



Monitoring and Oversight of General Obligation Bonds to Improve Broward County Schools: *Recommended Best Practices*

Presented to the Broward County Bond Oversight Committee
August 31, 2015





Michelle A. Robinson
Chairman of the Board of Trustees

Dominic M. Calabro
President & Chief Executive Officer

Dear Fellow Taxpayer,

In November 2014, Broward County voters approved an \$800 million bond referendum to renovate and repair Broward's aging school facilities, upgrade school safety and security systems and purchase new computers and educational technology. A bond oversight Committee was appointed to encourage greater accountability, transparency, public support and confidence in the use of the general obligation bond funds. The bond oversight Committee is charged with ensuring that bond proceeds are used in compliance with the purposes set forth in the bond programs, as approved by the School Board of Broward County.

Broward County taxpayers must hold the School Board accountable for making smart business decisions and doing the high-level planning and project management necessary to minimize the risk to the County and to make sure every dollar of bond proceeds is spent consistent with the purposes set forth in the bond programs, as approved by the School Board of Broward County.

Superintendent Robert W. Runcie has expressed a commitment to an open and transparent process to guide the oversight of the general obligation bond program and has asked Florida TaxWatch to provide high quality, independent research and analyses to help the bond oversight Committee to effectively carry out its oversight duties and obligations. To that end, Florida TaxWatch has agreed to: (1) provide a research report on industry or national "best practices" to aid the Committee in its oversight of the bond-funded capital outlay program; and (2) review quarterly reports submitted to the Committee and present our findings during the regular (quarterly) Committee meetings. This effort is funded by the Broward community, and does not use taxpayer dollars.

I am pleased to present the following report, which recommends a number of "best practices" that, if adopted, will help the bond oversight Committee to effectively carry out its oversight duties and obligations.

Sincerely,

Dominic M. Calabro
Dominic M. Calabro
President & CEO

TABLE OF CONTENTS

INTRODUCTION	2	29.0	Change Management	13	
RECOMMENDED BEST PRACTICES		30.0	Administrative Support	13	
1.0	Membership & Selection Process	4	31.0	Capital Outlay Program/Plan	14
2.0	Number of Members	4	32.0	Expenditure Schedule	14
3.0	Attendance	5	33.0	Cash Flow Analysis	14
4.0	Terms of Service	5	34.0	Database	14
5.0	Compensation	5	35.0	Website	14
6.0	Conflict of Interest	5	36.0	Dashboard	15
7.0	Autonomy	6	37.0	Quarterly and Annual Reports	15
8.0	Structure	6	38.0	Final Report	16
9.0	Budget	6	39.0	Inspections and Tours	16
10.0	Orientation	6	40.0	Financial Audit	17
11.0	Rules of Order	7	41.0	Performance Audit	17
12.0	Quorum	7	42.0	Media and Interviews	19
13.0	Committee Officers	7	REFERENCES	20	
14.0	Duties of the Chairman	7			
15.0	Duties of the Vice Chairman	8			
16.0	Duties of the Secretary	8			
17.0	Presiding Officer	8			
18.0	Motions	9			
19.0	Voting	9			
20.0	Meetings	9			
21.0	Recommendations	10			
22.0	Agenda and Order of Business	10			
23.0	Workshops	11			
24.0	Public Hearings	12			
25.0	Briefings	12			
26.0	Public Comments	12			
27.0	Minutes	13			
28.0	Governance Model	13			

INTRODUCTION

In November 2014, Broward County voters approved an \$800 million general obligation bond referendum to renovate and repair Broward's aging school facilities, upgrade school safety and security systems, and purchase new computers and educational technology. In approving this bond referendum, Broward County voters have authorized the school district to issue the bonds and have agreed to pay higher property taxes as a way to repay the bonds. Property owners will be assessed additional millage, which will then be collected and used to pay for the debt service on the outstanding bonds.

In considering the bond referendum, Broward County voters had to balance their desire for better and safer educational facilities and newer technology against their mistrust of the school district, which was the result of years of mismanagement, corruption and inside dealing. In a 2011 report, the Nineteenth Statewide Grand Jury wrote of a culture of corruption in the awarding of school construction contracts. The Grand Jury documented longstanding instances of:

- Interference and self-dealing by the School Board in the building of projects;
- Favoritism in the selection of contractors;
- Cost overruns;
- Wasting tax dollars on unnecessary and unjustified projects;
- Failure to have any meaningful oversight;
- A complete lack of fiscal accountability; and
- Failure to adhere to School Board policy.

After the resignation of Superintendent James F. Notter in 2011, the School Board appointed Robert Runcie as Superintendent. Superintendent Runcie reorganized the District and made a number of staff changes, including changes in the facilities planning and construction department.

As a result, Broward County voters have placed their trust in the School Board to act responsibly and professionally in the administration of the general obligation bonds. The Broward County School Board has authorized the issuance of the first series of general obligation bonds, which includes \$162.6 million to fund projects in year one of the SMART (Safety, Music & Art, Athletics, Renovation and Technology) Program.

