

**CITY OF SANTA CLARA**  
**BOND COMPLIANCE OVERSIGHT COMMITTEE MEASURE I BYLAWS**

**Section 1. Committee Established.** The City of Santa Clara (the “City”) submitted to the voters at the on November 5, 2024 election (the “Bond Election”) and obtained voter approval for the issuance of up to \$400 million aggregate principal amount of general obligation bonds (“Measure I”). Pursuant to the Measure I authorization, the City now desires to establish this Bond Compliance Oversight Committee (the “Committee”) for the purposes set forth below. The City Council of the City of Santa Clara (the “Council”) hereby establishes the Committee, to be formally known as the “Bond Compliance Oversight Committee for Measure I,” with the duties, rights and limitations set forth in these bylaws.

**Section 2. Purposes.** The general purpose of the committee is to ensure accountability and transparency with respect to the expenditure of Measure I bond proceeds, including compliance with the Measure I bond expenditure plan (the “Expenditure Plan”)

The Committee shall confine its review of City expenditures specifically to expenditures of bond proceeds generated under Measure I. Projects funded exclusively using monies generated by other revenue sources shall fall outside the scope of the Committee’s review.

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

**3.1 Inform the Public.** The Committee shall inform the public concerning the City’s expenditure of bond proceeds. In fulfilling this duty, all official communications of the Committee to either the Council or the public shall come from the chair of the Committee (the “Chair”), acting on behalf of the Committee. The Chair shall only release information that reflects the consensus view of the Committee.

**3.2 Review of Proposed Phases.** Proposed phases for projects would be presented to the Committee in advance of presentation to the City Council in order for the COC to confirm compliance with the terms of the Expenditure Plan.

**3.3 Review Expenditures.** The Committee shall review expenditure reports produced by the City to verify that bond proceeds were expended only for the purposes set forth in Measure I, including the terms of the Expenditure Plan.

**3.4 Annual Report.** At least one time annually, commencing with the end of the first fiscal year in which any bond proceeds are expended, and continuing through the end of the fiscal year in which bond proceeds have been spent in full, the Committee shall prepare an annual written report, following the public issuance of the City’s Annual Comprehensive Financial Report (ACFR) and associated audit reports, the findings of which shall be summarized by the Chair of the Committee to the Council in public session, which annual written report shall include the following:

- (a) A statement indicating whether the City is in compliance with the spending requirements of the Measure I authorization; and
- (b) A summary of the Committee’s proceedings and activities for the preceding year.

Annual reports shall be posted on the City's website in accordance with Sections 7 and 8 hereto.

**3.4 Amendments to the Expenditure Plan.** City staff will review, analyze and make a recommendation on proposed substantive amendments to the Expenditure Plan ("Amendment"). Prior to City Council consideration, any such proposed Amendment shall first be submitted to the Committee for their review and recommendation. Any proposed Amendment requires the unanimous approval of the City Council.

**3.5 Duties of the Council, City Manager and Finance Manager.** Any of the Council, the City Manager, or the Finance Manager, or any of their designees, as the Council shall determine, shall have the following powers reserved to it, and the Committee shall have no jurisdiction over the following types of activities:

- (a) Approval of contracts,
- (b) Approval of change orders,
- (c) Expenditures of bond funds,
- (d) Approval of amendments to the Expenditure Plan
- (e) Handling of all legal matters,
- (f) Approval of project prioritization, project plans, design and schedules,
- (g) Approval of all deferred maintenance plans, and
- (h) Approval of the sale of bonds.

**3.5 Measure I Projects Only.** In recognition of the fact that the Committee is charged with overseeing the expenditure of bond proceeds, the Council has not charged the Committee with responsibility for:

- (a) The establishment of priorities and order of construction for bond projects, which shall be made by the Council in its sole discretion.
- (b) The selection of architects, engineers, soils engineers, construction managers, project managers, CEQA consultants and such other professional service firms as are required to complete the project based on City criteria established by the Council in its sole discretion.
- (c) The approval of the design for each project including exterior materials, paint color, interior finishes, site plan and construction methods (modular vs. permanent), which shall be determined by the Council in its sole discretion.
- (d) The selection of independent audit firm(s), performance and financial audit consultants and such other consultants as are necessary to support the activities of the Committee.
- (e) The appointment or reappointment of qualified applicants to serve on the Committee, based on criteria adopted in the Council's sole discretion.

