



Dedicated to a Tradition of
Educational Excellence,
Integrity, and Community

FORTUNA UNION HIGH SCHOOL DISTRICT CITIZENS' BOND OVERSIGHT COMMITTEE

5:30 PM Open Session

District Office Conference Room
379 Twelfth Street, Fortuna, CA 95540

**Committee Meeting
April 24, 2013
AGENDA**

- 1.0 Opening Ceremony – Meeting of the Citizens' Bond Oversight Committee – 5:30 PM**
 - 1.1 Call to Order
 - 1.2 Introductions

- 2.0 Committee Organization**
 - 2.1 Nominations for Chair
 - 2.2 Election of Chair
 - 2.3 Nominations for Vice-Chair
 - 2.4 Election of Vice-Chair

- 3.0 Approval of Agenda Order**

- 4.0 Items for Report, Discussion, and Possible Action**
 - 4.1 Report, Discussion and Possible Action of the FUHSD Citizens' Bond Oversight Committee By-Laws and signing of the Ethics Policy Statement by each member – Report by Glen Senestraro
 - 4.2 Report, Discussion and Possible Action to update and solicit feedback from the committee on the website design and structure – Report by Glen Senestraro
 - 4.3 Report, Discussion and Possible Action to discuss Board-established Bond projects, priorities, calendars, etc. – Report by Glen Senestraro and Corey Weber
 - 4.4 Report, Discussion and Possible Action to decide on information needed from District Staff for the next meeting – Report by Glen Senestraro
 - 4.5 Report, Discussion and Possible Action to develop a 2013 meeting calendar – Report by Glen Senestraro

- 5.0 Dates of Future Meetings**

- 6.0 Adjournment**

In compliance with the American with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Superintendent's Office at (707) 725-4461 or district@fuhsdistrict.org. Notification by Friday noon preceding the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

Written materials distributed to the FUHSD Board of Education within 72 hours of the Board meeting are available for public inspection immediately upon distribution at the Superintendent's Office 379 Twelfth Street, Fortuna, CA 95540.

NOTICE: Any writing, not exempt from public disclosure under Government code Section 6253.5, 6256, 6254.3, 6254.7, 6254.15, 6254.16, or 6254.22, which is distributed to all or a majority of the members of the governing board by any person in connection with a matter subject to discussion or consideration at an open regular meeting of the board is available for public inspection at the Superintendent's office.

Agenda Backup

Item No: 4.1

Date: 24 April 2013

Item: Report, Discussion and Possible Action of the FUHSD Citizens' Bond Oversight Committee By-Laws and Ethics Policy Statement

Overview: The FUHSD Board of Trustees adopted By-Laws and an Ethics Policy Statement. A copy of each will be provided at the meeting. Each member will be required to sign the Ethics Policy Statement.

Recommendation: Staff recommends a discussion of the By-Laws and the signing of the Ethics Policy Statement.

Budget Considerations:

Funding Source:

Budgeted:

Amount:

Prepared by: Glen Senestraro

Reviewed by: Glen Senestraro

**FORTUNA UNION HIGH SCHOOL DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE
BYLAWS**

Section 1. Committee Established. The Fortuna Union High School District (the "District") was successful at the election conducted on November 6, 2012 (the "Election"), in obtaining authorization from the District's voters to issue up to \$10,000,000 aggregate principal amount of the District's general obligation bonds, pursuant to a 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 of California ("Prop 39"). Pursuant to Section 15278 of the Education Code, the District is now obligated to establish the Oversight Committee to satisfy the accountability requirements of Prop 39. The Board of Trustees of the Fortuna Union High School District (the "Board") hereby establishes the Citizens' Bond Oversight Committee (the "Committee") which shall have the duties and rights set forth in these 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 at District expense to the Committee as consistent with the Committee's purposes as set forth in Prop 39.

The proceeds of general obligation bonds issued pursuant to the Election are hereinafter referred to as "bond proceeds." The Committee shall confine itself specifically to bond proceeds generated under the ballot measure. Regular and deferred maintenance projects and all monies generated under other sources shall fall outside the scope of the Committee review.

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

3.1 Inform the Public. The Committee shall inform the public concerning the District's expenditures of bond proceeds.

3.2 Review Expenditures. The Committee may 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.

3.3 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.

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 construction contracts,
- (ii) Approval of construction change orders,
- (iii) Appropriation of construction funds,
- (iv) Handling of all legal matters,
- (v) Approval of construction plans and schedules,
- (vi) Approval of Deferred Maintenance Plan, and
- (vii) Approval of the sale of bonds.

3.5 Voter-Approved Projects Only. In recognition of the fact that the Committee is charged with overseeing the expenditure of bond proceeds, the District 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 shall be made by the Board in its sole discretion.

