



PORTLAND PUBLIC SCHOOLS

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STAFF REPORT TO THE BOARD

DRAFT CAPITAL CONSTRUCTION BOND CITIZEN ACCOUNTABILITY COMMITTEE CHARTER

Board Meeting Date: September 10, 2012 **Executive Committee Lead:** C.J. Sylvester, COO

Department: Office of School Modernization **Staff Lead:** Jim Owens, Director Capital Operations

I. ISSUE STATEMENT

Board Resolution No. 4640 directed referral of a capital construction bond measure to the November 6th 2012 election. Chartering an accountability committee will assist the Board of Education in monitoring the planning and progress of the proposed bond program relative to voter-approved work scope, schedule, and budget objectives.

The attached draft Bond Accountability Committee Charter is provided for Board review and discussion.

II. BACKGROUND

The proposed ballot measure (Notice of Bond Election) and explanatory statement language was referred to the Multnomah Elections Division on August 21, 2012. The measure's summary statement identifies the requirement for PPS to provide citizen accountability and oversight and annual audits of bond projects and expenditures. Staff has developed a draft accountability committee charter to address this requirement. Membership of the committee is proposed to include six committee members and a chairperson comprising a mix of individuals with a good reputation in the community for fairness and transparency and people with a combination of experience in building design; construction; construction financing; public contracting, budgeting and/or auditing.

III. RELATED POLICIES/BEST PRACTICES

- Board Resolution No. 4640 (August 20, 2012) calling a Measure Election to Submit to the Electors of the District the Question of Authorizing \$482,000,000 of General Obligation Bonds and Providing for Related Matters.
- Long Range Facility Plan Guiding Principle C: Demonstrate Fiscal Responsibility identifies best fiscal practices as including credible forecasts, rigorous cost-benefit analysis, transparent budgets, responsible expenditures and audited financial statements.

IV. FISCAL IMPACT

None

V. BOARD OPTIONS

The Board can review and consider any public comment on the draft Charter and provide comments to staff as appropriate to finalize the document for Board action at the regular meeting on September 24, 2012.

VI. STAFF RECOMMENDATION

The purpose of this report is to inform and prepare the Board for action on the final version of the Charter and membership. No action is recommended at this time, but discussion is encouraged.

VIII. TIMELINE FOR IMPLEMENTATION/EVALUATION

Staff expects to present the final Charter and proposed membership at the September 24, 2012 Board meeting.

ATTACHMENT

Draft Portland Public Schools Capital Construction Bond Citizen Accountability Committee Charter



Portland Public Schools Capital Construction Bond Citizen Accountability Committee

Charter

Background:

Portland Public Schools (PPS) has referred a Capital Construction Bond Measure for voter approval on the November 6, 2012, ballot. The School Board desires to establish a citizen accountability committee to assist in monitoring the planning and progress of the bond program.

Committee Charge:

In response to the need for accountability regarding the District's effective use of capital construction bond funds, the PPS School Board will appoint a Citizen Accountability Committee ("Committee") whose charge will be to monitor the planning and progress of the bond program relative to voter-approved work scope, schedule and budget objectives. The Superintendent has overall responsibility for performance of staff engaged in the implementation of the bond program.

The Committee will actively review the bond program, and provide advice to the Board of Education on:

- Whether the school district bond revenues are expended only for the purposes for which the bond was approved, and that bond revenues are not used for any purpose prohibited by law;
- Alignment with the goals and principles of the Long Range Plan;
- Alignment with the goals of the Business Equity Policy;
- District standards and innovative practices for achieving lower maintenance and construction costs while improving operating efficiency and increasing building longevity;
- Historic preservation and school renovation opportunities compatible with the architecture of surrounding Portland neighborhoods;
- Potential capital partnerships for joint and shared use of PPS facilities;
- Implementation of appropriate ways to address seismic issues;
- Compliance with ADA; and
- Communicating key information related to the bond to the School Board, public groups, organizations and stakeholders.

The Committee will receive and review copies of annual performance audits and financial audits, and has the option to inspect school facilities and grounds to ensure Bond revenues are expended in compliance with state law and the ballot measure language.

