

Oakland Unified School District

Board of Education
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Meeting Minutes Long - Final

Wednesday, June 6, 2012

6:00 PM

**Board Room, Paul Robeson Building, 1025 2nd Avenue, Oakland, CA
94606-2212**

Measure B Independent Citizens' School Facilities Bond Oversight Committee

Patricia Williams, Chair

Jean Moore, Vice Chair

Christopher Vernon, Secretary

***Members: Renee Swayne, Odest Logan, Andrea Dawson,
Lisa Young, Ron Muhammad, Anne Campbell Washington***

A. Call to Order

Chairperson Patricia Williams called the meeting to order at 6:00 P.M.

B. Roll Call

Present 5 - Christopher Vernon, Patricia Williams, Odest Logan, Jean Moore, and Renee Swayne

Absent 4 - Lisa Young, Anne Washington, Ron Muhammad, and Andrea Dawson

C. Speaker Request Cards/Modification(s) To Agenda

None.

D. Adoption of Committee Minutes

[12-1101](#) Minutes - Measure "B" ICSFBO Committee - Regular Meeting - April 4, 2012

Approval of by the Meausre "B" Committee of its Regular Meeting Minutes of April 4, 2012.

Attachments: [12-1101 - Minutes - Measure "B" ICSFBO Committee - Regular Meeting - April 4, 2012](#)

A motion was made by Swayne, seconded by Logan,that this Minutes, Committee be Adopted . The motion carried by the following vote.

Aye: 5 -

Christopher Vernon, Patricia Williams, Odest Logan, Jean Moore, and Renee Swayne

Absent: 4 -

Lisa Young, Anne Washington, Ron Muhammad, and Andrea Dawson

[12-1407](#) Minutes - Measure "B" ICSFBO Committee - Regular Meeting - May 2, 2012

Approval of by the Meausre "B" Committee of its Regular Meeting Minutes of May 2, 2012.

Attachments: [12-1407 - Minutes - Measure "B" ICSFBO Committee - Regular Meeting - May 2, 2012](#)

A motion was made by Moore, seconded by Vernon,that this Minutes, Committee be Adopted . The motion carried by the following vote.

Aye: 5 -

Christopher Vernon, Patricia Williams, Odest Logan, Jean Moore, and Renee Swayne

Absent: 4 -

Lisa Young, Anne Washington, Ron Muhammad, and Andrea Dawson

E. Unfinished Business

Roll Call (Secretary's Observation)

Andrea Dawson present at 6:10 P.M.

- Present** 6 - Christopher Vernon, Patricia Williams, Odest Logan, Jean Moore,
Andrea Dawson, and Renee Swayne
- Absent** 3 - Lisa Young, Anne Washington, and Ron Muhammad

 [12-0259](#)

**Measure "B" Independent Citizens' School Facilities Bond Oversight
Committee 2010 - 2011 Annual Report**

Approval by the Committee of the Measure "B" Independent Citizens' School Facilities Bond Oversight Committee 2010/2011 Annual Report and authorization of the Chair and/or other representative of Committee to present same to the Board of Education and the public.

Funding Source: GO Bond-Measure B

Attachments: [12-0259 Measure "B" Independent Citizens' School Facilities Bond Oversight Committee 2010 - 2011 Annual Report](#)

Committee Member Comments

Chairperson Williams said the report is beautifully laid out and looks good.

Odest Logan said the committee members suggested corrections seem to have been made.

Staff Response: Randy Horne commented that the report was a great exercise in collaboration with the committee with some great ideas. The quotes added a personal touch. He said as the District distributes the report into the community, it speaks volumes of what the committee has done in support of the bond program.

Tadashi Nakadegawa, Director of Facilities, said the final audit is not complete yet, but the financial issues have been resolved in terms of the audit. He said the Facilities Department was unaware there was not complete agreement between Facilities Counsel and one of the opinions in the audit. The Facilities Department will be meeting this week to resolve this and will not have a final version of the audit until that is resolved.

