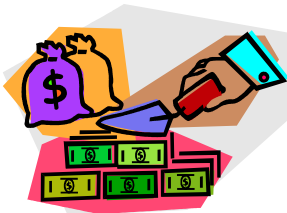


Galt Joint Union Elementary School District

First Meeting of Citizens' Oversight Committee for Measure K



Presented by Lori Raineri
February 27, 2017

Introductions

Committee Members

- ◆ Christine Harper
- ◆ Michael Pierce
- ◆ Melissa Pruitt
- ◆ Bonnie Rodriguez
- ◆ Thomas Silva
- ◆ Anne Wood
- ◆ Brian Villanueva

District Staff

- ◆ Tom Barentson, Director of Business Services/CBO
- ◆ Jennifer Collier, BFLC Supervisor
- ◆ Robert Milligan, Maintenance Supervisor
- ◆ Marie Williams, Admin. Asst. to District Operations

Financial Advisors

- ◆ Lori Raineri
- ◆ Matthew Kolker



Tonight's Agenda

- ◆ Citizen Bond Oversight and Accountability as described by the *Strict Accountability in Local School Construction Bonds Act of 2000*
- ◆ Citizen Bond Oversight in Action
- ◆ Galt Joint Union Elementary School District Approach
- ◆ Next Steps
- ◆ For Reference



Definition: Accountability

- ◆ Definition of ACCOUNTABILITY
 - ▶ the quality or state of being accountable; especially: an obligation or willingness to accept responsibility or to account for one's actions <public officials lacking accountability>
 - ▶ First Known Use of ACCOUNTABILITY
 - 1770

- ◆ Government accountability means that public officials – elected and un-elected – have an obligation to explain their decisions and actions to the citizens. Government accountability is achieved through the use of a variety of mechanisms – political, legal, and administrative – designed to prevent corruption and ensure that public officials remain answerable and accessible to the people they serve. In the absence of such mechanisms, corruption may thrive.



“Strict Accountability . . .

- ◆ *in Local School Construction Bonds Act of 2000”*
- ◆ Five methods of accountability
 - ▶ Citizens’ Oversight Committee
 - ▶ Performance Auditing
 - ▶ Financial Auditing
 - ▶ Court Restraint and Prevention of Any Expenditure of Funds
 - ▶ Law Enforcement Pursuit in the Event of Allegation or Misuse of Bond Funds



Illustration by Chris Gash

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Illustration by Chris Gash

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.”

✓ *Education Code 15278 (b)*



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Mission: Review

- ◆ What to review?
 - ▶ Bond expenditures
 - ▶ Performance audit
 - ▶ Financial audit
 - ◆ What to compare against?
 - ▶ Bond measure
 - ▶ Bond project list
- 
- ◆ Tips for reviewing:
 - ▶ What does each document tell you?
 - ▶ How are the documents prepared?
 - ▶ Audits are annual and to be provided by March 31 following the Fiscal Year.
 - ▶ Responses to audit findings must be provided within 3 months.