The Committee will review quarterly reports produced by the District each year the bond proceeds are being spent in order to verify general compliance with the purposes set forth in the capital improvement program as approved by the voters.

The Committee will perform other reasonable duties requested by the School Board.

Committee Membership:

The Committee shall consist of seven members. The School Board will appoint six committee members and a chairperson.

The Committee shall be comprised of a mix of individuals with a good reputation in the community for fairness and transparency and a majority of the committee will be people with a combination of experience in building design; construction; construction financing; public contracting, budgeting, and/or auditing.

a) The Committee members shall receive no direct or indirect compensation from the District for their services as members of the Committee.

b) The Committee members may not have an active or pending contract with the District, nor enter into a contract during their term on the Committee.

c) The Committee may not include any employee or official of the District, or any vendor, contractor or consultant of the District.

d) A Committee member serves to advise the School Board. If a Committee member resigns, violates the Ethics Policy contained herein (see attachment), fails to attend two consecutive Committee meetings without reasonable excuse, or otherwise becomes unable to serve on the Committee, the Board may declare the position on the Committee to be vacant and appoint another qualified person to the Committee.

e) Members are appointed to staggered 2, 3 and 4-year terms and may reapply for consideration to serve additional terms. A member may not serve more than eight consecutive years.

Committee Operations:

The charge to the Committee does not include:

- a. Approval of construction contracts;

- b. Approval of construction change orders;
- c. Appropriation of construction funds;
- d. Handling of legal matters;
- e. Approval of construction plans and schedules;
- f. Approval of the sale of bonds;
- g. Priorities and order of construction for the bond projects;
- h. Selection of architects, engineers, construction managers, project managers, and such other professional service firms;
- i. The approval of the design for any project;
- j. The selection of independent audit firm(s), performance audit consultants and such other consultants as are necessary to support the performance of the Bond Program;
- k. Setting or approving schedules of design and construction activities; or
- l. Activities, roles or responsibilities that have been designated by the Superintendent or her designee to staff or consultants, or any policy-making responsibilities.

Committee Meetings:

- a) The Committee will meet quarterly or as requested by the Superintendent, District staff or the Committee chair.
- b) Committee meetings are advisory and not related to formal decision-making by the PPS School Board. Committee meetings shall include opportunity for public comments.
- c) The Chief Operating Officer, Chief Financial Officer, and Director of the Office of School Modernization will provide support and staffing to the Committee.
- d) PPS staff will provide necessary technical and administrative assistance as follows:
 - (1) A meeting room, including any necessary audio/visual equipment;

- (2) Preparation and copies of any documentary meeting materials, such as agendas and reports; and distribution of those materials to the committee in a timely manner.
- (3) Provision of reports covering the School Bond Program.
- (4) Preparation of Committee meeting minutes and posting for public viewing and use on the PPS web site.
- (5) PPS staff will attend Committee meetings in order to report on the status of capital improvement projects, to respond to questions, and to receive advice and counsel on the overall bond program or any of its component parts. PPS project consultants may attend Committee meetings at the discretion of PPS staff.

DRAFT

Attachment

Portland Public Schools Capital Construction Bond Citizen Accountability Committee: Ethics Considerations

An ethics policy provides general guidelines for Committee members to follow in carrying out their roles. Not all ethical issues that Committee members face are covered in this Policy. However, this Policy captures some of the critical areas that help define ethical and professional conduct for Committee members. 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 provide a financial benefit to a family member, such as a spouse, child, parent or sibling.

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 one (1) year 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 one (1) year 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 or proposing to provide services on projects funded by the bond proceeds; and/or
2. any construction project funded by the District.

COMMITMENT TO UPHOLD LAW. A Committee member shall uphold the federal and Oregon Constitutions, the laws and regulations of the United States and the State of Oregon, and the policies, procedures, rules and regulations of the Portland Public School District.

COMMITMENT TO THE PUBLIC. A Committee member shall place the interests of the public above any personal or business interest of the member.