

CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS

Section 1. Committee Established. Santa Monica Community College District (the "District") was successful at the election conducted on March 5, 2002, in obtaining authorization from the District's voters to issue up to \$160,000,000 aggregate principal amount of the District's general obligation bonds, pursuant to a greater than 55% vote. The election was 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 established the Citizens' Bond Oversight Committee (the "Committee") at a special meeting held on April 15, 2002 in order to satisfy the accountability requirements of Prop 39. The Board of Trustees of the Santa Monica Community College District (the "Board") hereby adopts the Citizens' Bond Oversight Committee Bylaws setting forth the duties and rights of the Committee.

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, set forth in Prop 39.

The proceeds of general obligation bonds issued pursuant to the Election are hereinafter referred to as "bond proceeds."

Section 3. Duties. To carry out its stated purposes, the Committee shall perform the following duties:

3.1 **Review Expenditures.** The Committee shall review quarterly expenditure reports produced by the District to ensure that (a) bond proceeds are expended only for the purposes set forth in the ballot measure; (b) no bond proceeds are used for any teacher or administrative salaries or other operating expenses; (c) bond proceeds are maximized.

3.2 **Annual Report.** The Committee shall present to the Board, in public session, 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.

Section 4. Authorized Activities.

4.1 In order to perform the duties set forth in Section 3, 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, required by Article XIII A of the California Constitution.

(b) Inspect college site facilities and grounds for which bond proceeds have been or will be expended, in accordance with any access procedure established by the Associate Vice President, Facilities.

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

(d) Review the District's efforts to maximize bond proceeds in ways designed to: (1) reduce costs of professional fees; (2) incorporate efficiencies in school site design; (3) encourage joint use of core facilities; (4) involve cost-effective and efficient reusable facility plans; or (5) reduce costs to the bond funds for site acquisition or construction.

4.2 Make requests for copies or inspection of District records in writing to the District's Associate Vice President, Business Services.

Section 5 Membership.

5.1 Number. The committee shall consist of a minimum of 7 members appointed by the Board of Trustees based on criteria established by Prop 39, to wit at least:

- (a) one representative of the local business community;
- (b) one person active in a senior citizens' organization;
- (c) one person active in a bona fide taxpayers' organization;
- (d) one student who is both currently enrolled in the District and active in an organization, such as student government, who may, at the discretion of the Board, serve for up to six months following graduation;
- (e) one person active in the support and organization of the District, such as a member of one of its advisory councils or the District Foundation;
- (f) additional appointees as selected by the Board of Trustees to represent the communities of Santa Monica and Malibu.

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. 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.

5.4 Term. Except as otherwise provided herein, each member shall serve a term of two (2) years, beginning July 1. No member may serve more than two (2) consecutive terms. At the Committee’s first meeting, members will draw lots to select a minimum majority for an initial three (3) year term and the remaining members for an initial two (2) year term.

5.5 Removal; Vacancy. The Board may remove any Committee member for cause, including failure to attend three consecutive Committee meetings 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 shall fill by appointment any vacancies on the Committee or any additional membership on the Committee.

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

Section 6. Meetings of the Committee.

6.1 Regular Meetings. The Committee shall establish a schedule for the date and time of regular meetings to be held at least quarterly to include an annual organizational meeting to be held in July.

6.2 Location. All meetings shall be held at the Santa Monica Community College District Ilona Katz Board Room, located at Santa Monica College, Business Building Room 117, 1900 Pico Blvd., Santa Monica, 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:

(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 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 Board.

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

Section 8. Reports. In addition to the Annual Report required in Section 3.2, the Committee shall report to the Board following each quarterly meeting 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 Committee shall elect a chair and a vice-chair who shall act as chair only when the chair is absent, which positions shall continue for two (2) year terms. No person shall serve as chair for more than two consecutive terms.

Section 10 Amendment of Bylaws. Any amendment to these Bylaws shall be approved by a two-thirds vote of the entire Board.

Section 11 Termination. The Committee shall automatically terminate and disband at the earlier of the date when (a) all bond proceeds are spent, or (b) all projects funded by bond proceeds are completed.

ATTACHMENT A

CITIZENS' BOND OVERSIGHT COMMITTEE ETHICS POLICY STATEMENT

This Ethics Policy Statement provides general guidelines for Committee members to follow while 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 Santa Monica 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.