Mr. Rakestraw said if the committee wishes to have a Special Meeting to approve the annual report and whatever action is required regarding the audit report, the committee would have to schedule a meeting between now and the following week. Mr. Rakestraw noted on June 10th there are expiring terms on the committee.

Chairperson Williams asked if the committee met by June 10th would there be enough time to place the approval of the report on the Board's Agenda for June 27th?

Mr. Rakestraw said "Yes."

Mrs. Swain wanted to know if the audit report would be ready by June 10th?

Charles Love, Facilities Department said he talked with the auditor today and they were still waiting to hear from central office accounting regarding a couple of items.

Mr. Rakestraw said if this cannot be done by June 10th the report would have to be made to the Board in August because the Board is in recess in July. Mr. Rakestraw said he would check everyone's term to make sure the term is correct and provide an email confirmation on the status of his inquiry.

Andrea Dawson said she did not serve a full term when she was seated on the committee and wanted to know if this was a question for legal counsel.

Mr. Rakestraw said in the Board Resolution regarding the terms are defined; some were

one year terms and some were two year terms. He said he would ask the General Counsel.

Mr. Logan wanted to know if there were replacement members for those expired terms? Will the term start as they replaced the person or the year of the appointment ?

Chairperson Williams noted to the committee the members the committee will be losing are very involved and most familiar with the projects. When the committee votes on the report, it would be better for them to make that vote rather than new members who are unfamiliar with the work.

Mr. Rakestraw said for those members who never attended a meeting, there are other provisions that may result in replacements for those terms. He said the committee bylaws say if you miss a certain number of meetings your membership is terminated.

Chairperson Williams said she did not read it as being automatic, the bylaws says if you miss two consecutive meetings the Board can choose to terminate.

Ms. Dawson said the bylaws need to be revisited to think of how they are structured and to make a case for extensions. She suggested after a person misses four consecutive meetings or four out of six meetings perhaps there is no Board discussion.

Mr. Rakestraw said he would convey Ms. Dawson's sentiments to the Board.

Jean Moore asked if there is a way to approve the draft annual report with the current committee with the final report contingent upon completing the last sentence of the last paragraph (about the performance audit) at a later date when the audit is complete?

Mr. Horne said Ms. Moore's suggestion is a good and practical idea. He said if the committee approves the annual report subject to any adverse findings, once the findings are locked in those findings can be shared with the committee in an informal way if there is nothing major there, potentially still getting the annual report on the Board's June 27th agenda.

Mr. Rakestraw asked for the last sentence to be read aloud.

Mr. Horn read – "The 2010/11 audit conducted by Yano Accountancy Corporation reported the following:" He said there is either a good audit or some findings. He noted the findings are typically benign in terms of the financial piece. Once the issue is resolved satisfactorily with central office, there will be a clean audit.

Mr. Rakestraw said it is the committee's call, however he is uncomfortable and will not recommend that the committee do it in that fashion. He said this is a factual determination as to whether the audit was clean or not clean. When the committee votes for this report it needs to know that information and need to be able to say with certainty the report is factual. Right now the committee does not know if the report is factual or not.

Ms. Dawson said the sentence could say something about where to review the report with a neutral statement to complete this. She said she thinks the committee should approve the report and find a way to make the last sentence say the report will not be available until a later date. Ms. Dawson suggested opening a link on the District's website that does not contain the report; when the report is ready upload it and the report is there.

Ms. Moore wanted to know the purpose of publishing the annual report to the District's

website prior to the report being in final format?

Ms. Dawson said in order to vote tonight, finish the last sentence in the report that it links to the District's website and the audit findings can be found there .

Mrs. Swayne wanted to know how important is for the audit report be a part of the annual report? She said she does not think you want to print language that says the report is not available when the committee is approving the report but will be approved at a later date.

Ms. Dawson suggested taking out the statement of compliance and say the fiscal and performance audit was conducted by Yano Accountancy Corporation and will be reported in the year 2012. To see the audit here is the link.