The best oversight is provided by an informed citizenry. To encourage greater accountability, transparency, and to give Broward taxpayers comfort that the bond proceeds will be used efficiently and effectively, the Broward County School Board established by resolution (15-106) a bond oversight Committee ("the Committee") to act as an independent citizens advisory Committee to the School Board. This resolution functions as the Committee's charter, laying out the Committee's duties and responsibilities. A well thought-out charter can eliminate ambiguities with respect to roles, authority and procedures that can impede the Committee's effectiveness.

There are some elements of the charter that should be developed by the School Board. These include the selection process, number of members, attendance, replacement of members, terms, compensation; conflicts of interest, etc. Other elements, such as Committee structure, quorums, meeting procedures, reporting, public involvement, and access to information, are more appropriately developed by the Committee after its establishment.

The Committee's charter should be a dynamic, living document. If at any time Committee members think changes are appropriate and justified, then the Committee should request the recommended changes be approved by the School Board. At a minimum, the following elements of the Committee's charter should be expressly clear and understood:

- The purpose of the Committee and its scope of work --- the types of projects subject to the Committee's review and the boundaries within which the Committee operates should be clearly defined;
- The desired level or area of expertise of Committee members --- the Committee should include a significant number of members who are knowledgeable in construction management practices and finance, and members who are dedicated and willing to make the necessary commitment; and
- Resources available to support the Committee --- the staff (e.g., District staff) and other resources available to the Committee (e.g., Florida TaxWatch, outside consultants, etc.) and their roles and responsibilities should be clearly defined.

The establishment of a bond oversight Committee provides a cost-effective and politically important mechanism to supplement the School Board's oversight and monitoring of the bond-funded capital outlay program. The level of commitment of School Board leadership and the resources that are made available to support the efforts of the Committee will greatly affect the quality of monitoring and oversight provided by the Committee.

Citizen oversight Committees have been used effectively to monitor and oversee bond-funded capital outlay programs in a number of jurisdictions in California (Los Angeles, Sacramento, Oakland, San Bernardino, San Diego, and San Jose), Kansas (Wichita and Salinas), Texas (Austin, San Antonio, and Houston), Nevada (Las Vegas), Colorado (Jefferson County), Ohio (Cleveland), and Florida (Miami-Dade).

The "best practices" proposed by TaxWatch in this report are based in large part upon the observations and lessons learned by these bond oversight Committees. The best practices are written to be "actionable" and to be adopted, either whole or in part, by the Committee as its by-laws. The best practices are numbered in a way that will permit Committee members to easily identify any proposed best practices that are to be excluded. If implemented, the recommended best practices will ensure that the Committee is held to a higher standard, thereby maximizing the effectiveness of the oversight of the capital outlay program funded by the general obligation bonds and meeting the expectations of the taxpayers who approved the referendum.

RECOMMENDED BEST PRACTICES

1.0 MEMBERSHIP & SELECTION PROCESS

- 1.1 Identifying specific organizations and community groups within Broward County, and then permitting each organization to appoint its representative, helps to avoid the appearance of a conflict of interest in selecting Committee members.
- 1.2 Membership should include representatives who:
 - 1.2.1 Are active in an organization representing the business community in Broward County;
 - 1.2.2 Are parents or guardians of students who attend Broward County public schools;
 - 1.2.3 Are active in a parent-teacher organization;
 - 1.2.4 Have a background and experience in public financing and/or auditing public financial statements;
 - 1.2.5 Have a background and experience in construction management;
 - 1.2.6 Are active in a civic or community organization, which may be a local, regional, statewide or national organization;
 - 1.2.7 Are active in a bona fide taxpayers' organization, which may be a local, regional, statewide or national organization;
 - 1.2.8 Are retired and/or active in a senior citizens' organization, which may be a local, regional, statewide or national organization;
 - 1.2.9 Are disabled and/or active in a disabled citizens' organization, which may be a local, regional, statewide or national organization;
 - 1.2.10 Are active in a labor organization, which may be a local, regional, statewide or national organization; and
 - 1.2.11 Reflect the racial and ethnic diversity of Broward County.

2.0 NUMBER OF MEMBERS

- 2.1 The number of Committee members depends in large part on the scope of the Committee's work and the size of the bond-funded capital outlay program.
- 2.2 The Committee should have no fewer than 12 members and no more than 18 members. This will help to ensure that the Committee is manageable and will also permit and support reasonably sized subCommittees (if desired).

3.0 ATTENDANCE

- 3.1 Attendance should be mandatory. Committee members should not be permitted to send a proxy member in their place.
- 3.2 An absence from a regular Committee meeting may be excused if:
 - 3.2.1 It is requested in writing in advance of the Committee meeting; and
 - 3.2.2 It is due to illness, significant family events and circumstances, pre-planned events that cannot easily be changed, and employment conflicts that cannot easily be resolved.
- 3.3 If a Committee member misses (unexcused) consecutive regular meetings, or misses a specified number of meetings (e.g., three) within a 12-month period, then that member should be removed and replaced. The member organization should have a specified period of time (generally not more than 30 days) in which to appoint a replacement.

