

MEASURE A - STRONG SCHOOLS BOND
CITIZEN'S OVERSIGHT COMMITTEE

PALO ALTO UNIFIED SCHOOL DISTRICT

MINUTES FOR MEETING OF OCTOBER 21, 2009

<u>Opening</u>	<p>The Citizens' Oversight Committee held a meeting in the conference room of Building D, 85 Churchill Ave, Palo Alto, California.</p> <p>Members present:</p> <ul style="list-style-type: none">Mr. Ray Bacchetti, Senior Citizen, Taxpayer OrganizationMr. Scott Darling, At Large MemberMr. Gary Hornbeek, Parent, PTA MemberMr. Deepak Kanungo, ParentMs. Caroline Maser, ParentMr. Jim McFall, Business Organization MemberMr. Steve Shevick, Parent <p>Others present:</p> <ul style="list-style-type: none">Mr. Tom Hodges, O'Connor Construction ManagementMr. Arnold Teten, Gilbane Building CompanyJames Hawley, Nigro Nigro & White, PC <p>District staff present:</p> <ul style="list-style-type: none">Dr. Robert Golton, Chief Business OfficerMr. Ron Smith, Facility Project ManagerMs. Sunny Hong, Accountant
<u>Call to Order</u>	<p>The meeting was called to order at 5:05 p.m.</p>
<u>Public Comment</u>	<p>There was no request for public comment.</p>
<u>Approval of Minutes</u>	<p>MOTION: A Committee member moved to approve the minutes of July 15, 2009 with the correction of the spelling of Caroline Maser's name. The motion was seconded. Motion carried 6-0.</p>
<u>Review of Agenda</u>	<p>Bacchetti said this agenda did not include review of monthly reports because the focus of the meeting was to be on the annual report. A committee member said he believed reviewing the monthly reports was a critical responsibility of the Committee. He suggested possibly holding an additional meeting to discuss the monthly reports. Bacchetti said he would send out a memo scheduling a meeting in November. He then said a subcommittee of three had met several times to compose the Committee's annual report, and his goal for this meeting was to finalize the report. Bacchetti noted that this annual report could go to the public before it went to the Board in November.</p> <p>Golton said two Board members had mentioned that they would prefer this program be renamed the "Strong Schools Bond" to avoid confusion with other Measure A that would appear on the next ballot. A Committee member was opposed to this because it could create new confusion. It was agreed that it would be "Measure A – Strong Schools Bond", and Golton said he would check with the Board members who raised concern.</p>
<u>Review of Visits to Back-to-School Nights and Members Attendance and Board of Education Meetings Devoted to Measure A</u>	<p>Committee members discussed what they had learned from hosting information tables at Back to School Nights including:</p> <ul style="list-style-type: none">• JLS – Lack of interest• Paly – About 15 to 20 parents came, and a few comments were made on the Performing Arts architecture

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Topics

- Terman – Very little interest was shown
- Gunn – Lots of interest with pool and fields just completed. People were excited and asked many questions.
- Jordan – Not much interest
- Paly – Concern at Steering Committee about trees, landscaping, and parking. Reassurance was given that great care was given regarding the planning of the Paly Master Plan.

Golton noted that the landscape architect D. Gates was brought on board help plan landscaping in the Paly Master plan, and meetings were continuing. He also noted there were sycamore trees near the football field, and there was concern that more seats were needed, which would require removal of the trees. He said the bleachers could not be replaced next summer.

A Committee member commented on public meetings, and the need to publicize them more, so more people would know they have many opportunities to speak.

A Committee member asked if Committee members should attend Board meetings every time there was a measure A item. The Chair said he would agendaize this discussion for a future meeting.

Review of the Financial and Performance Audits from Nigro Nigro & White, PC

Golton introduced James Hawley of auditing firm Nigro Nigro, & White, PC and Sunny Hong, the District's bond program accountant.

Hawley presented the financial audit and audit reports, which were required by the Constitution. Committee members discussed: generally accepted accounting practices, use of "auditor's" versus "auditors", projects listed in the Measure A ballot language, the addressee of the audit (Board and COC), requirement that all money go to the Santa Clara County treasurer, slight variation on a few numbers due to rounding, bond issuance costs, the process of selling bonds, the cost of the election and bond process to the District, modification of the purpose statement, inclusion of a description of the Moody's rating, discrepancy between committed funds in financial audit report and COC annual report, correspondence of some numbers to the COC annual report, clarification of "significant deficiency", review of contracts for compliance and in relation to District policy, agreement between two accounting systems and lack of mention in financial audit report, Board consideration of all change orders, and changes in the number of modular classroom buildings needed at the middle schools to accommodate enrollment growth.

A Committee member asked Hawley how PAUSD compared against other districts. Hawley said things looked very good and more so than the three findings in the audit report.

Review and Sign-off on First Annual Report of the COC to the Board of Education

Committee members reviewed and discussed edits to the annual report.

Discussion of the November 10th Presentation to the Board of Education

The Chair listed the topics he planned to discuss at the Board meeting, and asked about the agenda order for the meeting. He added that the fundamental distribution system would be the website, with hardcopies available on request. A Committee member suggested adding a comment about the state's financial crisis to the Chair's letter in the annual report in his presentation at the Board meeting. Another member suggested mentioning the strong support of staff.

Election of COC Officers

The Chair suggested having a yearly rotation in order to make the Committee stronger. Golton added that on August 26, 2010, the Board would have to reappoint people every two years interested in another term in this Committee. The Chair noted that having a new Chair start in January would occur at the end of a full cycle.

Golton said it was the District's intent to issue \$25 million in Qualified School construction bonds. He said these bonds carried a tax credit which theoretically made them zero interest rate bonds. This

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would go against the \$380 million and would be a great benefit to the taxpayers. He suggested this be agendized for the next meeting on November 23, 2009 at Gunn.

November 23, 2009 Agenda

- Attendance at Board meetings when Measure A – Strong Schools Bond items are on the agenda
- Intent to issue \$25 million in Qualified School construction bonds

Next Meeting and Future Meetings Schedule

January 20, 2010

Adjournment

The meeting was adjourned at 7:20 p.m.