(c) The selection of architects, engineers, soil 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) by the Board in its sole discretion and shall report to the Committee on any cost saving techniques considered or adopted by the Board.

(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 activities set forth in Prop 39 and included herein.

(g) The adoption of a plan for publicizing the activities of the Committee and the determination as to whether a mailer, a newspaper notice or website materials would best suit the distribution of the Committee's findings and recommendations.

(h) The amendment or modification of the Bylaws for the Committee as provided herein, subject to the legal requirements of Prop 39.

(i) 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 functions 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 and review copies of the District's annual independent performance audit and annual independent financial audit, required by Article XIIA of the California Constitution.

(b) Inspect school 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 proposals or plans developed by the District.

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

Section 5. Membership.

5.1 Number. The Committee shall consist of a minimum of seven (7) members appointed by the Board of Trustees from a list of candidates submitting written applications, and based on criteria established by Prop 39, to wit:

- One (1) member active in a business organization representing the business community located in the District.
- One (1) member active in a senior citizen's organization.
- One (1) member active in a bona-fide taxpayers association.
- One (1) member shall be a parent or guardian of a child enrolled in the District.
- One (1) member shall be both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization or school site council.
- Two (2) members of the community at-large appointed by the Board.

5.2 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.

(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 _____, 2012. No member may serve more than three (3) consecutive terms. At the Committee's first meeting, members will draw lots to select a minimum of two (2) members to serve for an initial one (1) year term and the remaining members for an initial two (2) year term.

5.5 Appointment. Members of the Committee shall be appointed by the Board through the following process: (a) appropriate local groups will be solicited for applications; (b) the Superintendent or his designee will review the applications; (c) the Superintendent or his 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 (2) 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 vacancies on the Committee.

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 as an individual.

Section 6. Meetings of the Committee.

6.1 Regular Meetings. The Committee is required to meet at least once a year including an annual organizational meeting to be held in _____.

6.2 Location. All meetings shall be held within the District.

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 *Ralph M. 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.

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

7.3 No bond proceeds shall be used to provide District support to the Committee.

Section 8. Reports. In addition to the Annual Report required in Section 3.2, the Committee may report to the Board at least semi-annually 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 initial Chair. Thereafter, 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 (2) 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.

**CITIZENS' BOND OVERSIGHT COMMITTEE
ETHICS POLICY STATEMENT**

This following Ethics Policy Statement provides general guidelines for Committee members to perform 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 Fortuna Union High School District;

- **COMMITMENT TO DISTRICT.** A Committee member shall place the interest of the District above any personal or business interest of the member.

The undersigned acknowledges he or she has received a copy of this Ethics Policy Statement, understands the provisions of this policy and agrees to adhere to its requirements.

Date

Member, Oversight Committee

Agenda Backup

Item No: 4.2

Date: 24 April 2013

Item: Report, Discussion and Possible Action to update and solicit feedback from the committee on the website design and structure

Overview: The District Office has developed a website for reporting committee information. The reporting of information is a requirement for the committee.

Recommendation: Staff recommends a discussion about the website.

Budget Considerations:

Funding Source:

Budgeted:

Amount:

Prepared by: Glen Senestraro

Reviewed by: Glen Senestraro

Agenda Backup

Item No: 4.3

Date: 24 April 2013

Item: Report, Discussion and Possible Action to discuss Board-established Bond projects, priorities, calendars, etc.

Overview: The FUHSD Board of Trustees adopted a list of projects and the order of completion. Please see the attached Bond Information Sheet. The District staff will present this information at the meeting.

Recommendation: Staff recommends a discussion regarding the Board-established projects.

Budget Considerations:

Funding Source:

Budgeted:

Amount:

Prepared by: Glen Senestraro

Reviewed by: Glen Senestraro

Bond Information Sheet

Bond Proceeds:

\$10,000,000 – Approved November 2012

Series A - \$3,500,000 (February 2013) – Underwriter Edward Jones

Series B - \$3,000,000 (2015)

Series C - \$3,500,000 (2017)

Board-Approved Priorities (project year)

1. East Continuation High School Building (Summer and Fall 2013)
2. Damon and Logan Gymnasium with Locker Rooms – Seismic Mitigation Monies (Spring and Summer 2015)
3. Athletic Complex (Spring and Summer 2017)
4. Mary Hanley Theater (Spring and Summer 2019, if funds available)

Series A Expenditures to Date:

- The District is planning to pay most of the soft costs out of the first bond series proceeds. This is done to save money because of the escalation of costs over the life of the bond.
 - Soft Costs – Architecture (BCA Architects), Engineering (SHN), Master Planning (BCA Architects), State Funding Consultant (CLC Consulting), As-Built Drawings (Fog City), etc.