4.0 TERMS OF SERVICE

- 4.1 Serving staggered two and three-year terms on the Committee will help to ensure continuity and make sure information is not lost as Committee members are replaced.
- 4.2 Representation on the Committee should not be limited to two consecutive terms. Permitting Committee members to serve indefinitely and be reappointed based upon the quality of their service should be allowed as a way to retain knowledge of individual projects (especially those that take several years to complete) and to reduce the need for constant training of new members.

5.0 COMPENSATION

- 5.1 Committee members should receive no compensation, directly or indirectly.
- 5.2 Reimbursement for authorized Committee-related travel and expenses is not considered to be compensation.

6.0 CONFLICT OF INTEREST

- 6.1 Committee members should not work for or represent any business or business interest that has an active contract or that is seeking a contract with the Broward County school district.
- 6.2 Committee members should sign a conflict of interest statement declaring that they have no affiliation with the district or with any business or business interest that works for the Broward County school district or that is seeking work with the Broward County school district.

7.0 AUTONOMY

- 7.1 It is important that the Committee is not influenced or limited by the School Board of Broward County members or staff, by District staff, or by contractors or project managers.
- 7.2 Absolute autonomy will be difficult to achieve because the Committee will be dependent upon the District staff for information and resources necessary to implement its monitoring and oversight responsibilities. It is important to distinguish when District staff is appearing before the Committee in testimony and when District staff is providing administrative and logistical support to the Committee.
- 7.3 Having Florida TaxWatch review quarterly reports prepared by the District and present its findings to the Committee will help preserve the Committee's autonomy.
- 7.4 Having Florida TaxWatch or other external resources or consultants prepare quarterly reports to the School Board at the request of the Chairman will help preserve the Committee's autonomy.

8.0 STRUCTURE

- 8.1 The structure of the Committee should be tied to the scope of work and number of members – Committees with greater monitoring and oversight responsibilities and a larger number of members require a well-defined structure.
- 8.2 Larger Committees could consider division into one or more smaller subcommittees to address specific responsibilities (e.g., finance, project management, construction, etc.).

9.0 BUDGET

- 9.1 The Committee should prepare and submit (annually) to the School Board a request for funding as needed to support the Committee's monitoring and oversight responsibilities and activities.
- 9.2 The decision to approve and forward a request for funding to the School Board should be made at a duly noticed Committee meeting.

10.0 ORIENTATION

- 10.1 Before the Committee begins its work in earnest, each member should receive a thorough briefing from Broward County Public Schools district staff. A 45-minute on-line training course, with a 10-question competency-based quiz at the end, is available on the District's Office of Talent Development website. Each Committee member should take and pass this course.
- 10.2 Committee members should be provided copies of the bond resolution, relevant county ordinances and codes, ethics requirements, government in the sunshine requirements, "Roberts Rules of Order," descriptions of each bond-funded capital outlay project

(including budgets and timelines), financial reports, audits, and other materials justifying the need for the bond referendum.

- 10.3 New Committee members should receive the same thorough orientation upon their appointment.

11.0 RULES OF ORDER

- 11.1 The most current edition of the “Roberts Rules of Order” should serve as the parliamentary authority to guide the conduct of all meetings of the Committee, except when the Rules are inconsistent with any other provisions of law which apply to the Committee.

12.0 QUORUM

- 12.1 A quorum is the number of Committee members necessary to legally conduct business. A simple majority of appointed Committee members constitutes a quorum. In the absence of a quorum, the actions of the Committee should be limited to:
 - 12.1.1 Taking steps to obtaining a quorum;
 - 12.1.2 Setting a time at which to adjourn the meeting (continuance); and
 - 12.1.3 Adjourning the meeting.

13.0 COMMITTEE OFFICERS

- 13.1 The officers of the Committee should include a Chairman, Vice-Chairman, and (if desired) Secretary.
- 13.2 At the first meeting of the Committee, and annually thereafter, the Committee should place into nomination and elect a Chairman, Vice Chairman, and (if desired) Secretary.
- 13.3 Officers should be elected to serve a one-year term in that office.

14.0 DUTIES OF THE CHAIRMAN

- 14.1 The Chairman should call meetings of the Committee.
- 14.2 The Chairman should be responsible for establishing the agenda for each meeting, special meeting, public hearing and workshop of the Committee.
- 14.3 The Chairman should preside over each Committee meeting, special meeting, public hearing and workshop.
- 14.4 The Chairman should serve as the Committee’s spokesperson on all matters before the School Board, media, and the public.
- 14.5 The Chairman should be responsible for the preparation of all Committee reports to the School Board. The Chairman may rely on outside consultants or resources to prepare these reports.
- 14.6 The Chairman should be responsible for making any subcommittee appointments and should serve as an ex-officio member of all subcommittees.

