) member shall be active in a bona fide taxpayers association.
- One (1) member shall be both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization, such as the PTA or a school site council.
- One (1) member shall be a parent or guardian of a child enrolled in the District.
- Two (2) members shall be from the community at-large.

5.2 Qualification Standards.

- (a) All Committee members 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.

5.3 Ethics: Conflicts of Interest.

By accepting appointment to the Committee, each member agrees to comply with Articles 4 (commencing with Section 1090) and 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code. Additionally, each member shall comply with the Committee Ethics Policy attached as Attachment "A" to these Bylaws.

5.4 Term.

Each member shall serve a term of two (2) years, commencing on the date of the first meeting of the Committee for such member. No member may serve more than two (2) consecutive terms.

5.5 Appointment.

The members of the Committee shall be appointed by the Board based on recommendations made by the Superintendent, or the Board may delegate to the Superintendent the selection of individuals to serve on the Committee. In the event that the Superintendent appoints members of the Committee, the Superintendent shall report to the Board the names of the individuals selected and which of the above criteria are being fulfilled by each member.

5.6 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. Vacancies shall be filled within 90 days from the initial date of each such vacancy in

accordance with Section 5.5 above. A member appointed to fill a vacancy shall serve for the remainder of the term of the Committee member being replaced.

5.7. Compensation.

The Committee members shall not be compensated for their services.

5.8 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 may only request copies of reports and documents that have been previously presented to the Board and which are a public record.

Section 6. Meetings of the Committee.

6.1. Regular Meetings.

The Committee shall meet at a minimum once every three months (a minimum of four times each fiscal year) and review current bond sales and public construction bids in accordance with identified facility needs.

6.2. Location.

All meetings shall be held within the boundaries of the Chula Vista Elementary School District.

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 of the Committee.

Section 7. District Support.

7.1. The District shall provide to the Committee necessary technical and administrative assistance consistent with the Committee's purposes as set forth in Proposition 39, as follows:

(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 Committee proceedings in order to report on the status of projects and the expenditure of bond proceeds.

7.3 No bond proceeds shall be used to provide District support to the Committee.

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. The Annual Report shall be in writing and shall summarize the proceedings and activities conducted by the Committee.

Section 9. Officers.

The Committee shall be chaired by a Committee member nominated and elected by open vote at its first organizational meeting. The Committee shall also elect an initial Vice Chair who shall act as Chair only when the Chair is absent.

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 immediately following presentation to the Board of the first Annual Report described in Section 3.3 above that is filed after all Proposition E bond proceeds are spent.

ATTACHMENT "A"
TO BYLAWS FOR THE
PROPOSITION E
INDEPENDENT CITIZENS OVERSIGHT COMMITTEE

ETHICS POLICY STATEMENT

This Ethics Policy Statement provides general guidelines for Committee members in carrying out their responsibilities. 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 that 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); all other

applicable government entities; and the policies, procedures, rules, and regulations of the District.

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