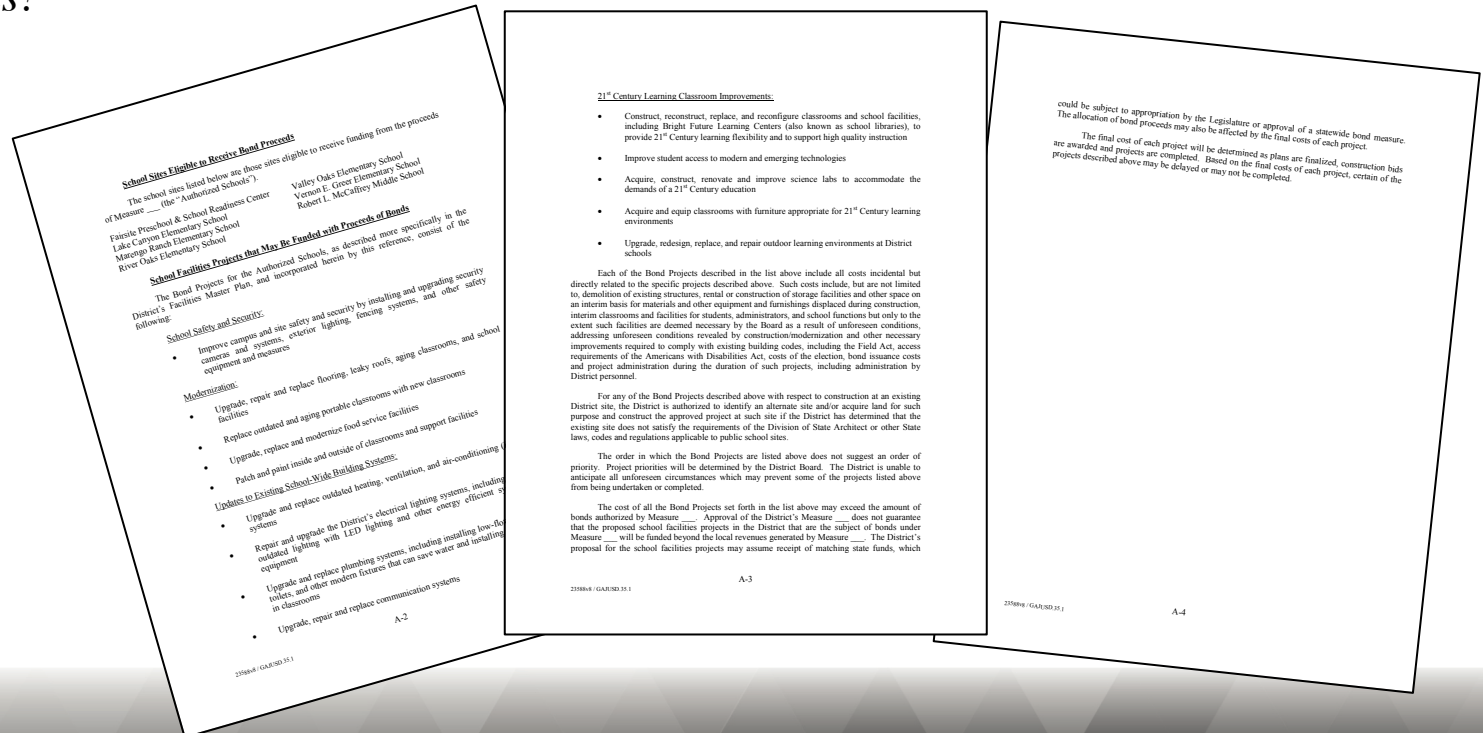


Measure K Documents

◆ Bond measure:

“To improve the quality of education for pre-kindergarten through eighth grade students shall Galt Joint Union Elementary School District be authorized to modernize and upgrade classrooms and school facilities for 21st Century learning; replace portables and leaky roofs; upgrade outdated electrical, heating/air conditioning and plumbing; make safety/security and technology classroom improvements, by issuing \$19,700,000 of bonds at legal interest rates, with independent citizens’ oversight and audits, NO money for employee salaries, and all funds benefitting local schools?”

◆ Project list:



Mission: Report

◆ What to report?

▶ Conclusions based on review of:

- Bond expenditures
- Performance audit
- Financial audit

▶ Advise public on compliance with proper expenditures

◆ Tips for reporting:

▶ Report to the community annually

▶ Post on the Citizens' Oversight Committee's page:

- Meeting minutes
- Documents received
- Annual report

– May include presenting to the Board of Education

- ✓ *All citizens' oversight committee proceedings shall be open to the public and notice to the public shall be provided in the same manner as the proceedings of the governing board of the district.*



