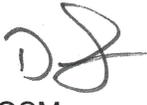




**PORTLAND PUBLIC SCHOOLS**  
**OFFICE OF SCHOOL MODERNIZATION**  
501 North Dixon Street / Portland, OR 97227  
Telephone: (503) 916-2000

**Date:** September 6, 2019  
**To:** School Board  
**From:** Dan Jung, Chief Operating Officer   
Marina Cresswell, Senior Director OSM  
**Subject:** Bond Accountability Committee Charter

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In recent months the Board has expressed a desire to update the Bond Accountability Committee charter to include review of future bond cost development. Attached is a revised charter for consideration.

For ease of reference, below are the substantive changes to the charter:

*Additions:*

1. *The Committee will also review future bond planning processes and materials and provide advice to the Board on:*
  - a. *Cost estimating processes related to proposed modernization efforts, new construction projects and other potential scopes of work.*
  - b. *Bond development risk management strategies including project cost escalation assumptions, contingency assumptions, bond management cost estimates, etc.*
2. *The Committee will report quarterly to the Board or as requested by the Board.*
3. *Beginning with the next appointed chairperson, Committee member shall not hold the title of chairperson for more than 3 years.*
4. *Committee Operations:*
  - a. *The charge to the Committee does not include:*
    - i. *Approval of future bond scopes of work.*
    - ii. *Approval of current or future project cost estimates.*

**Attachments:**

- Amended Bond Accountability Charter – redline version
- Amended Bond Accountability Charter – clean version



**Portland Public Schools Capital Construction  
Bond Accountability Committee  
Charter  
Update: September 6, 2019**

**Background:**

Portland Public Schools (the District) has successfully referred Capital Construction Bond Measures for voter approval in November 2012 and May 2017. The District has established a citizen Bond Accountability Committee to assist in monitoring the planning and progress of the bond programs.

**Committee Charge:**

In response to the need for accountability regarding the District's effective use of capital construction bond funds, the PPS School Board (Board) has appointed a citizen Bond Accountability Committee ("Committee") whose charge is to monitor the planning and progress of the bond programs relative to voter-approved work scope, schedule and budget objectives. The Committee shall also monitor future bond planning efforts. The Superintendent has overall responsibility for performance of staff engaged in the implementation of the bond programs.

The Committee will actively review the bond programs, and provide advice to the Board on:

- Whether the school district bond revenues are expended only for the purposes for which the bonds were approved, and that bond revenues are not used for any purpose prohibited by law;
- Alignment with the goals and principles of the Long Range Facilities 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 bonds to the School Board, public groups, organizations and stakeholders.

The Committee will also review future bond planning processes and materials and provide advice to the Board on:

- Cost estimating processes related to proposed modernization efforts, new construction projects and other potential scopes of work.
- Bond development risk management strategies including project cost escalation assumptions, contingency assumptions, bond management cost estimates, etc.

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 programs as approved by the voters.

The Committee will report Quarterly to the Board as requested by the Board.

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

**Committee Membership:**

The Committee shall consist of approximately seven to ten members. The Board will appoint 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 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. Beginning with the next appointed

chairperson, Committee member shall not hold the title of chairperson for more than 3 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.
- m. Approval of future bond scopes of work.
- n. Approval of current or future project cost estimates.

**Committee Meetings:**

a) The Committee will meet quarterly or as requested by the Board.

b) Committee meetings are advisory and not related to formal decision-making by the Board. Committee meetings shall include opportunity for public comments.

c) The Superintendent will assign and delegate the appropriate level of staff to support the Committee's work.

d) District 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 Programs.
- (4) Preparation of Committee meeting minutes and posting for public viewing and use on the PPS web site.
- (5) District 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 programs or any of their component parts. District project consultants may attend Committee meetings at the discretion of District staff.

## **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.



Portland Public Schools Capital Construction  
Bond  
~~Citizen~~ Accountability Committee  
Charter

Update: September 6, 2019

**Background:**

Portland Public Schools (~~PPS~~the District) has successfully referred Capital Construction Bond Measures for voter approval in November 2012 and May 2017. ~~Both Bonds were approved and the Superintendent and the School Board desire to continue with~~The District has established a citizen Bond Accountability Committee to assist in monitoring the planning and progress of the bond programs.

**Committee Charge:**

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

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

- Whether the school district bond revenues are expended only for the purposes for which the bonds were approved, and that bond revenues are not used for any purpose prohibited by law;
- Alignment with the goals and principles of the Long Range Facilities 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 bonds to the School Board, public groups, organizations and stakeholders.

The Committee will also review future bond planning processes and materials and provide advice to the Board on:

- Cost estimating processes and templates related to proposed modernization efforts, physical facility improvements, educational facility improvements, new capacity construction projects and other potential scopes of work.
- Bond development risk management strategies including project cost escalation assumptions, contingency assumptions, bond management cost estimates, etc.

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 programs as approved by the voters.

The Committee will report Quarterly to the Board as requested by the Superintendent, District staff or the Committee chair Board.

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

**Committee Membership:**

The Committee shall consist of approximately seven to ten members. The ~~School~~ Board will appoint 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. Beginning with the next appointed chairperson, A Committee member shall not hold the title of chairperson for more than 3 years 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.
  
- m. Approval of future bond scopes of work.
  
- n. Approval of current or future project cost estimates.

**Committee Meetings:**

a) The Committee will meet quarterly or as requested by the Superintendent, District staff or the Committee chairBoard.

b) Committee meetings are advisory and not related to formal decision-making by the PPS SchoolBoard. 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 CommitteeSuperintendent will assign and delegate the appropriate level of staff to support the Committee's work.

d) PPS-District 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 Programs.

(4) Preparation of Committee meeting minutes and posting for public viewing and use on the PPS web site.

(5) PPS-District 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 programs or any of their component parts. PPS-District project consultants may attend Committee meetings at the discretion of PPS-District staff.

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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.