

## Sasha Linker

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**From:** Stephen Petzold <[REDACTED]>  
**Sent:** Tuesday, April 23, 2024 6:22 AM  
**To:** CommAsst; GeneralCounsel  
**Cc:** Malissa Cindrich; Richard Michael; Thomas Rubin  
**Subject:** Written Comment for April FPPC Meeting-RE Form 700

### EXTERNAL EMAIL

Dear Commissioners,

In early March I raised the serious question of whether the members of Citizen Bond Oversight Committees, required under the provisions of Prop 39 (2000) should be required to file Form 700

I am concerned about the slow progress by the General Counsel at making this determination.

It should be easy in my opinion. The Counsel can read and interpret Government Code 81000 et. Seq. And determine whether the duties required of CBOC members under the Education Code 15278-15282 makes them advisory or whether they are performing strictly ministerial activities. In my opinion it is the former and not the later.

Billions of dollars of new Prop 39 bonds will be on the ballot in 2024.

At this time some districts require Form 700 like Santa Monica Community College, and some don't like the Santa Clarita Community College District. The decision is seemingly left to the top decision makers in the district.

In the SCCCDC the bylaws include an ethics policy , but the individual member is advised to send monitor conflicts of interest.

Requiring Form 700 allows members of the public and the press to monitor employment of members to help determine wheth there may be conflicts. It is an important document and that is its ostensible purpose.

I believe that the General Counsel should give commissioners frequent updates in his progress and that a final determination be made .

The promise to the voters in the ballot always assures them of strict bond oversight . The voters are being misled.

Requiring CBOC members to file Form 700 is one important step in moving towards accountability and ethics compliance.

I urge the GC and the Commissioners to act swiftly and promulgate a decision that requires all affected local agencies to include CBOCs into their Conflict of Interest Codes as soon as possible.

Steve Petzold



Question from Steve Petzold (SP), community member, to Panik Nazarian (PN), Senior Board Specialist, LA County:

SP: Are members of Citizens Bond Oversight Committees required to file Form 700 in Los Angeles County?

PN: Short answer: it depends. Read on for more detail:

We have some school districts that have their CBOC designated on their code, but we also have plenty that do not. Initially when the law passed, the consensus was to add this position to all the school district codes. However, as time went by, many schools realized that their CBOC was not a decision-making committee, and slowly began removing the position from their code. So far I've found that Basset Unified still has theirs, but nothing for Burbank or Castaic. Feel free to check other school codes here if it helps: [COI Agency Codes \(lacounty.gov\)](https://www.lacounty.gov/coi/agency-codes)

The question is, does the specific CBOC exercise decision-making authority, or at least influence the final decision makers on decisions that impact the public funds allocated to the agency, or do they merely work on creating progress reports (or other ministerial tasks) that aren't necessarily made to sway decisions one way or another.

- If they are final decision-makers (compel an agency to spend funds, or stop spending funds, assign priority to a project, etc.) then they should be added to the COI code.
- If they are participating in final decisions, such as making recommendations in their reports to final decision-makers about governmental decisions, they should also be added to the COI Code.
- Lastly, if it's unclear whether they do or not fall within the two points above, the agency can submit the request to add, and the COI Division and the Code Review Panel can advise further. What we'll look at is whether there is participation in governmental decisions, and if there's a track record of recommendations by the CBOC being carried out without significant review or revision. If such track record exists, we'll most likely agree with adding them on, and vice versa.

# Bond Oversight

[Home](#) > [Administration](#) > [Committees](#) > [Citizens Bond Oversight Committee](#) > [Current Agenda](#)

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## COLLEGE OF THE CANYONS

1:30 to 3 p.m. **Wednesday, January 10, 2024**  
Canyons Hall, Room 201  
College of the Canyons Valencia Campus  
26455 Rockwell Canyon Road, Santa Clarita, CA 91355

[Campus Map](#)

[Google Map](#)

Agenda for  
CBOC Meeting  
~~April~~ 2024

College of the Canyons

Note 3.1 and 3.2

[Ask Canyons](#)

[My Canyons](#) [Canvas](#)

## 1. PRELIMINARY FUNCTIONS

Fred Arnold, Chair

1.1 – Call to Order/Establishment of a Quorum

1.2 – Approval of Meeting Agenda

1.3 – Approval of Meeting Minutes: November 29, 2023

1.4 – Welcome Guests

## 2. PUBLIC COMMENT

2.1 – Comments by Members of the Audience on Any Item NOT ON THE AGENDA

Have  
Questions?