Proper Expenditures

- ◆ “Proper expenditure” means that expenditures . . .
 - ▶ are for 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
 - and conform to list of the specific school facilities projects to be funded
 - ▶ do not include any teacher or administrative salaries or other school operating expenses
- ✓ *California Constitution Article XIII A, Section 1 and Education Code 15278 (b)*
 - ▶ *Note: 1978’s Proposition 13 became Article XIII A of the California Constitution*
- ✓ *Resolution #16; Resolution Of The Board of Education of the GJUESD Ordering A School Bond Election, Establishing Specifications Of The Election Order, And Requesting Consolidation With Other Elections Occurring On November 8, 2016*
 - ▶ *Note: Includes ballot question and project list*

Overseeing Requires Action

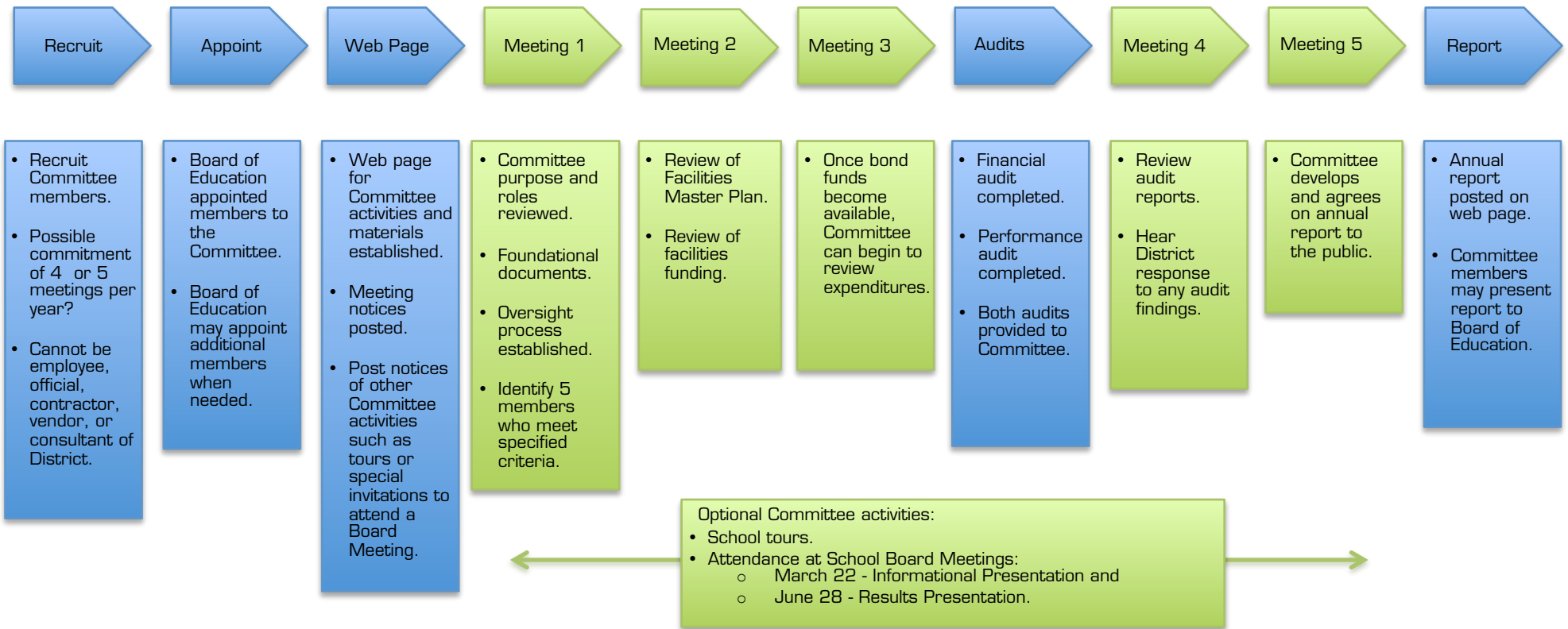


Galt Joint Union Elementary Approach

- ◆ Focus on Inclusivity, Transparency, Feasibility and Impact
 - ▶ Everyone who lives or works in the community is invited