## **Section 4. Authorized Activities.**

4.1 In order to perform the duties set forth in Section 3, the Committee may engage in activities authorized by the City Council, including:

- (a) Receive and review copies of the City's annual independent performance audit and annual independent financial audit.
- (b) Inspect facilities and grounds for which bond proceeds have been or will be expended, in accordance with any access procedure established by the City Manager.

## **Section 5. Membership.**

### **5.1 Number.**

The Committee shall consist of 9 members selected by a lottery process and appointed by Council. The committee shall include the following:

- (a) Seven residents of which six shall be a resident from each of the City Council Districts. The seventh resident shall be an at-large representative.
- (b) One large business representative, and
- (c) One small business representative  
(neither of which must be residents, but both must be either an owner or employee of a business headquartered within the City).

### **5.2 Qualification Standards.**

- (a) To be a qualified person, Committee members must be at least 18 years of age.
- (b) No business representative shall work for, have previously worked for, or be employed by a firm that provides services to any professional sports teams within the City.

**5.3 Ethics Rules Applicable to Committee:** No Conflicts of Interest. Members of the Committee shall not be financially interested in City contracts, or engage in any activity for compensation that is in conflict with such member's duties described herein. The Committee is established to inform the public regarding the expenditure of bond proceeds. Committee members are not public officials of a government agency with decision-making authority within the meaning of the Political Reform Act of 1974, and the Committee is not a decision-making authority. By accepting appointment to the Committee, each member agrees to comply with the Ethics Policy Statement attached to these bylaws.

**5.4 Term.** Except as otherwise provided herein, each member shall serve a term of 4 years, commencing on the date of the first meeting of the Committee. No member may serve more than 2 consecutive terms unless deemed necessary by the Council.

**5.5 Appointment.** Members of the Committee shall be appointed by the Council through the following process: (a) the City shall notify the public through its customary forums that it is accepting applications for Committee members, which may include posting in the City, advertising in the local newspapers, and/or posting notice on the City's website, as well as the solicitation of local groups for applications; (b) applications shall be made available at the Office of the City Clerk and/or through the City's web site; (c) the Office of the City Clerk will review the applications which have been submitted by the stated deadline; and (d) members will be

selected through a random lottery process and confirmed by the City Council. The City Council's appointment serves as a ratification of the lottery process and confirmation that the selection aligns with the criteria outlined in the Measure I Ordinance. Appointments shall be recorded in the Council minutes.

**5.6 Removal; Vacancy.** The Council may remove any Committee member for cause, which includes failure to attend two consecutive Committee meetings without reasonable excuse or for failure to comply with the Committee Ethics Policy. Upon a member's removal, the seat shall be declared vacant. The Council, in accordance with the established appointment process shall fill any vacancies on the Committee. The City shall make best efforts to fill vacancies within 90 days. Members whose terms have expired may continue to serve on the Committee until their successor has been appointed. In the event the City is unable to appoint members meeting the criteria listed in Section 5.1, the Committee may proceed with one or more vacancies.

**5.7 No Compensation.** The Committee members shall not be compensated for their services.

**5.8 Authority of Members.** (a) Committee members shall not have the authority to direct staff of the City; (b) individual members of the Committee retain the right to address the Council as an individual or, on behalf of the Committee if said member has been authorized to do so by a majority vote of the Committee; and (c) the Committee shall have the right to request and receive only copies of any public records relating to Measure I funded projects.

**5.9 Alternate Members.** Alternate Members shall serve in an active capacity and shall serve in the place of the primary member when they are unable to participate in a meeting. The term of the alternate members is aligned with the primary members as provided in Section 5.4.

## **Section 6. Meetings of the Committee.**

**6.1 Regular Meetings.** The Committee shall meet at least once a year, or more frequently as the Committee deems it necessary to discharge its duty. It is anticipated that the Committee will meet approximately 4 times a year. At the end of each meeting, the Committee shall identify the next approximate meeting date.

**6.2 Location.** All meetings shall be held within the City.

**6.3 Procedures.** The Committee shall be subject to the Ralph M. Brown Public Meetings Act of the State of California, Government Code Section 54950 et seq. (the "Brown Act"), and shall conduct its meetings in accordance with the provisions thereof along with any additional procedural rules as the Committee may adopt consistent with the Brown Act. A majority of the number of Committee members shall constitute a quorum for the transaction of any business.

