

STRONG SCHOOLS BOND CITIZEN'S OVERSIGHT COMMITTEE

PALO ALTO UNIFIED SCHOOL DISTRICT

Date: OCTOBER 15, 2008

MINUTES FOR MEETING OF OCTOBER 15, 2008

The Citizens' Oversight Committee held a meeting in Room D, 85 Churchill Avenue, Palo Alto, California. The meeting was called to order at 5:00 p.m.

Members present:

Mr. Ray Bacchetti, Page, Channing House
Mr. Scott Darling, At Large Member
Mr. Gary Hornbeek, Parent, PTA
Mr. Deepak Kanungo, Parent, Morgan Stanley
Ms. Carrie Mawer, Parent, Community Member
Mr. Jim McFall, Business
Mr. Steve Shevick, Parent

Others present:

Ms. Marilyn Cleveland, Miller Brown and Dannis
Mr. Tom Hodges, O'Connor Construction Management
Ms. Connie Conroy, Gilbane Building Company
Mr. Bob Crowder, Gilbane Building Company
Mr. Bill Fenton, Gilbane Building Company

District staff present:

Dr. Kevin Skelly, Superintendent
Dr. Robert Golton, Chief Business Officer
Ms. Cathy Mak, Chief Business Officer
Mr. Pete Pearne, Manager of Maintenance, Operations, and Facilities
Mr. Ron Smith, Facility Project Manager

Welcome and Introductions

Golton thanked the Committee members for donating their time. Introductions were made.

Public Comment

There were no requests to speak.

Roles and Responsibilities of the Citizens' Oversight Committee

Golton said all Committee information was available on the district web site: www.pausd.org.

Cleveland gave a slide presentation focusing on the following:

- Proposition 39 Requirements
- Citizen Oversight Committee ("COC")
- Scope of COC Authority
- Selection of COC Members
- Technical Assistance to COC
- COC Legal Compliance
- Brown Act Compliance
 - Public Rights
 - Closed Session
 - Liability for Violations
- Conflicts of Interest
 - The CPRA
 - Gov. Code § 1090
 - The Common Law (Case Law)
 - Gove. Code § 1126 ("Incompatible Offices")

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- Reporting
- Form 700
- Uses of Bond Proceeds
- Audit Requirements
- New Cause of Action

Group discussion included: the ability of COC members to suggest ways to improve efficiency, the role of verifying that projects were done according to legal requirements, composition of the COC's annual report, requirement to adhere to the project list set out in the bond measure and not add other projects after the fact, the likely inability of the district to afford all items on the project list due to cost fluctuations, the Foothill-De Anza lawsuit, the broadness of the project list and how the COC would determine compliance, financial audits and performance audits, Parcel Tax Oversight Committee reporting, informing COC members of contract modifications after the fact, communication between the district and the COC, Prop 39, the Brown Act, and conflict of interest.

Review of the Bond Project List

Hodges gave the group a brief tour of the bond program section of the district's website. He then reviewed current and planned projects, as well as other funding being used for some projects not on the bond project list. Hodges also discussed the 20-Year Facility Master Plan and recent revisions, as well as the different components of the bond aside from construction.

Group discussion included: district enrollment projections and bond program provisions regarding enrollment, future use of the Garland and Greendell sites, and the definition of "operating expenses".

Program Management and Construction Management Overview

Hodges described O'Connor's role as program management firm, and Gilbane's role as construction management firm. This meant O'Connor was responsible for planning and schematics. Once a plan was approved by the Board, it would be given to Gilbane to take the project through the design and construction phases. Crowder described Gilbane's qualifications and history, then described his firm's role in the bond program. Hodges and Crowder said they would produce a program procedure manual including costing methodologies, as well as an organizational chart.

Group discussion included: methodology regarding program management and construction, costing methodology, avoiding redundancy between the two firms, the selection process used for architectural firms, and the community input process.

Group discussion included: prioritization of projects, Division of the State Architect (DSA) and legal building requirements for the school district, project budgets, keeping COC members abreast of upcoming pertinent items at Board of Education meetings, December 9th Board study session, and Golton's plan to seek additional state money to fund projects thus allowing bond money to cover more projects on the list.

Bond Sale Update

Golton described the bond sale process, saying the district's bond rating was recently upgraded to AAA.

Election of Chair and Vice Chair

The group decided to leave the election until the January meeting. Golton said he would also send the COC a list of tentative agenda items for the next meeting, and that materials would be e-mailed to the group before each meeting.

Committee Members' Comments

Group comments included: a suggestion that meetings may be needed more often than quarterly.

Schedule of Meetings

The group agreed the next meeting would be held on January 14, 2009 from 5:00 to 6:30 p.m.

Adjournment

The meeting was adjourned at 7:08 p.m.

