



A California Public Benefits Corporation

Corporation formed September 19, 2019

Corporation Number 4319346

Internal Revenue Service Approved Exempt Federal Income Tax

Donations tax deductible to the fullest extent allowed by law.

1 First Annual Membership Meeting Minutes, January 9, 2021

For effective oversight

NOTICE OF ANNUAL MEMBERSHIP MEETING

Saturday, January 9, 2021 at 10:00 AM

As required by Bylaws of the California Association of Bond Oversight Committees, Article 8, Section 4 c you are hereby noticed that the Annual Membership meeting will be held on Saturday, January 9, 2021, starting at 10:00 AM via Zoom.

The agenda and supporting written materials are attached to this notice.

You can attend this meeting via Zoom at meeting ID 412 822 2265 or by calling 1.669.900.6833 and entering the meeting ID 412 822 2265.

Please respond to me at ajungherr@aol.com if you are unable to attend this meeting.

Anton Jungherr, Secretary, Board of Directors

December 30, 2020

Distribution: CABOC Voting Members as of December 10, 2020



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Purpose Statement: “The specific purpose of this corporation is to provide training, assistance, and encouragement to California School Proposition 39 Citizens’ Bond Oversight Committee Members through development of training materials, delivery of online training, conferences, workshops, formation of regional groups of California Citizens’ Bond Oversight Committees and representing common interest at the statewide level.” (Articles of Incorporation, Section 4)

Zoom Call Instructions: meeting ID **412 822 2265**, passcode **293000**, mobile **16699006833**, telephone if needed **1.669.900.6833**

Please silence your cell phone

MINUTES

Date: Saturday, January 9, 2021

Time: 10:00 AM to 11:00 AM

Place: Zoom

Call to Order -Nick Marinovich, President ¹ at 10:01 AM

Roll Call Members – Anton Jungherr

Present: John Anderson, Judy Box, Carolyn Castillo, Marcus Crawley, Sallie DeWitt, Chris Hanson, Jason Hunter, Anton Jungherr, Nick Marinovich, Ourania Riddle, Thomas Rubin, and Amadeo Rodriguez.

Report Chairperson Jack Weir (4) In the absence of Jack Weir Nick Marinovich presented Chairperson Jack Weir’s annual report.

Report President Nick Marinovich (6) Nick Marinovich presented his annual report.

¹ Chairperson Jack Weir was excused due to family matters. Mr. Marinovich conducted the meeting in the absence of Mr. Weir.



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Remarks from Members – Nick Marinovich

- Sarabjit Kaur Cheema, a guest, commented that she was pleased to be able to attend today's meeting.
- Sallie DeWitt inquired about website view metrics.
- Ourania Riddle suggested press releases on the election of new Board Directors be distributed to their respective local media.
- Nick Marinovich suggested press releases be sent to local media that cover bond issues.
- Chris Hanson inquired about our program.
- Sarabjit Kaur Cheema said we need to market our Association.
- Sallie DeWitt use of Zoom.
- Jason Hunter use of Zoom.

Election of Directors – Anton Jungherr

- Nominations-Elections Committee (Anton Jungherr, Chairperson, Lorraine, and Keith Mueller) recommend Carolyn Castillo, Marcus Crawley, and Chris Hanson (whose terms end December 31, 2020) to new two-year terms January 2021 to December 2022. The Nomination-Elections Committee nominations were presented to the membership.
- Additional nominations were requested. There were no additional nominations.
- The nominations were closed.
- A voice vote for Directors was conducted.
- Election results – unanimous vote for the election of Carolyn Castillo, Marcus Crawley and Chris Hanson for two-year terms starting January 1, 2021 through December 31, 2022.



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Additional Remarks from Members – Nick Marinovich - none

Next Annual Membership Meeting – January 15, 2022

Adjournment by Chairperson Mark Marinovich at 10:33 AM

Date of Minutes: January 11, 2021

Minutes prepared by: Anton Jungherr, Secretary

Attachments to the agenda packet are included in the official minutes posted on the website. Distribution copies of the minutes do not include the attachments as they were included in the agenda packet for this meeting.

The Board of Directors Quarterly Meeting was convened immediately upon adjournment of the First Annual Membership Meeting.

Jack Weir, Chairman and Co-Founder's End-Of-Year Report - 2020

Short Version

The California Association of Bond Oversight Committees (CABOC) is alive and well, and despite the challenges of the COVID pandemic, has exceeded expectations of progress our first year in operation!

Long Version

Background

Following WW II, many returning military personnel chose to take up civilian life in sunny California, and the demand for new public schools ballooned. The state encouraged school construction, offering generous state funding to match local property taxes dedicated to public education. Our schools quickly became among the finest in the nation, and residents readily approved school construction bonds. (The quality of local public schools is still a key factor in family choice of home location.)