15.0 DUTIES OF THE VICE-CHAIRMAN

- 15.1 In the absence of the Chairman, the Vice-Chairman should perform all duties of the Chairman.

16.0 DUTIES OF THE SECRETARY (OPTIONAL)

- 16.1 The Secretary should be responsible for overseeing the preparation, recording, and distribution of the following Committee-related documents:
 - 16.1.1 Agendas for Committee meetings, special meetings, workshops and public hearings;
 - 16.1.2 All meeting packets and materials;
 - 16.1.3 All meeting minutes;
 - 16.1.4 All reports to the School Board; and
 - 16.1.5 All official correspondence addressed to the Committee.
- 16.2 The Secretary should be responsible for taking and recording attendance at the beginning of each Committee meeting to determine the presence of a quorum and for informing the Chairman if, at any point in the meeting, a quorum is not present.
- 16.3 Should the Committee choose not to elect a Secretary, the duties described in this section should be performed by District staff as described in Section 30.0 (Administrative Support).

17.0 PRESIDING OFFICER

- 17.1 The Chairman should preside at all Committee meetings.
- 17.2 In the Chairman's absence, the Vice-Chairman should preside.
- 17.3 If both are absent, a presiding officer should be designated by the Chairman ahead of time or selected by a majority vote of those Committee members present.
- 17.4 The duties of the presiding officer include:
 - 17.4.1 Opening Committee meetings and calling the meetings to order;
 - 17.4.2 Determining whether a quorum is present;
 - 17.4.3 Recognizing members of the Committee that wish to speak;
 - 17.4.4 Recognizing members of the general public or District staff that wish to speak;
 - 17.4.5 Recognizing (or refusing to recognize) motions by Committee members;
 - 17.4.6 Putting all questions which come before the Board in the form of motions to a vote;
 - 17.4.7 Deciding all questions of order; and
 - 17.4.8 Adjourning meetings.

- 17.5 The decision of the presiding officer should stand unless reversed. A reversal should require a majority vote of the Committee members present after the proper motion to reverse the presiding officer's decision has been made and seconded.

18.0 MOTIONS

- 18.1 Before any matter may be officially acted upon by the Committee, a proper motion should be made by a Committee member and seconded by another Committee member.
- 18.2 Motions should require a majority vote of those Committee members present in order to pass.
- 18.3 After a motion has been properly made and seconded, the presiding officer should permit debate on the merits of the motion. Committee members should first be recognized to speak on the motion, followed by District staff and the general public.
- 18.4 The presiding officer closes debate and calls for a vote on the motion, but not before any Committee member wishing to speak has done so. Debate can also be closed upon a motion approved by the majority of Committee members present.
- 18.5 A motion to reconsider any vote or action of the Committee should be limited to the same matter at the same meeting, and should only be made by a Committee member who previously voted on the prevailing side. No vote or action should be reconsidered unless a proper motion has been made and seconded, and a majority of the Committee votes to reconsider.

19.0 VOTING

- 19.1 Voting should be public and the vote of each Committee member should be officially recorded by District staff that supports the Committee.
- 19.2 Unless there is a possible conflict of interest, Committee members are expected to vote on any matter that requires official action of the Committee.
- 19.3 Committee members should disclose any possible conflict of interest consistent with Florida law.
- 19.4 The results of the vote should be announced publicly by the presiding officer and recorded in the minutes of the meeting.

20.0 MEETINGS

- 20.1 All meetings (regular, special, emergency), workshops, briefings, and public hearings of the Committee should be open to the public consistent with Chapter 286, Florida Statutes.
- 20.2 Regular meetings of the Committee shall be held at least quarterly at the call of the Chairman or Vice-Chairman when circumstances dictate.

- 20.3 Regular meetings should be duly noticed by District staff consistent with Florida law, and the notice should make clear the subject matter(s) to be discussed at the meeting.
- 20.4 The District staff should provide administrative and logistical support to the Secretary in the preparation, distribution and posting (on the Committee website) minutes of all Committee meetings.
- 20.5 A joint meeting between the Committee and the Broward County School Board should be held at least once annually, at which time the Committee will present its annual report to the School Board.
- 20.6 Special meetings of the Committee may be called at any time by the Chairman or Vice-Chairman when circumstances dictate.
- 20.7 Special meetings should be duly noticed by District staff consistent with Florida law, and the notice should make clear the subject matter(s) to be discussed at the special meeting.
- 20.8 Minutes of special meetings should be kept in a manner consistent with regular meetings.
- 20.9 Emergency meetings of the Committee may be called at any time by the Chairman or the Vice-Chairman, when circumstances dictate.
- 20.10 Public notice of emergency meetings by District staff should be that which is the most appropriate and effective under the circumstances.
- 20.11 Minutes of emergency meetings should be kept in a manner consistent with regular and special meetings.