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### 3. ACTION

3.1 – Financial

Brandon Harrison, Eide Bailly

- Acceptance of **Measure E General Obligation Bond Financial Audit and Performance Audit for the Fiscal Year Ending June 30, 2023**

3.2 – Financial

Sharlene Coleal

- Approval of **Resolution 2023/24-01 Affirming the Santa Clarita Community College District's Compliance with Requirements as Stated in the Law (Section 15278-15282)**

*Education Code*

3.3 – Financial

Sharlene Coleal

- Approval of the **Independent Citizens' Bond Oversight Committee Annual Report for Fiscal Year 2022-2023**

### 4. ADJOURNMENT AND ANNOUNCEMENT OF NEXT MEETING

5.1 – Adjournment

Fred Arnold, Chair

If you need a disability-related modification or accommodation (including auxiliary aids or services) to participate in the public meeting, or if you need an agenda in an alternate form, please contact the Chancellor's Office at College of the Canyons at (661) 362-3400 at least 24 hours before the scheduled meeting.

**Directories | Public Information Office**




Question from Steve Petzold (SP), community member, to Panik Nazarian (PN), Senior Board Specialist, LA County:

SP: Are members of Citizens Bond Oversight Committees required to file Form 700 in Los Angeles County?

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- Lastly, if it's unclear whether they do or not fall within the two points above, the agency can submit the request to add, and the COI Division and the Code Review Panel can advise further. What we'll look at is whether there is participation in governmental decisions, and if there's a track record of recommendations by the CBOC being carried out without significant review or revision. If such track record exists, we'll most likely agree with adding them on, and vice versa.

5.2 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.

5.3 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.

5.4 Term. Except as otherwise provided herein, each member shall serve a term of two (2) years, commencing as of the date of appointment by the Board. No member may serve more than three (3) consecutive terms. At the Committee's 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.

5.5 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 or her designee will review the applications; and (c) the Chancellor or her designee will make recommendations to the Board.

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. The Board, in accordance with the established appointment process shall fill any

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# INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

NOVEMBER 29, 2023





# INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

## ■ **General Obligation Bonds**

- GO Bond are taxpayer–supported debt for a school or community college district.
- Generally, the interest on bonds is exempt from both federal and State income taxes for investors.
- Districts are limited in the amount of bonds they may issue at one time:
  - Voter-approved Bond Authorization
  - “Bonding Capacity” based total assessed valuation (2.5% of taxable property within the District)
  - Tax Rate Limit

# INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

## ■ **Procedural Steps for the District**

- Call the Bond Election – it must be consolidated with another election, such as a primary or board election
- Prepare a Ballot Measure – dollar amount authorized, general purposes
- Prepare a Project List
- County Registrar of Voters prints the Ballot Pamphlet (Bond Measure, Project List, Tax Rate Statement)
- Voters Approve the Bond Measure/Project List
- District Appoints a **Citizens' Bond Oversight Committee and Establishes Bylaws**
- Issues the first series of general obligation bonds under the election
- Begins to Construct/Furnish/Equip Projects, as determine by the Board of Trustees

# INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

## ■ **Proposition 39**

- On November 7, 2000, State voters approved an amendment (commonly known as “Proposition 39”) to the State Constitution.
- Proposition 39 allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections.
- Expanded the purpose for which bond proceeds can be spent to include the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing, and equipping of school facilities.

# INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

- **Proposition 39 Also Enhanced Fiscal Accountability Regarding the Expenditure of Bonds Proceeds By:**
  - Requiring that the local bond measure presented to the voters include a specific list of school projects to be funded (the “Bond Project List”).
  - Prohibiting the use of bond proceeds for teacher and administrative salaries and other school operating expenses.
  - Requiring the governing board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure.
  - Requiring the District establish and appoint members to an Independent Citizens’ Bond Oversight Committee for the purpose of actively reviewing and reporting on the proper expenditure of taxpayers’ money for school construction.

# INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

## ■ **Proposition 39**

- The District Called its Bond Elections under Prop 39, which:
  - Permits approval with 55% or more of the vote (vs. 2/3 vote)
  - Requires a Project List, and
  - Requires establishment of a **Citizens' Bond Oversight Committee**

## ■ **Measure C and M and E General Obligation Bond Authorizations**

- Proposition 39 – Strict Accountability in Local School Construction Bonds Act of 2000
- General Obligation Bond Elections Conducted Under Proposition 39
- Each Measure Was Successfully Passed by the Voters with Over 55%
- Measure C                      November 6, 2001                      \$ 80 M
- Measure M                      November 7, 2006                      \$160 M
- Measure E                      June 7, 2016                      \$230 M

# INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

- **Why is There a Citizens' Oversight Committee?**
  - Prop 39 Established Requirement for Oversight Committee
  - Review Bond Expenditures and Annual Audits Associated with General Obligation Bonds
  - Receive Information and Ask Questions of Staff relating to Bond Expenditures
  - Provide an Annual Report of the Bond Activities to the District Board of Trustees
  - Provide Input to Report to the Community
  - Authority to Approve Reserved for Chancellor and Board of Trustees
    - Contracts
    - Change Orders
    - Bond Sales

# INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

- **Why is There a Citizens' Oversight Committee?**
  - Prop 39 Established the Requirement for an Oversight Committee to Satisfy Accountability Requirements:
    - To Review Bond Expenditures and Annual Audits
    - To Receive Information and Ask Questions of Staff
    - To Tour Facilities Funded by Bonds
    - To Provide an Annual Report to the Board of Trustees on Activity
    - To Provide Input to a Report to the Community

# INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

## ■ **Membership**

- The Committee Shall Consist of a Minimum of Seven (7) Members Appointed by the Board of Trustees
  - 1 Student Enrolled in College of the Canyons and active in a Community College Support Group
  - 1 Member Active in a Business Organization Representing the Local Business Community
  - 1 Member Active in a Senior Citizens' Organization
  - 1 Member Active in a Bona-fide Taxpayers Association
  - 1 Member Active in a Support Organization of the College (COC Foundation)
  - 2 Members of the Community At-Large



# INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

## ■ **Inform the Public**

- Inform the Public Regarding the District's Expenditure of Bond Proceeds
  - The Chair Acts on Behalf of the Committee and Only Releases Information That Reflects the Majority View of the Committee
  - The Chair Communicates Officially with the Board of Trustees and/or the Public

## ■ **Review Expenditures**

- The Committee Reviews Expenditure Reports Produced by the District to Ensure That:
  - Bond Proceeds Were Expended Only for the Purposes Set Forth in Measure M and Measure E for Projects Authorized by the Ballot Language;
  - Bond Proceeds Were Not Used for Administrative or Teacher Salaries; and,
  - Bond Proceeds Comply with the Attorney General Opinion 04-1110, Issued November 9, 2004
    - “But for” Measure M or E, the service or expenditure would not occur.

# INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE

## BYLAWS - ROLES AND RESPONSIBILITIES

- **Authorized Activities – Other Committee Duties**
  - Receive and Review Annual Financial and Performance Audits for General Obligations Bonds No Later Than 3/31
  - Receive and Review District Responses to Any Audit Findings
  - Review Bond Expenditures
  - Review Copies of Scheduled Maintenance Plan
  - Tour Facilities For Which Bond Funds Have Been Expended
  - Review Cost-Saving Measures by District to Maximize Bond Proceeds: State Match Funding, etc.
- **Annual Reports**
  - The Committee Shall Present to the Board of Trustees in Public Session an Annual Report That Includes:
    - A Statement That the District is in Compliance with Bond Expenditure Requirements
    - A Summary of the Committee's Proceedings and Activities for the Preceding Year

# INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

## ■ **Term**

- Commencing the Date of Appointment by the Board of Trustees:
  - Per Bylaws, Each Term is 3 Years
  - No Member May Serve More Than (3) Three Consecutive Terms
  - Staggered Terms Prevents Entire Committee From Terming Out at the Same Time and Retains Expertise and Knowledge
  - Members Whose Terms Have Expired May Continue to Serve on the Committee Until a Successor Has Been Appointed
  - Members Who Have a Break in Service May Be Reappointed at a Later Date.

# INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

## ■ **District Support**

- The District Shall Provide the Committee with the Necessary Technical and Administrative Assistance
  - Schedule Regular Committee Meetings At Least Once a Year With An Annual Organizational Meeting In November
  - Post Public Notice of Meetings in Compliance with Brown Act
  - Provide a Meeting Room and Any Necessary Audio/Visual
  - Prepare Copies of Meeting Materials, Including Agenda and Minutes
  - Retain Records and Provide Public Access
  - Establish and Maintain District Website
    - Monitor and Update Content Based on Feedback From Committee

# INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

- **Duties of the Board**

- The Following Responsibilities are Assigned to the Board:
  - Approval of Contracts
  - Approval of Change Orders
  - Approve Expenditures of Bond Funds

- **Duties of the Chancellor**

- The Following Responsibilities are Assigned to the Chancellor and District Staff:
  - Handling of Legal Matters
  - Approval of Project Plans and Schedules
  - Approval of All Deferred Maintenance Plans
  - Approval of the Sale of Bonds

# HOW DOES STATE MATCH WORK?

- Statewide Capital Project Bonds Made State Match Commitments Possible
  - Proposition 47 and 55
- College Submits FPP (Final Project Proposal) To State for Approval
- State Grades Each College Using a Point System
- Four Categories, 50 Points Each – For A Total of 200 Points – Are Based on the Following Criteria:
  - Enrollment Growth
  - Capacity/Load Ratio
  - Assignable Square Footage Change
  - Matching District Funds

## Sasha Linker

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**From:** Sasha Linker  
**Sent:** Tuesday, April 23, 2024 1:27 PM  
**To:** Sasha Linker  
**Subject:** RE: Bylaws Santa Monica College Request CBOC Members to complete Form 700

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**From:** Stephen Petzold <[REDACTED]>  
**Sent:** Tuesday, April 23, 2024 9:28 AM  
**To:** CommAsst <CommAsst@fppc.ca.gov>; GeneralCounsel <GeneralCounsel@fppc.ca.gov>  
**Subject:** Bylaws Santa Monica College Request CBOC Members to complete Form 700

### EXTERNAL EMAIL

9:24 AM Tue Apr 23 28%

www.smc.edu 🔖 📄 ⋮

4.1 Number. The Committee shall consist of a minimum of 7 members appointed by the Board.

4.2 Qualification Standards.

(a) To be a qualified person, he or she must be at least 18 years of age, in accordance with Government Code Section 1020 and reside or operate a business within the District's geographic boundary, in accordance with Section 15282 of the Education Code.

(b) The Committee may not include any employee, official of the District or any vendor, contractor or consultant of the District, or members of their immediate families.

4.3 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 and the Political Reform Act (Gov. Code § 81000 *et seq.*), and to complete the Form 700 as required by all "designated employees" of the District. Additionally, each member shall comply with the Committee Ethics Policy attached as Attachment A to these Bylaws.

4.4 Term. Except as otherwise provided herein, each member shall serve a term of two (2) years, beginning on the date of adoption of these Bylaws, or on the date appointed by the

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