Mrs. Swayne wanted to know if that was legal or acceptable?

Ms. Moore said the fiscal and performance audit section of the report is the most important section of the report. She said the committee is informing the public about the proper expenditures of the bond revenues.

Mrs. Swayne said if it is okay, the committee cannot meet to say it's okay because after June 10th because Andrea Dawson and Christopher Vernon's terms will have expired and there will be no way to get a quorum of the committee.

Ms. Dawson said rather than a statement of compliance maybe you have the role of the committee with a link on the website.

Mrs. Swayne said to say everything is in compliance has to do with the audit; the committee has to wait until the audit comes in.

Ms. Moore said she agrees that as a committee member to the best of her knowledge based on the available information provided by the District, the District is in full compliance with the requirements of Article 13A and the rest of that sentence. She said above the paragraph it says fiscal performance audit, and she wanted to know would it be permissible for the committee to revise the last sentence to say "the 2010/11 audit was conducted by Yano Accountancy Corporation and is in progress and expected to be complete by June (whatever the completion date is)". Upon completion this paragraph will be modified to reflect the results of the audit.

Chairperson Williams said she is uncomfortable with language that will go into the report that gives the approval to change the report language later. She said she thought the committee would have an agreement to work out the language that would be something to the effect: The 2010/11 audit was conducted by Yano Accountancy Corporation and found no material issues regarding the accounting for the projects and the committee can vote now. If the letter is clean, you have the language and the report is approved and the committee can move forward. If there letter is not clean, the committee has not approved the report and will have to wait until the committee has a reconstituted committee with new members. Chairperson Williams asked for help with the language from the Facilities Staff.

Mr. Love said he is reluctant to get into specifics because the audit is not finished and to discuss that would not be proper. He said the problem is how can you address it properly in terms of language.

Chairperson Williams said there is a standard letter you will get from an auditor that indicates that materially the projects are sound. She said there may be some minor issues

that need to be addressed.

Ms. Dawson said the committee never comments on the audit in the report other than one line. She said you could put a period after the fiscal and performance audit was performed by Yano Accountancy Corporation. A statement of compliance says the committee agrees with the audit.

Mrs. Swayne said the auditor knows the committee needs the report and there is some reason the committee is not aware of that the report is not finished and that makes her uncomfortable.

Ms. Moore suggested saying the 2010/11 audit is in progress by Yano Accountancy Corporation and as of the date of the annual report is not complete and the statement of compliance.

Mr. Rakestraw said if the committee votes any of the language suggested by committee members today and there is something amiss or take the action and don't know factually what's in the audit report, it brings into question the integrity of the committee and the process.

Mr. Logan wanted to know if the Board has the authority to extend the terms of committee members until the report is complete.

Mr. Rakestraw said he can raise the question but it will be controlled by what General Counsel says is the legal requirements pursuant to State Law. He said he has personal doubts the District can legally extend the terms.

Andrea Dawson made a motion and Jean Moore seconded the motion to approve the report based on the audit report being in compliance with minor irregularities prior to the June 27th Board of Education Meeting.

Ms. Dawson suggested placing a period after corporation not giving the date of the report and leaving the statement of compliance. She said if the report comes back with no irregularities out of the ordinary and the auditor is recommending the District was in compliance, the committee has not said anything that was not true and the report can go forward.

Mrs. Swayne said her concern is the statement that says "to the best of her knowledge" and she said she does not know if everything is okay with the audit report and will be voting no.

Ms. Moore said in regards to the motion made by Andrea Dawson, she feels comfortable adding a period at the end of Yano Accountancy Corporation and keeping the statement of compliance as is. She said based on the available information provided by the District, she feels the District is in compliance. She said the District has not provided her with an audit report so she cannot use that as a basis of her knowledge and feels comfortable with the statement.

Mr. Logan said he has a problem with confirming a report with incomplete findings. He said if the audit report is part of the annual report and the committee has not been privileged to the information. He said an approval is difficult for him.