21.0 RECOMMENDATIONS

- 21.1 Recommendations approved by the Committee should be presented to the School Board at the Board's next regularly scheduled meeting. The recommendations should be transmitted to a designated single point of contact to ensure that they are included in the Board's agenda package.
- 21.2 The Board and Committee should agree on a timeframe (e.g., 30 days) within which the Board will respond to and take action on the Committee's recommendations.

22.0 AGENDA AND ORDER OF BUSINESS

- 22.1 An agenda identifying matters to be considered by the Committee should be made available to Committee members and the public 48 to 72 hours before the Committee meeting, or as otherwise required by law. The same should apply to any addenda.
- 22.2 The Chairman should be responsible for determining the appropriateness of subject matter for agenda items scheduled to go before the Committee. The Superintendent's Office should be given an opportunity to review and comment on any proposed agenda item before the agenda is presented to the Committee.

- 22.3 Any Committee member can request that a certain item be placed on the agenda in writing to the Chairman, Vice Chairman, and all members of the Committee. Proposed agenda items should be explained in sufficient detail so that other Committee members can understand the nature of the item to be discussed and to allow for the appropriate District staff or outside experts to be in attendance. Any proposed item not meeting this guideline should be considered for a future meeting.
- 22.4 There may be special circumstances and emergencies where the Committee will need to take action on items that are not on the agenda. Unscheduled issues should either be moved to the end of the agenda or to a future meeting.
- 22.5 There should be a portion of the agenda designated as a consent agenda and all consent items can be voted on with a single motion. Committee members may remove items from the consent item and vote on them separately.
- 22.6 Any additions, deletions, or corrections to the agenda may be considered by the Committee and adopted by the passage of a single motion.

23.0 WORKSHOPS

- 23.1 By a majority vote, the Committee should be permitted to schedule workshops to discuss items of special importance.
- 23.2 An agenda identifying matters to be considered by the Committee should be made available to the Committee and the public at least 48 hours before the workshop, or as required by law.
- 23.3 Workshops generally allow District staff or outside experts to make presentations and to allow questions by Committee members.
- 23.4 Generally, public comment will not be allowed during a workshop; however, the presiding officer should have the discretion to permit public comment if it is deemed appropriate.
- 23.5 Any written comments from the public on issues related to the workshop should be provided to Committee members as part of the workshop materials, if received in sufficient time to distribute.
- 23.6 Official action may be taken on any of the items discussed at the workshop and any of the items of official business that require immediate consideration and decision by the Committee.
- 23.7 Workshops should be duly noticed consistent with Florida law.

24.0 PUBLIC HEARINGS

- 24.1 The Committee may hold public hearings as often as necessary to receive public comment on matters related to the oversight of the general obligation bond-funded capital outlay program.
- 24.2 Public hearings should be duly noticed consistent with Florida law.

25.0 BRIEFINGS

- 25.1 Briefings may be called by the presiding officer or by a majority of the Committee members present. Briefings should involve presentations by District staff or outside consultants and questions by Committee members.
- 25.2 No action should be taken on any briefing item and no public participation or input should be permitted.

26.0 PUBLIC COMMENTS

- 26.1 Some period of time (e.g., 30-45 minutes) at regular Committee meetings should be designated for public comment.
- 26.2 Any person wishing to address the Committee during this period should complete and turn in to the Committee Secretary or District staff a public comment form.
- 26.3 During the public comment period, speakers should be permitted to address the Committee regarding any scheduled agenda item or any non-agenda (personal or general) matter. Speakers addressing scheduled agenda items should be heard first. After that, speakers should be heard in the order in which the public comment form was turned in.
- 26.4 Speakers should be permitted a designated amount of time (e.g., no more than 3-5 minutes) in which to address the Committee; however, the presiding officer should have the discretion to extend or grant additional time to any speaker.
- 26.5 Speakers should refrain from disruptive behavior and from making inappropriate (vulgar or obscene) or threatening remarks. Personal attacks against Committee members, District staff, or other members of the public should not be permitted. The presiding officer should have the discretion to have any speaker who disregards these rules removed from the Committee meeting.
- 26.6 If the designated period for public comment does not provide sufficient time for all persons who completed and turned in a public comment form to be heard, the Committee may extend the public comment period.
- 26.7 Every effort should be made to assure that the designated public comment period is not unduly interrupted to help ensure that every member of the public who wishes to speak has an opportunity to be heard.

27.0 MINUTES

- 27.1 Written minutes of all Committee meetings should be recorded by District staff and made available for public inspection on the Committee’s website and upon request.
- 27.2 Minutes of previous Committee meetings may be circulated for review and correction by Committee members; however, any changes, corrections or deletions should be discussed during the next official meeting and duly approved by the Committee at that meeting.

