

**BEVERLY HILLS UNIFIED SCHOOL DISTRICT
AMENDED AND RESTATED
CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS**

Section 1. Committee Established. The Beverly Hills Unified School District (the "District") was successful at the election conducted on November 4, 2008 (the "Measure E Election"), in obtaining authorization from the District's voters to issue up to \$334,000,000 aggregate principal amount of the District's general obligation bonds. On June 5, 2018 the District was successful in obtaining authorization from the District's voters to issue up to \$385,000,000 aggregate principal amount of the District's general obligation bonds (the "Measure BH Election"). The Measure E Election and the Measure BH Election are hereinafter referred to collectively as the "Elections." Both Elections were 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 is obligated to establish an Independent Citizens' Bond Oversight Committee in order to satisfy the accountability requirements of Prop 39. The Board of Education of the Beverly Hills Unified School District (the "Board") has established an Independent Citizens' Bond Oversight Committee (the "Committee") which shall have the duties and rights set forth in these Amended and Restated Bylaws. The Committee does not have independent legal capacity from the District.

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, as set forth in Prop 39.

The proceeds of general obligation bonds issued pursuant to the Elections are hereinafter referred to as "bond proceeds." The Committee shall confine itself specifically to bond proceeds generated under Measure E and Measure BH. Regular and deferred maintenance projects and all monies generated under other sources shall fall outside the scope of the Committee's review. However, to the extent that facilities are financed with a combination of Measure E and Measure BH monies and other non-bond funds, such projects shall be subject to Committee oversight and review.

Section 3. Duties. To carry out its stated purposes, the Committee shall perform only the duties set forth in Sections 3.1, 3.2, and 3.3 hereof, and shall refrain from those activities set forth in Sections 3.4 and 3.5.

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 majority 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 Measure E and Measure BH; and (b) no bond proceeds were used for any teacher or administrative salaries or other operating expenses in compliance with Attorney General Opinion 04-110, issued on November 9, 2004.

3.3 Annual Report. The Committee shall present to the Board, in public session, no later than March 31 following each fiscal year, an annual written report for the Measure 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.

3.4 Duties of the Board/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:

- (i) Approval of contracts,
- (ii) Approval of change orders,
- (iii) Expenditures of bond funds,
- (iv) Handling of all legal matters,
- (v) Approval of project plans and schedules,
- (vi) Approval of all deferred maintenance plans, and
- (vii) Approval of the sale of bonds.

3.5 Measure E and Measure BH 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 increment, certificates of participation, lease/revenue bonds, the general fund or the sale of surplus property without bond proceeds 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, CEQA consultants and such other professional service firms as are required to complete the project based on District criteria established by the Board in its sole discretion.
- (d) The approval of the design for each project including exterior materials, paint color, interior finishes, site plan 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 the activities set forth in Prop 39 and included herein.

(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 Prop 39.

Section 4. Authorized Activities.

4.1 In order to perform the duties set forth in Section 3.0, the Committee may engage in the following authorized activities:

(a) Receive copies of the District's annual, independent performance audit and annual, independent financial audit required by Prop 39 (Article XIII A of the California Constitution) (together, the "Audits") at the same time said Audits are submitted to the District, and review the Audits.

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

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

(d) Review efforts by the District to maximize bond proceeds by implementing various cost-saving measures.

(e) Receive from the Board, within three months of the District receiving the Audits, responses to any and all findings, recommendations, and concerns addressed in the Audits, and review said responses.

Section 5. Membership.

5.1 Number.

The Committee shall consist of not more than fourteen (14) members appointed by the Board from a list of candidates submitting written applications, and based on criteria established by Prop 39, to wit:

- One (1) member from a business organization in Beverly Hills;
- One (1) member of the PTSA who is also a parent or guardian of a child enrolled in the District;
- One (1) member with a finance background;
- One (1) member from the Beverly Hills Taxpayers Association;

- One (1) member with a construction background; and
- (b) The Board shall also appoint at least two members from applications received by the District as follows:
- (1) one member who is active in a senior citizens' organization;
 - (2) one member whom is the parent or guardian of a child currently enrolled in the District.

5.2 Qualification Standard.

- (a) To be a qualified member of the Committee, a person must:
- (1) be at least 18 years of age and a citizen of the State of California in accordance with Section 1020 of the California Government Code (the "Government Code").
 - (2) not be an employee or official of the District or any vendor, contractor or consultant of the District.
- (b) If a member fails to meet the qualification standards set forth above at any time during the term of service, such member shall be disqualified and the position shall be declared vacant. The Board shall appoint a new person to serve the remainder of the term, in accordance with the appointment process set forth in Section 5.3 below.

5.3 Appointment. The Board shall appoint members to the Committee at each vacancy or at the termination of each term. Prior to the appointment, the Superintendent shall conduct a nomination process to ensure that each person nominated meets the qualification standards set forth in Sections 5.1 and 5.2. The Superintendent shall establish a process that provides reasonable notice to Board members, specified nominating organizations and individuals. When an appointment is necessary to fill a vacancy, the Superintendent shall ensure that a nomination is received from a like organization or category as the Committee member whose position is vacant.

5.4 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 Education, except as permitted under Article 4.7.

5.5 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. The Board of Education may appoint members to a term of one (1) year. Members whose terms have expired may continue to serve on the Committee until a successor has been appointed. Terms commence on the date or number is appointed to the Committee by the Board of Education.

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, for failure to comply with the Committee Ethics Policy or a failure to adequately carry out their functions as members of the Committee. 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 vacancies on the Committee. The Board shall seek to fill vacancies within 90 days of the date of occurrence of a vacancy.

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 shall not establish subcommittees for any purpose; and (d) the Committee shall have the right to request and receive copies of any public records relating to projects funded by the Measures.

Section 6. Meetings of the Committee.

6.1 Regular Meetings. The Committee shall meet at least once a year, but shall not meet more frequently than quarterly.

6.2 Location. All meetings shall be held within the boundaries of the Beverly Hills Unified School District, located in Los Angeles County, 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 of the Committee.

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, 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 The District shall not use any bond proceeds to provide the support set forth in this Section 7.

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. Such report shall be in writing and shall summarize the proceedings and activities conducted by the Committee.

Section 9. Officers. The Superintendent shall appoint the Chair. Thereafter, the Committee shall elect a Chair and a Vice-Chair who shall act as Chair only when the Chair is absent. The Chair and Vice-Chair shall serve in such capacities for a term of one year and may be re-elected by vote of a majority of the members of the Committee. 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 majority vote of the Board. The Committee shall have no authority to amend these Bylaws.

Section 11. Termination. The Committee shall automatically terminate and disband concurrently with the Committee's submission of the final Annual Report which reflects the final accounting of the expenditure of all Measure E and Measure BH monies.