Chairperson Williams asked if the committee can meet by telephone conference ?

Mr. Rakestraw said the entire committee cannot meet by telephone conference. A majority of the committee must meet in person inside of the District.

Chairperson Williams said if the auditor has finished the audit and provides the compliance letter next week, the remaining five active members can have a Special Meeting to approve the report and still be able to be placed the annual report on the Board's June 27th Board Meeting Agenda.

Mr. Rakestraw said if staff can resolve the issue between now and Friday, the committee can schedule a Special Meeting today for Friday or Saturday to meet the posting requirements.

Ms. Dawson re-stated her motion. To complete the annual report and call it final based on the following: The audit performed by Yano Accountancy Corporation shows that the District was in compliance as of June 27, 2012. The annual report will read "the 2010/2011 annual report was conducted by Yano Accountancy Corporation" and that will be the end of sentence. The statement of compliance will stand as it is. "The committee advises that to the best of its knowledge based on available information provided by the District", the District is in full compliance with the requirements of Article 13A of the California Constitution. The report will be released as of June 27, 2012.

A motion was made by Dawson, seconded by Moore, that this Report be Adopted as Amended . The motion failed by the following vote.

Aye: 2 -

Jean Moore, and Andrea Dawson

Nay: 4 -

Christopher Vernon, Patricia Williams, Odest Logan, and Renee Swayne

Absent: 3 -

Lisa Young, Anne Washington, and Ron Muhammad

F. New Business

 [12-1360](#)

Presentation: Measure B (Fund 2122) Bond Oversight Committee – Budget to Actual Expenditures and Cash Flow Project Report – As of May 21, 2012

Presentation to the Bond Oversight Committee of the Measure B (Fund 2122) - Budget to Actual Expenditures, and Cash Flow Projections Report as of May 21, 2012.

Attachments: [12-1360 Presentation: Measure B \(Fund 2122\) Bond Oversight Committee – Budget to Actual Expenditures and Cash Flow Project Report – As of May 21, 2012](#)

Charles Love presented the Expenditure Report as of May 18, 2012 to the committee. Mr. Love report the following:

*Page 3 – Year to Date Expenditures for Measure B Capitol Projects - \$61 million
An increase of the working budget of \$943,000 from the last report which include the following: Arroyo Viejo CDC Replacement - \$400,000
Brookfield Playground Equipment - \$7,000
Cole Middle School Renovations - \$10,000
Cole Middle School Health Center - \$2,000 (decrease)
Brewer Restroom Renovations - \$36,000 (decrease)
Glenview Portable Replacement - \$1 million (decrease)
Harriett Tubman CDC Fire Replacement Alarm - \$7,000
Jefferson CDC Fire Alarm - \$16,000
Joaquin Miller ADA Accessibility Project - \$11,000 (decrease)
Oakland High School Modernization - \$750,000
Oakland High School Williams' Settlement Project - \$422,000
Prescott Modification - \$30,000
Stonehurst CDC Replacement - \$350,000*

*Page 4 – Changes by project category
Pre-design (increase from last report) \$361,000
Design (increase) \$731,000
Construction (increase) \$4.6 million
Closeout (increase) \$432,000
Completed (no change)
Staff salary (increase) \$15,600
Consultants (increase) \$716,000
Total increase since the last report of \$6.8 million*

Committee Member Comments

Mrs. Swayne wanted to know more about the \$1 million decrease in portable replacement.

Mr. Love said the project was funded by another fund.

Ms. Moore asked for more information regarding the increase in consultant expenditure.

Mr. Love said it has to do with the timing of the report. He noted the report is prepared two to three weeks prior to the committee meeting date and it depends on when the expenditure is posted.

Discussed and Closed

**G. Public Comments on All Non-Agenda Items Within the Subject
Matter Jurisdiction of the Committee**

None.

H. Introduction of New Legislative Matter

None.

I. Adjournment

Chairperson Williams adjourned the meeting at 7:35 P.M.

Prepared By: _____

Approved By: _____