28.0 GOVERNANCE MODEL

- 28.1 To guide decision making and more clearly define the working relationship between the Committee and the District, it is important to establish and implement the governance structure in the early stages of the Committee.
- 28.2 The governance structure should assign accountability at each level and provide a framework to guide decision-making.
- 28.3 The governance structure should also identify points at which decisions and problems must be escalated for resolution.

29.0 CHANGE MANAGEMENT

- 29.1 The Committee should be given the opportunity to review and comment on all proposed major changes to the bond program and each bond-funded project before any final action is taken.
- 29.2 Criteria for determining what constitutes a “major change” may include a specific percentage of a project’s budget (e.g., 10%), a specified threshold amount (e.g., \$100,000), or a delay of a designated amount of time (e.g., 6 months or longer).
- 29.3 All major changes should be publicly disclosed by the Committee.

30.0 ADMINISTRATIVE SUPPORT

- 30.1 The District should provide administrative support to the Committee. This support should include:
 - 30.1.1 Appointment of a liaison to the Committee;
 - 30.1.2 Preparation and posting of public notices;
 - 30.1.3 Provision of meeting rooms;
 - 30.1.4 Keeping minutes of meetings.
 - 30.1.5 Preparation and distribution of meeting materials (e.g., agendas, support materials, correspondence, etc.); and
 - 30.1.6 Retention and disclosure of Committee records consistent with Ch. 219, Florida Statutes.

31.0 CAPITAL OUTLAY PROGRAM/PLAN

- 31.1 Reviewing the capital outlay plan prepared by the District, identifying the need for new and expanded facilities construction, renovation and repair of Broward's aging school facilities, upgrading school safety and security systems, and purchasing new computers and educational technology, will help to ensure that the list of projects to be funded by the general obligation bonds is both thorough and complete.

32.0 EXPENDITURE SCHEDULE

- 32.1 Reviewing a schedule of expenditures prepared by the District, based upon individual project budgets, will help to provide insight into when the issuance of additional bonds is required and will reduce the risk that bonds will not be issued in a timely manner.
- 32.2 This expenditure schedule should be updated monthly and then integrated into the District's cash flow analyses.

33.0 CASH FLOW ANALYSIS

- 33.1 Reviewing (monthly) and analyzing cash flow projections prepared by the District, as it relates the timing of incoming revenue to the timing of outgoing expenditures, will also help to provide insight into when the issuance of additional bonds is required, and will reduce the risk that bonds will not be issued in a timely manner.

34.0 INFORMATION DATABASE

- 34.1 It is important that the District maintain a single database where Committee members can review the schedule for individual projects, activity milestones, bid dates, and expenditures to effectively oversee implementation of projects funded with the general obligation bonds.

35.0 WEBSITE

- 35.1 Committee activities can be made more transparent by displaying information regarding the progress of each project funded with the general obligation bonds, and other information of interest to taxpayers on a website that is maintained by the District. At a minimum, the Committee website should disclose:
- 35.1.1 A listing of Committee members and their contact information (e.g., phone number, e-mail address/link);
 - 35.1.2 A listing of all active projects and their status with respect to budget and timing (e.g., on time and on budget);
 - 35.1.3 A listing of any approved changes to project budgets or timelines, along with an explanation for the changes;
 - 35.1.4 A comparison of the current status of each project (budget and timeline) to the original project budget and timeline;

- 35.1.5 Notice of future scheduled meetings and activities (e.g., date, time, location, agendas, etc.);
 - 35.1.6 Minutes of Committee meetings;
 - 35.1.7 Reports and other materials provided to the Committee; and
 - 35.1.8 The role of outside resources and experts such as Florida TaxWatch.
- 35.2 The public should be able to access the Committee’s website from the home page of the District’s website through a single “click.”

36.0 DASHBOARD

- 36.1 The status of projects, expenditures of funds, and other key performance metrics associated with the Committee can be tracked through the use of a business dashboard on the Committee’s website. A well-designed dashboard will use charts and other graphics to provide “at a glance” access to information that Committee members and the public consider important.
- 36.2 At a minimum, the dashboard should summarize:
- 36.2.1 Funds budgeted and allocated;
 - 36.2.2 Funds obligated and expended to date;
 - 36.2.3 Participation by women and minority-owned businesses and other historically underutilized businesses;
 - 36.2.4 Milestones for each project and progress to date; and
 - 36.2.5 Percentage of completion.