FORTUNA UNION HIGH SCHOOL DISTRICT

updated: 4/16/2013

BOND FUNDS TRACKING SPREADSHEET

Series A (2013)

Proceeds From Sale of Bond and Associated Closing Expenditures (Fund 21)

Item	Amount	Description
Bond Proceeds (2013)	\$3,500,000.00	Sale of series A
Underwriters' Discount	-\$68,512.50	Underwriter's Discount, fees (<i>Edward Jones</i>)
Debt Service Fund	-\$56,169.06	Transfer to Fund 51, 3/1/2013, TF-131921, 21-9400-0-0000-0000-8951-000-0000
Total Deposited	\$3,375,318.44	Deposited in Fund 21, 2/28/2013, TF-131690, 21-9400-0-0000-0000-8951-000-0000
Cost of Issuance Account	-\$154,011.84	3/1/2013, TF-131921, 21-9400-0-0000-9100-7434-000-0000
<i>Issuance breakdown</i>	-\$67,411.84	<i>Isom Advisors, Financial Advisor Fee, reimbursable expenses</i>
	-\$25,000.00	<i>Isom Advisors, Pre-Election Services Rendered</i>
	-\$49,850.00	<i>Jones Hall, Bond Counsel and Disclosure Counsel fees & expenses</i>
	-\$300.00	<i>County of Humboldt, Paying Agent fee and reimbursable expenses</i>
	-\$2,750.00	<i>Royce Printing, Official Statement Printing</i>
	-\$8,700.00	<i>Standard's & Poor's, Rating Agency Fee</i>
Total Available Funds	\$3,221,306.60	

Expenditures in Building Fund (21)

Vendor	Amount	Paid		PO #	Site	Project	Description
		Date	Warrant #				
BCA Architects	\$27,332.56	3/7/2013	322691	130822	000	0000	Master Plan and associated expenses
BCA Architects	\$20,592.00	3/14/2013	323481	130848	420	0141	East High Schematic Design, assoc expenses
BCA Architects	\$69,300.00	3/14/2013	323481	130849	410	0000	FHS Schematic Design and assoc expenses
BCA Architects	\$5,000.00	3/14/2013	323481	130849	410	0000	FHS Fog City As-builts retainer
BCA Architects	\$5,181.69	3/14/2013	323481	130850	410	0000	FHS Civil Engineering Fees (SHN/CLC/BCA)
BCA Architects	\$27,720.00	4/4/2013	325627	130849	410	0000	FHS Schematic Design and assoc expenses
BCA Architects	\$690.66	4/4/2013	325627	130850	410	0000	FHS Civil Engineering Fees (SHN/CLC/BCA)
BCA Architects	\$5,148.00	4/4/2013	325627	130848	420	0141	East High Schematic Design, assoc expenses
BCA Architects	\$6,987.75	4/11/2013	326004	130849	410	0000	FHS Fog City As-builts final payment
Total Expenditures	\$167,952.66						

Building Fund Balance \$3,053,353.94

Code	Site	Project
0141	420	East High Building
0142	410	FHS Gyms
0143	410	FHS Athletic Complex
0144	410	FHS Theater
0000	000	Unspecified

Abbr	Name	Service
BCA	Bunton Clifford Associates, Inc	Architects/Project Manager
CDE	California Department of Education	
CLC	Corinne Loskot Consulting	Funding Consultant
DSA	Division of the State Architect	State Approval
HPI	High Performance Incentive	State Funding Source
OPSC	Office of Public School Construction	
SHN	SHN Consulting Engineers & Geologists	Civil Engineering

Fund 21	Building Fund - District Fund for deposit of Bond proceeds and expenses of Bond Projects.
Fund 51	Bond Interest and Redemption Fund - County Controller Fund to redeem Bond.

Agenda Backup

Item No: 4.4

Date: 24 April 2013

Item: Report, Discussion and Possible Action to decide on information needed from District staff for the next meeting

Overview: The District staff would like to know the type of information and the format the committee requests.

Recommendation: Staff recommends a discussion regarding information requested.

Budget Considerations:

Funding Source:

Budgeted:

Amount:

Prepared by: Glen Senestraro

Reviewed by: Glen Senestraro

Agenda Backup

Item No: 4.5

Date: 24 April 2013

Item: Report, Discussion and Possible Action to develop a 2013 meeting calendar

Overview: The committee needs to establish a meeting calendar.

Recommendation: Staff recommends a discussion and adoption of a meeting calendar.

Budget Considerations:

Funding Source:

Budgeted:

Amount:

Prepared by: Glen Senestraro

Reviewed by: Glen Senestraro