## **Section 7. City Support.**

**7.1 Technical and Administrative Support.** The City shall provide to the Committee necessary technical and administrative assistance in furtherance of its purposes and to publicize its conclusions. Such support shall include:

- (a) preparation of and posting of public notices and agendas as required by the Brown Act, ensuring that all meetings notices and agendas are provided in the same manner as meetings of the City's Council;
- (b) provision of a meeting room, including any necessary audio/visual equipment;
- (c) preparation and copies of any documentary meeting materials, such as agendas, minutes and reports;
- (d) providing bond expenditure reports produced by the City for review at each meeting;
- (d) retention of all Committee records and reports; and
- (e) providing public access to Committee meeting minutes and reports on an Internet website maintained by the City.

**7.2 Copies of Bond Audits.** The City shall submit a copy of its annual bond financial audit and performance audit, prepared each fiscal year, to the Committee at the same time such audits are submitted to the Council, and in any event no later than June 1 of each year. In addition, if findings, recommendations or concerns are identified in such audits, within three months of receiving the audits, the City shall provide the Committee with responses to such findings.

**7.3 Staff Support.** A member of the City staff shall attend Committee meetings in order to report on the status of projects and the expenditure of bond proceeds.

**Section 8. Reports.** The Committee must produce at least one annual report as referenced in Section 3.3. In addition, the Committee may report to the Council from time to time in order to inform the Council on the activities of the Committee. Any such reports shall be in writing and shall summarize the proceedings and activities conducted by the Committee. Such reports shall also be made available on the City's internet web site link to Measure I information.

**Section 9. Officers.** The City Manager or Finance Director shall appoint the initial Chair for purposes of conducting the first meeting of the Committee. At the first meeting, the Committee shall elect by majority vote of its members the Chair and a Vice-Chair (the "Vice- Chair"), who shall act as Chair only when the Chair is absent. The Chair and Vice-Chair shall serve in such capacities for a term of two years, and may be re-elected by vote of a majority of the members of the Committee.

**Section 10. Amendment of Bylaws.** These bylaws may be amended by the Council. Any amendment to these bylaws shall be approved by a majority vote of the Council.

**Section 11. Termination.** The Committee shall automatically terminate and disband concurrently with the Committee's submission of the final Annual Report which reflects the final accounting of the expenditure of all Measure I monies.

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

This Ethics Policy Statement (this "Statement") provides general guidelines for Committee members in carrying out their responsibilities. Not all ethical issues that Committee members face are covered in this Statement. However, this Statement captures some of the critical areas that help define ethical and professional conduct for Committee members. The provisions of this Statement were developed from existing laws, rules, policies and procedures as well as from concepts that define generally accepted good business practices. Committee members are expected to strictly adhere to the provisions of this Ethics Policy.

### **POLICY**

**CONFLICT OF INTEREST.** A Committee member shall not make or influence a City decision related to: (1) any contract funded by bond proceeds, or (2) any construction project which will benefit the Committee member's outside employment, business, or a personal finance or benefit an immediate family member, such as a spouse, child or parent.

**OUTSIDE EMPLOYMENT.** A Committee member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to: (1) any contract funded by bond proceeds, or (2) any construction project. A Committee member shall not make or influence a City decision related to any construction project involving the interest of a person with whom the member has an agreement concerning current or future employment, or remuneration of any kind. For a period of two (2) years after leaving the Committee, a former Committee member may not represent any person or organization for compensation in connection with any matter pending before the City that, as a Committee member, he or she participated in personally and substantially. Specifically, for a period of two (2) years after leaving the Committee, a former Committee member and the companies and businesses for which the member works shall be prohibited from contracting with the City with respect to: (1) bidding on projects funded by the bond proceeds; and (2) any construction project.

**COMMITMENT TO UPHOLD LAW.** A Committee member shall uphold the federal and California Constitutions, the laws and regulations of the United States and the State of California and all other applicable government entities, and the policies, procedures, rules and regulations of the City.

**COMMITMENT TO CITY.** A Committee member shall place the interests of the City above any personal or business interest of the member.