- ◆ Procedures to be oriented to meeting the letter of the law as well as being meaningful in terms of better results by some measure
 - ▶ Procedures to be documented and periodically reconsidered
 - ▶ Procedures to be developed by the Citizens' Bond Oversight Committee and District staff, together
 - To help avoid technical violations of archaic rules

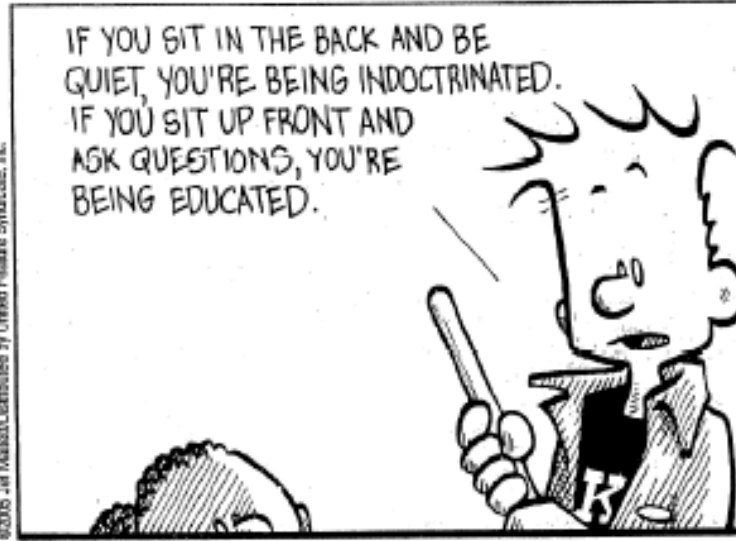
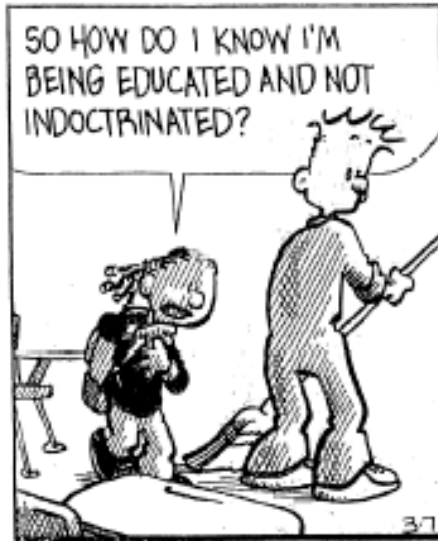
Overview of 1st Year Process



Making Committee Meetings Valuable

- ◆ *Asking questions communally is particularly productive*

Frazz



By Jef Mallett



Upcoming Events for Measure K

- ◆ March 22nd Board of Education Meeting, 7:00 pm, Galt City Hall
 - ▶ Informational presentation on implementing Measure K

- ◆ April 26th Board of Education Meeting, 7:00 pm, Galt City Hall
 - ▶ Board of Education considers adoption of resolution authorizing issuance of bonds

- ◆ May 18th, 8:00 am - Noon
 - ▶ Sale of bonds conducted at offices of Government Financial Strategies

- ◆ June 6th
 - ▶ Proceeds deposited with County and Paying Agent

- ✓ *Attendance by Oversight Committee members welcomed and encouraged!*

Resources for Oversight

- ◆ The California League of Bond Oversight Committees, via its web site (CaLBOC.org) and an annual conference, provides guidance on legal requirements and operating practices for conducting oversight.



- ◆ CaLBOC has an annual conference each May. District staff attended the 2016 conference.
 - ▶ Members of Citizen Oversight Committees are especially invited, and can sign up to receive a free newsletter throughout the year.
 - ▶ Disclosure: the President of Government Financial Strategies is on the Board of CaLBOC.