37.0 QUARTERLY AND ANNUAL REPORTS

- 37.1 The Committee should be responsible for the timely preparation of quarterly and annual written reports summarizing the Committee’s activities. These reports should also include a summary of the Committee’s review of quarterly reports prepared by the District and any recommendations to the School Board that have been approved by the Committee.
- 37.2 These reports should be available on the Committee’s website and in the offices of the Superintendent and school board members.
- 37.3 The Committee should require quarterly reports prepared by the District to include, at a minimum:
- 37.3.1 A listing of each bond-funded project and the status of each project with respect to the project’s original scope (e.g., PERT chart or equivalent), budget and implementation schedule;
 - 37.3.2 A description of any plans or proposals to defer maintenance;

- 37.3.3 A description of any additional measures employed to maximize bond revenues by implementing cost-saving measures, including:
 - 37.3.3.1 Efforts to reduce costs of professional or design fees,
 - 37.3.3.2 Efforts to reduce cost of site preparation,
 - 37.3.3.3 Efforts to reduce costs through the joint use of core facilities, and
 - 37.3.3.4 Efforts to reduce costs through the use of existing or reusable facilities plans.
 - 37.3.4 Documented failure to follow suggested cost reduction strategies that has resulted in higher project costs;
 - 37.3.5 A detailed description of any changes (e.g., change orders) to bond-funded projects, including additional costs, delays, project scope, or cancellations;
 - 37.3.6 A summary of contracts awarded to women and minority-owned businesses and historically underutilized businesses; and
 - 37.3.7 Certification that every expenditure of bond revenue is consistent and in conformance with the school facilities projects to be funded with the general obligation bonds. Any non-certified expenditure of bond revenues must be publicly disclosed.
- 37.4 The Committee should present its annual report to the Broward County School Board in a joint meeting.

38.0 FINAL REPORT

- 38.1 Upon completion of the bond program, the Committee should prepare and distribute a final report that includes a detailed analysis of all bond-funded projects. The content and format should be similar to that of the annual reports.
- 38.2 The Committee should present its final report to the Broward County School Board in a joint meeting.

39.0 INSPECTIONS AND TOURS

- 39.1 Nothing should preclude or inhibit the Committee from inspecting school facilities and grounds to make sure the bond revenues are being spent in a manner consistent with the bond measure.
- 39.2 Committee members should be given an opportunity to visit or tour all of the educational facilities to be improved through the expenditure of bond funds.

40.0 FINANCIAL AUDIT

- 40.1 Annual financial audits of the general obligation bond program should be conducted in a manner consistent with the current government auditing standards and should provide the Committee a reasonable degree of confidence that the financial statements are presented fairly and accurately.
- 40.2 Although it is clear that the District has sole authority to select the independent financial auditor, the Committee should be given an opportunity to participate in the screening of the independent auditors.
- 40.3 The Committee should also be given the opportunity to review and comment on any financial audits and reports before the report is presented to the Broward County School Board.
- 40.4 The independent auditor should meet with the Committee at a regularly scheduled meeting on (at least) an annual basis.
- 40.5 Committee members should have no restrictions or limitations to their access to financial auditors. Committee members should be given an opportunity to participate in the exit conference with the auditors and the District.
- 40.6 Committee members should timely receive copies of all correspondence (e.g., letters, e-mail, faxes, etc.) between the auditors and the District.

41.0 PERFORMANCE AUDIT

- 41.1 In addition to and in support of the financial audit, a performance audit should be conducted by a qualified independent professional with demonstrated expertise in construction industry best practices and project/program management.
- 41.2 The performance audit should demonstrate that bond-supported projects are being implemented properly, and that any proposed changes are receiving proper review and scrutiny. At a minimum, the performance audit should include a review and evaluation of the:
 - 41.2.1 Current bond-funded capital outlay program and workplan;
 - 41.2.2 Project design and construction schedules and timelines;
 - 41.2.3 Budgets for each project in the bond-funded capital outlay program;
 - 41.2.4 Use of best practices and technology in facilities planning and construction;
 - 41.2.5 Use of best practices in the procurement of contractors and professional services;
 - 41.2.6 Compliance with state and local building codes and other legal requirements;
 - 41.2.7 Contractor and vendor payment processing times and procedures;

- 41.2.8 Bond-funded capital outlay program governance structure and model;
 - 41.2.9 Change order procedures and results;
 - 41.2.10 Construction project delivery methods and performance;
 - 41.2.11 Communications (including the website) and public outreach; and
 - 41.2.12 Performance of the Committee.
- 41.3 Although it is clear that the District has sole authority to select the independent performance auditor, the Committee should be given an opportunity to participate in the screening of the independent auditors.
 - 41.4 Committee members should be given an opportunity to meet with the auditors before each performance audit begins to review the scope and methodology, and the list of projects to be reviewed.
 - 41.5 The Committee should also be given the opportunity to review and comment on any performance audits and reports before the report is presented to the Broward County School Board.
 - 41.6 The independent auditor should meet with the Committee at a regularly scheduled meeting on (at least) an annual basis.
 - 41.7 Committee members should have no restrictions or limitations to their access to the performance auditors.
 - 41.8 Committee members should be given an opportunity to participate in the exit conference with the auditors and the District.
 - 41.9 Committee members should timely receive copies of all correspondence (e.g., letters, e-mail, faxes, etc.) between the auditors and the District.

