

Carmichael

RECREATION AND
PARK DISTRICT

Memo

To: Advisory Board of Directors

From: Mike Blondino, District Administrator

Date: February 16, 2023

Subject: Bond Oversight Committee By-laws

Background/Discussion:

When the Advisory Board approved placing a bond measure on the November 2022 ballot, a key component was to establish a Bond Oversight Committee (BOC) to have accountability requirements in place for the \$31,900,000 in projects.. It is important to the Advisory Board and CRPD staff to be transparent regarding project spending from Measure G. The BOC will not select projects to be funded, as it is there for finance oversight only. That doesn't mean that the public taking part in BOC meetings can't make suggestions on projects, but we would want them to address the Advisory Board with those requests.

After the passage of Measure G, we have been working on the Bond Oversight Committee By-laws. Chair Carrol, Vice-Chair Ives and I met to work on a draft of the by-laws, which were then reviewed by the management team into a final draft. Our timeline is having the by-laws approved by the Advisory Board at this time so that we can distribute them, along with applications in spring 2023.

RECOMMENDATION:

Staff is recommending that the Advisory Board of Directors of the Carmichael Recreation and Park District hereby establishes the Bond Oversight Committee which shall have the duties and rights set forth in the by-laws.

Attachment:
Bond Oversight Committee By-laws

CARMICHAEL RECREATION AND PARK DISTRICT BOND OVERSIGHT COMMITTEE

The Carmichael Recreation and Park District (the "District") was successful at the Election conducted November 2022, in obtaining authorization from the District's voters to issue up to \$31,900,000 aggregate principal amount of the District's general obligation bonds (the "Bond Measure"). The District will establish the Bond Oversight Committee in order to satisfy the accountability requirements of Measure G.

The Advisory Board of Directors (the "Board") of the Carmichael Recreation and Park District hereby establishes the Bond Oversight Committee (the "BOC") which shall have the duties and rights set forth in these Bylaws. The Committee does not have independent legal capacity from the District.

MISSION STATEMENT

The Bond Oversight Committee (BOC) established by the Carmichael Recreation and Park District Advisory Board of Directors (Board), provides fiscal oversight into projects that the District will undertake that will be funded by the \$31.9 Million Dollar General Obligation Bond Measure known as Measure G, which the registered voters of Carmichael Recreation and Park District approved in the November 2022 election.

DUTIES

To carry out its stated purposes, the BOC shall perform the following duties:

- BOC will review where dollars are spent and confirm they meet scope of bond.
- BOC will review projects identified by Advisory Board and CRPD staff, recommending revisions/input where cost overruns occur, or project is out of scope.

Inform the Public: BOC shall inform the public concerning the District's expenditure of bond proceeds by providing a communication channel between the Board and the residents of Carmichael Recreation and Park District by obtaining community input through public meetings regarding any financial aspect of a proposed project. Any input from the public on project selection will be done through Advisory Board meetings.

Review Expenditures: The Committee shall review quarterly expenditure reports produced by the District to ensure that:

- Bond proceeds are expended only for the purposes set forth in the Bond Measure.
- No bond proceeds are used for any staff or nonrelated administrator salaries or other nonrelated operating expenses.

Annual Report: The Committee shall present to the Board, in public session, an annual written report which shall include the following:

- A statement indicating whether the District is in compliance with the requirements of Article XIII of the California Constitution; and
- A summary of the Committee's proceedings and activities for the preceding year.

Auditor's Report: Receive an annual auditor's report:

- Provide reports to the Board on whether the expenditures match the scope of the bond promised during the bond campaign.

Authorized Activities: In order to perform the duties, the Committee may engage in the following authorized activities:

- Receive and review copies of the District's annual independent financial audit, required by Article XIII of the California Constitution.
- Inspect District facilities and grounds for which bond proceeds have been or will be expended.
- Review efforts by the District to maximize bond proceeds by implementing various cost-saving measures.