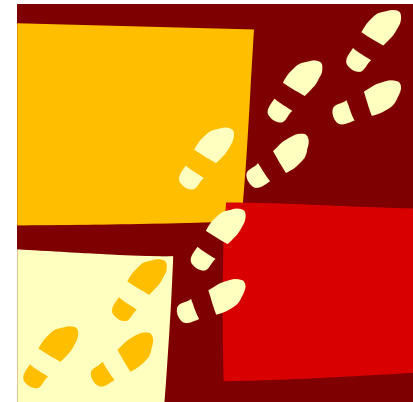


Resources

- ◆ Accountability Resources Readily Available:
 - ▶ California League of Bond Oversight Committees:
 - <http://www.calboc.org>
 - ▶ California Debt Investment and Advisory Commission:
 - <http://www.treasurer.ca.gov/cdiac/>
 - ▶ Municipal Securities Rulemaking Board:
 - <http://www.msrb.org>
 - ▶ Securities and Exchange Commission:
 - <http://www.sec.gov/spotlight/municipalsecurities.shtml>
 - ▶ University of Santa Clara Markkula Center for Applied Ethics:
 - http://www.scu.edu/ethics/practicing/focusareas/government_ethics/

Next Steps

- ◆ Mission: Review and Report
- ◆ Develop Procedures
- ◆ Periodic Meetings
 - ▶ Frequency?
 - ▶ Record meeting minutes
 - ▶ Post materials on District website
- ◆ Annually:
 - ▶ Review performance audit
 - ▶ Review financial audit
 - ▶ Prepare annual report
- ◆ Next Meeting: _____





Questions?

◆ Thank you!



For Reference

- ◆ Oversight Committee Member Criteria
- ◆ Citizen Oversight Activities
- ◆ How is Oversight Accomplished

Oversight Committee Member Criteria

- ◆ At least 7 members, with 5 characteristics
 - ▶ One member who is active in a business organization representing district's business community
 - ▶ One member who is active in a senior citizens' organization
 - ▶ One member who is active in a bona fide taxpayers' organization
 - ▶ One member who is a parent/guardian of child enrolled in district
 - ▶ One member who is both a parent/guardian of child enrolled in district and active in a parent-teacher organization or school site council
- ◆ Members may not be an employee or official of the school district or of a vendor, contractor, or consultant of the school district
 - ▶ Additional obvious conflict of interest codes apply
- ✓ *California Education Code 15282*



Citizen Oversight Activities

- ◆ In furtherance of its purpose, the citizens' oversight committee may engage in any of the following activities:
 - ▶ Reviewing copies of the annual, independent performance audit
 - ▶ Reviewing copies of the annual, independent financial audit
 - ▶ Inspecting school facilities and grounds
 - ▶ Reviewing copies of any deferred maintenance proposals or plans
 - ▶ Reviewing efforts by the school district to maximize bond revenues by implementing cost-saving measures, including, but not limited to, all of the following:
 - Mechanisms designed to reduce the costs of professional fees.
 - Mechanisms designed to reduce the costs of site preparation.
 - Recommendations regarding the joint use of core facilities.
 - Mechanisms designed to reduce costs by incorporating efficiencies in schoolsite design.
 - Recommendations regarding the use of cost-effective and efficient reusable facility plans.
- ✓ *Education Code 15278 (c)*

How is Oversight Accomplished?

- ◆ Review and report
 - ▶ The Oversight Committee reviews expenditures to ensure that they are compliant with the law and the project list, and reports its findings to the community
- ◆ Practically, “review and report” seems to require at least 2 meetings per year (one to review, one to report)
 - ▶ Some bond oversight committees meet as frequently as once per month
 - ▶ Frequency can be variable, e.g. only one meeting may be needed in the first six months but may increase to once per month when construction starts then decrease to once per quarter as construction is underway
 - this can be determined by the Oversight Committee