Prop 39 and Citizen Bond Oversight Committees

In early twenty-first century, state funding for school construction lessened proportionally, and more financial burden fell on local taxpayers. School bonds did not pass with the same high level of certainty as before. Various interests in education and the construction industry lobbied for lowering the voter approval threshold for school bonds from 2/3 to 55%. Prop 39 (School Bonds) was passed, with the proviso that school districts using the Prop 39 approach must establish an **independent** citizens' bond oversight committee (CBOC) composed of a cross-section of community representation - taxpayers, parents, seniors, business, educators, etc.

The purpose of CBOC's then and now is to monitor school district use of Prop 39 bond funds, and to report to the public at least annually on whether the district is using bond funds as promised, and in accordance with applicable laws. CBOC's are not policymakers, nor are they part of district bond project management functions and decision-making; they are to remain independent, so that their reports to the public are unbiased and objective.

California Association of Bond Oversight Committees

Chairperson Jack Weir Annual Report 2020

Presented January 9, 2020 Annual Membership Meeting

CaLBOC

In 2008, the California League of Bond Oversight Committees (CalBOC) was founded to provide training and support for CBOC's across the state and developed a curriculum of training segments and hosted annual CBOC conferences in Sacramento, which were well attended.

However, it was noted that many districts were not forming and utilizing CBOC's in the independent manner envisioned in Prop 39, as reported by the Little Hoover Commission in 2017. *The Commission's report recommended that the state provide more assistance in carrying out the intent of Prop 39 by providing funding for CaLBOC's mission.*

In 2017, it became apparent to some members of the CaLBOC board that the organization was not fulfilling all the training and support needs of CBOC's, and three of CaLBOC's board members (including one of its founders) and a former board member drafted a business case to improve CaLBOC's performance of its mission. The business case proposal was presented to and approved by the board, but subsequently the board cancelled the project.

In October 2020, the CaLBOC President informed a Co-Founder that CaLBOC "has elected to dissolve."

CABOC

In 2019, CABOC was incorporated to carry out the recommendations of the Little Hoover Commission. CABOC is a state-wide, non-profit, non-partisan public benefit organization, with a board of directors and a structure that deploys working committees in CBOC training, legislative liaison, public information, audit compliance and other areas of interest.

At this first annual membership meeting, members will have an opportunity to hear of CABOC's accomplishments to-date, and elect directors,

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California Association of Bond Oversight Committees

Nick Marinovich
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December 30, 2020

President's Report

To: California Association of Bond Oversight Committees Members

From: Nick Marinovich, President

REPORT TO THE MEMBERS FOR JANUARY 9, 2021 ANNUAL MEETING

Greetings. This is the first in what is hoped to be a series of quarterly President Reports that will serve not only as information for our Board meetings but will also be posted on our [web site](#) so that the public and bond oversight members know the status of our services.

The services we provide those who believe in active independent bond oversight are so important, especially when one considers the \$180.8 billion in Proposition 39 (55%) school bonds that have been issued to date. Furthermore, there was a total of \$18.8 billion in bonds approved in March and November of 2020 by 92 School and Community College Districts.

A clear mission has been established.

Early after our formation we adopted our comprehensive "Purpose Statement as follows:

"The specific purpose of this corporation is to provide training, assistance, and encouragement to California School Proposition 39 Citizens' Bond Oversight Committee Members through development of training materials, delivery of on line training, conferences, workshops, formation of regional groups of California Citizens' Bond Oversight Committees and representing common interest at the statewide level." (Articles of Incorporation, Section 4).

In short, we are here to serve Bond Oversight Committees and directly support their member's requirements. Let us never forget we are a service organization.

The Web Site is up and operational and will be significantly expanded in the coming months.

The Web Site became operational on September 12, 2020. It contains basic information such as a description of the organization, information on the origins of bond oversight (Proposition 39), our Bylaws and articles of incorporation, and some information on the [Little Hoover Commission Report \(Borrowed Money: Opportunities for Stronger Bond Oversight\)](#).

Expanded efforts will include the posting of FAQ's, Best Practices and an extensive Library of Reference Material.

Our committees are the key to accomplishing our mission.

Given the complexity and diversity of our needs, it was recognized the best way to get things done was to form either standing or ad hoc committees to focus on specific issues and data needs. We can draw upon our individual areas of significant expertise and distribute the workload among our Board and Professional Advisors. The level of commitment and time spent by our volunteers is what has led to our tremendous progress to date, over just a 15-month period.

The foundation supporting all the Committees is a structured and focused Executive Committee. Up until recently we met every other week (now monthly) with comprehensive agenda topics and actions items with direction and guidance provided to our other standing and ad hoc subcommittees. Where appropriate Board action is called out, particularly where there may be policy issues.

Our Committees are as follows:

- Training Materials
- Membership Recruitment
- Legislation
- Membership Customer Services
- Public Relations
- Membership
- FAQ's
- QuickBooks Online
- Nominations-Elections
- Best Practices

The text that follows will describe some of the accomplishments of these committees.

There has been significant progress on Frequently Asked Questions.

