

Sasha Linker

From: Stephen Petzold <[REDACTED]>
Sent: Monday, May 06, 2024 11:11 AM
To: CommAsst
Cc: Diane Zimmerman; Malissa Cindrich; Stephen Petzold; Thomas Rubin; GeneralCounsel
Subject: Public Comment #2. FPPC Law and Legal Agenda for May 7, 2024

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EXTERNAL EMAIL

Dear Commissioners -Law and Legal Committee,

I am passionate that the General Counsel provide clear guidance that a CBOCs be placed within the Conflict of Interest code that issues bonds subject to Proposition 39 and the Education Code that governs Citizen Bond Oversight Committees.

CBOC members should not be allowed to voluntarily self regulate themselves to an Ethics Policy developed by the agency. Ronald Reagan said "Trust , but verify".

Without the filing of a Form 700 it is virtually impossible to do this.

The application for many CBOCs may not even ask for the current employment information.

Peoples employment and the local agencies's vendors may change over the course of their terms in office.

The annual filing of a Form 700 will force members to question whether they, or their spouses may have a conflict requiring disclosure.

The form 700 filing will allow the public and the press to discover possible conflicts by monitoring the filings.

CBOC members should be educated about Form 700 requirements when they are appointed.

I am aware of one situation where the CBOC Business organization member was the head of a large land owner in Santa Clarita. College of the Canyons leased an empty lot using bond funds (E) to provide temporary parking for a Prop 39 bond project (parking garage). When I attempted to report this possible conflict to the college trustees I was rebuffed. This easily happened because a Form 700 was not required under the Conflict of Interest code of the local agency.

The legislature clearly wanted tough oversight by CBOCs. The Committee was always meant to be advisory, not ministerial / ceremonial.

CBOCs were never intended to be potted plants, they were meant to prevent chicanery with precious borrowings.

I urge FPPC Commissioners to determine with advice of Counsel whether all CBOCs across this state should be included in agency conflict of interest codes.

It is time to fulfill the recommendations of the Little Hoover (2017) "Borrowed Money: Opportunities for Stronger Bond Oversight".

The FPPC should be part of the solution, not contribute to the problem.

I look forward to tomorrow's meeting.

Steve Petzold

Member CA Association of Bond Oversight Committees bondoversight.org

My comment is dedicated to the memory of Anton Jungherr who never gave up!

Founder CABOC-