COMPOSITION, NOMINATIONS AND APPOINTMENTS

Members: The Committee shall consist of seven (7) members appointed by the Board. The BOC shall consist of citizens representing the District's diversity and varied interests.

- One (1) member active in a business organization representing the business community located in the District.
- One (1) Youth organization
- One (1) member who are associated with or member of the District Partner Organizations
- One (1) member of the Sacramento Taxpayer Association
- One (1) member of a Carmichael Neighborhood Association
- Two (2) At-Large member

Qualification Standards:

- 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 within the District's geographic boundary.
- The committee may not include any employee, official of the District, or any vendor, contractor, or consultant of the District.

Term: Each member shall serve a term of one (1) year, commencing on the date of their appointment by the Board. No member may serve more than three (3) consecutive one-year terms.

Appointment: Members of the Committee shall be appointed by the Advisory Board through the following process:

- Individuals will be solicited for applications through the District's website and social media.
- For inception of the BOC the Advisory Board Chair, Vice-Chair and CRPD staff will review all application and appoint the first BOC Committee.
- Once established an Ad Hoc Committee: made up of the Chairs of Advisory Board and Bond Oversight Committee, along with CRPD staff will review the applications.
- The Ad Hoc Committee will make appointment recommendations to the Advisory Board.

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 Advisory Board, in accordance with the established appointment process shall fill any vacancies on the BOC.

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

Meetings of BOC

- Meetings of the BOC will be scheduled not less than four (4) times annually at the call of the chair.
- Seven (7) days prior to each meeting, Minutes of the preceding meeting and an Agenda for the approaching meeting will be emailed to each member of the BOC.
- If a question is raised regarding procedure, the Committee shall resort to Robert's Rules of Order. Otherwise, informal procedures shall be used, in accordance with applicable law.

- A quorum of this Committee shall consist of a majority of the total filled seats on Committee.
- The Chair or a majority of the Committee members may call special meetings, and it shall be mandatory for the Chair to call a special meeting at the direction of the Board of Directors.
- Members of the District and the public may visit any meeting of the Committee. Public comment shall be in accordance with the Ralph M. Brown Act.
- Dates of BOC meetings will be announced on the Advisory Board's agenda. The BOC Chair may call special meetings, with one week's notice to all BOC members.

BOC Officers and District staff support

- The BOC shall elect members to serve as Chair and Vice Chair, for a one-year term. The first election of officers will take place at the first official meeting of the BOC as established by the Board and every June after that, with the term to begin the following July 1st.
- The District Administrator or his/her designee will provide staff support to the BOC and will provide a staff member to attend all meetings as Secretary to the BOC.

BOC Fiscal Findings and Comments to the Board

- BOC findings will be submitted to the Board at the next scheduled Board meeting except when the item under consideration is delayed due to unforeseen circumstances.
- The BOC Chair, or designee, will submit all findings to the Advisory Board, and will include the number of members present and the number of votes for and against a recommendation.
- BOC findings may be submitted to the full Advisory Board.
- Findings made by the BOC shall require a simple majority of those present for approval and submittal to the Advisory Board.
- As needed or requested by the Advisory Board, the BOC Chair, or designee, shall report information regarding the BOC and its activities to the Board.

Termination of BOC: The Committee shall automatically terminate and disband at the earlier of the date when either:

- All bond proceeds are spent, or
- All projects funded by bond proceeds are completed.

Changes to BOC By-laws: Any changes to the BOC by-laws will be reviewed and approved of the Advisory Board of Directors.

The following Ethics Policy Statement provides general guidelines for BOC members to follow in 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

BOND OVERSIGHT COMMITTEE ETHICS POLICY STATEMENT

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 members outside employment, business, or provide a financial benefit to 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 as an employee or owner during his/her service as a Committee member 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 and all other applicable government entities, and the policies, procedures, rules and regulations of the Carmichael Recreation and Park District.

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