42.0 MEDIA AND INTERVIEWS

- 42.1 The Chairman should serve as the official spokesperson for the Committee.
- 42.2 Committee members are free to speak publicly about (pending) matters before the Committee; however, Committee members should make it expressly clear and understood that their statements (including those posted on social media) on pending matters reflect their own personal views and not necessarily the official position of the Committee.
- 42.3 News media requests regarding the activities of the Committee should be addressed promptly, factually, and as completely as possible.
- 42.4 Committee members should notify the District Public Information Office of all media calls and contacts regarding the work of the Committee.
- 42.5 Meetings that are open to the public are also open to the media. Committee members and presenters should anticipate media requests for interviews and availability and every effort should be made to accommodate these requests while on-site after the meeting.
- 42.6 All media interviews should be "on the record."
- 42.7 Pending legal matters regarding the work of the Committee should not be discussed publicly.

REFERENCES

21st Century School Fund, "Citizen Oversight of Public School Construction Programs, In Search of Promising Practices," February 12, 2003.

California League of Bond Oversight Committees (CalBOC), "Best Practices, School Bond Oversight Committee Operation Standards," retrieved from www.calboc.org, July 21, 2015.

Houston Independent School District, "Bond Oversight Committee Workbook," April 29, 2014, retrieved from www.houstonisd.org/bond, July 22, 2015.

Los Angeles Unified School District, "LAUSD School Construction Bond Citizens' Oversight Committee Charter and Memorandum of Understanding," Restated February 27, 2007, Amended March 15, 2011, retrieved from <http://www.laschools.org/bond/meeting-archives/download/charter-and-mou.pdf>, August 10, 2015.

Orange County Department of Education, "General Obligation Bonds Best Practices," April 15, 2015.

San Bernardino Community College District, "Best Practice – Section Five Reviews – The Most Important Thing That Many BOCs are NOT Doing," retrieved from http://www.sbccd.org/~media/Files/SBCCD/District/Bond%20Oversight-Construction/Oversight_Committee_Minutes/2014/2014-10-29%20Section%20Five%20Best%20Practices.pdf, July 20, 2015.

San Jose Unified School District, "Citizens' Bond Oversight Committee Bylaws," Revised September 09, 2014, retrieved from <http://www.sjUSD.org/pdf/MeasureH/MeasureH-Bylaws.pdf>, August 10, 2015.

San Diego County Taxpayers Association, "Oversight Committee Best Practices," approved October 21, 2011.

University of North Carolina, "Higher Education Bond Oversight Committee Bond Program Final Report," September 2010, retrieved from [file:///C:/Users/Bob/Downloads/Higher_Education_Bond_Oversight_Committee_Final_Report_2010%20\(4\).pdf](file:///C:/Users/Bob/Downloads/Higher_Education_Bond_Oversight_Committee_Final_Report_2010%20(4).pdf), July 22, 2015.

ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the citizens of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

Florida TaxWatch is supported by voluntary, tax-deductible donations and private grants, and does not accept government funding. Donations provide a solid, lasting foundation that has enabled Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves for the last 35 years.

FLORIDA TAXWATCH RESEARCH LEADERSHIP

Dominic M. Calabro	President & CEO
Robert Weissert, Esq.	Sr. VP for Research & General Counsel
Robert G. Nave	VP of Research
Kurt Wenner	VP of Research

FLORIDA TAXWATCH VOLUNTEER LEADERSHIP

Michelle Robinson	Chairman
David Mann	Chairman-Elect
Senator Pat Neal	Treasurer
Senator George LeMieux	Secretary
Steve Evans	Senior Advisor

RESEARCH PROJECT TEAM

Robert E. Weissert	Sr. VP for Research & General Counsel	
Robert G. Nave	VP of Research	<i>Lead Researcher & Author</i>
Chris Barry	Director of Publications	<i>Design, Layout, Publication</i>

All Florida TaxWatch research done under the direction of Dominic M. Calabro, President, CEO, Publisher & Editor.

FOR MORE INFORMATION: WWW.FLORIDATAXWATCH.ORG

The findings in this *Report* are based on the data and sources referenced. Florida TaxWatch research is conducted with every reasonable attempt to verify the accuracy and reliability of the data, and the calculations and assumptions made herein. Please feel free to contact us if you feel that this paper is factually inaccurate.

The research findings and recommendations of Florida TaxWatch do not necessarily reflect the view of its members, staff, Executive Committee, or Board of Trustees; and are not influenced by the individuals or organizations who may have sponsored the research.

106 N. Bronough St., Tallahassee, FL 32301 o: 850.222.5052 f: 850.222.7476

Copyright © August 2015, Florida TaxWatch Research Institute, Inc. All Rights Reserved.



Stay Informed:



www.floridataxwatch.org



facebook.com/floridataxwatch



@floridataxwatch



youtube.com/floridataxwatch

106 N. BRONOUGH ST., TALLAHASSEE, FL 32301 O: 850.222.5052 F: 850.222.7476

COPYRIGHT © AUGUST 2015, FLORIDA TAXWATCH RESEARCH INSTITUTE, INC. ALL RIGHTS RESERVED.