There have been 14 Frequently Asked Questions developed to date. These questions are submitted for review by our Board of Directors and Professional Advisors and approved by the Executive Committee prior to finalization.

An example is provided below:

What is the legislative intent of School Bond Oversight?

The legislation that implemented Proposition 39 had the following legislative intent:

- ***Vigorous efforts*** are undertaken to ensure that the expenditure of bond measures, including those authorized pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, are in strict conformity with the law
- Taxpayers ***directly participate*** in the oversight of bond revenues
- The members of the oversight committees ***promptly alert the public to any waste or improper expenditure of school construction bond money***
- Unauthorized expenditures of school bond revenues are ***vigorously investigated***, and that the courts act swiftly to restrain any improper expenditures

Bond Oversight is supposed to be an active probing process.

A Series of Legislative Proposals have been developed and will be seeking a bill sponsor(s) this coming year.

Over the past several months an active Legislative Committee has met weekly to hammer out a series of Legislative Proposals that were approved by the Executive Committee on December 22, 2020. The underlying guiding principles of the specific proposals are found in the of the Little Hoover Report regarding strengthening bond oversight (e.g. Require districts to provide a minimal budget for the oversight committees, including a budget to hire independent counsel with municipal bond expertise).

A synopsis of the specific proposals are as follows:

- Expanding the scope of the Performance Audit
- Increasing the Oversight Committee interaction with bond program auditor
- Allowing Committees to hire their own legal counsel paid for out of bond proceeds
- Strengthening the transparency of the selection of members to increase the likelihood of truly independent members
- A requirement that bond projects be consistent with a District Facility Master Plan
- Requiring the Oversight to have control over their web presence and the posting of documents
- Allowing Oversight Committees to adopt their own bylaws

The organization has been strengthened and structured through the adoption of detailed Board Policies.

Just like a well-run bond program and its school district, CABOC has detailed policies on conduct and processes, significantly reducing the chances of missteps and misunderstanding of acceptable behavior and participation in the CABOC Mission (e.g., Conflict of Interest Policy).

These policies are as follows:

- Board Standing and Ad Hoc Committees, March 14, 2020
- Conflict of Interest, March 14, 2020
- Director Duties, March 14, 2020
- Professional Advisor, March 14, 2020, amended September 12, 2020
- Partnership Program, March 14, 2020
- Website Document Review Process, June 13, 2020, amended September 12, 2020
- CBOC Liaison, September 12, 2020
- Director Elections, November 24, 2020 (pending ratification by Board of Directors)

In the interest of transparency, these policies are posted on our web site.

There has been a concerted effort to reach out and establish a data base of bond oversight committee members.

The membership committee has made an aggressive effort to upload emails, member names, and web sites from the estimated 4,000 CBOC members in 556 school districts by our membership committee. This is being accomplished through a Public Records Request process. To date we have list of 244 CBOC members and 74 media contacts.

Efforts are moving forward to establish Best Practices for Oversight Committees.

This effort to date has focused on a Memorandum of Understanding Template between a District and the Oversight Committee, facility master planning, strategic planning, and process for selection of bond performance auditors. It is anticipated there will be a review of the California League of Bond Oversight Committees Operating Guidelines and their current applicability to CABOC. Several current CABOC Members (myself, Anton Jungherr) were major authors of the Guidelines.

In my opinion, the organization should have a sense of urgency in moving forward on some key work products.

This view on urgency is driven by three major factors:

- There were a number of bond measures approved in November that are “ripe” for some assistance or rekindling of bond oversight for their District

California Association of Bond Oversight Committees

- There is a huge pent up demand for guidance and direction for bond oversight members
- We have within CABOC the resources to make a difference

Based upon these observations, I would recommend that we have an immediate focus on the following tasks and set firm near term completion date(s).

It is recognized that many of these tasks are all well underway:

- A fully operational Web Site that contains at minimum the following:
 - ✓ FAQ's
 - ✓ Best Practices Library
 - ✓ **A Help Desk**
 - ✓ A Monthly Newsletter (Presidents Letter for now)
 - ✓ A Description of CABOC's Mission
 - ✓ Our Social Media Accounts
- A You Tube "This is CABOC" Video aka what we do and how we can help with a link on web site
- Direct verbal and written contact with all Districts who successfully passed bond measures in November 2020
- Correspondence with key media groups/individuals who have covered bond oversight issues to introduce the "new organization"
- An email to the data base of CBOC members thus far introducing us to them and directing them to our web site

I would highly recommend you check out the [First Amendment Coalition](#) approach on their web site to questions. It is tremendous and has a get question and answer process.

The lightning rod for the formation and significant progress of this organization is Anton Jungherr.

We incorporated on September 19, 2019 and it has been full steam ahead under the watchful eye and significant insight and work provided by Anton Jungherr. From preparing agendas for many meetings to writing policies Anton has been there. He works tirelessly for us and without any fanfare. Thank you Anton!!.

Thank you for consideration of my thoughts.

Nick Marinovich

Nick Marinovich, President