

# Oakland Unified School District

Board of Education  
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## **Meeting Minutes Long - Final**

**Monday, December 7, 2015**

**6:00 PM**

**KDOL TV Studio, B-237, Met West High School Entrance, 314 East 10th Street,  
Oakland, CA 94606-2291**

## **Audit Committee**

***Dan Lindheim, Chair***  
***Gregory Redmond, Vice Chair***  
***Beverly Hansen, Secretary***  
***Members: Edward Berne, Frank Tsai***

## A. Call to Order

*Chairperson Dan Lindheim called the meeting to order at 6:09 P.M.*

## B. Roll Call

**Present** 5 - Member Frank Tsai  
Member Edward Berne  
Secretary Beverly Hansen  
Vice Chairperson Gregory Redmond  
Chairperson Dan Lindheim

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

*None.*

## D. Adoption of Committee Minutes



[15-2404](#)

**Minutes - Audit Committee - Regular Meeting - November 2, 2015**

Approval by the Audit Committee of its Regular Meeting Minutes of November 2, 2015.

**Attachments:** [15-2404 Minutes - Audit Committee - Regular Meeting - November 2, 2015](#)

**A motion was made by Secretary Hansen, seconded by Vice Chairperson Redmond, that the Regular Meeting Minutes of November 2, 2015 be Adopted. The motion carried by the following vote:**

**Aye:** 5 - Member Frank Tsai  
Member Edward Berne  
Secretary Beverly Hansen  
Vice Chairperson Gregory Redmond  
Chairperson Dan Lindheim

**Non-voting:** 0

Enactment No: 15-1907

## E. Unfinished Business

**15-0704****District Audit - In Progress - Fiscal Year 2013-2014**

Presentation to the Audit Committee of a Report on District Audit - In Progress - Fiscal Year 2013-2014.

*Update provided by Dan Menyon, District Controller.*

*Mr. Menyon reported that the District received the first draft of the 2013-2014 Audit Report today. Because he had not gone through the details of the report, he said he could not comment further.*

*Menyon said there may or may not be one potential audit finding; It may be the timeline for making corrections in the Payroll cash clearing account used for processing the District's payroll and tracking all unpaid liabilities.*

*Ruth Alahydoian said the District still expects the Audit to be completed this month. Once completed, staff will make a presentation of the Audit Committee.*

**Discussed**

 [15-2241](#)**Audit Committee - 2015 Annual Report to the Board of Education and the Public - Dan Lindheim, Chairperson**

Adoption by the Audit Committee of its 2015 Annual Report to the Board of Education and to the Public.

**Attachments:** [15-2241 Audit Committee - 2015 Annual Report to the Board of Education and the Public - Dan Lindheim, Chairperson](#)

*Committee Comments and Recommendations to be included in the final report to the Board of Education.*

*Edward Berne*

*Great Job! The 2015 work of the Committee was summarized very well.*

*Gregory Redmond*

*Requested on page two of the report, the first item should be referenced in item one and Item two. Recommends the report reflect more credit be given to the District's Financial staff noting they are working on previous years' audits, current years' audit, and their regular financial work.*

*Chairperson Lindheim*

*1. Requested in the June section to add language referencing the Committee met in Closed Session Closed Session and the information did not contradict any information received by the Committee in Public Session.*

*Edgar Rakestraw, Board of Education Executive Assistant, reminded the Committee that everything discussed in Closed Session should remain in Closed Session. He said the Committee can meet with the Board in Closed Session to report on a Closed Session matter. There was no reportable action from that Closed Session and the Committee should not go on the public record and breach the Closed Session.*

*2. In the October section – Add the statement that the Committee received a briefing on District procedures for Federal Time Accounting, and the Committee made various recommendations regarding improving these procedures.*

*3. Briefing by Mrs. Sheila White – Add the comment that the Committee was impressed with the actions being taken to improve procedures for attendance reporting. Given its importance to the District, this matter requires constant supervision.*

*4. The August and December section – Add the District is beginning to catch up with its annual audits. The audit for FY 2012/13 was completed in June and FY 2013/14 audit is nearing completion. The District is now only one year behind other districts with the expectation the District will be fully caught by the end of calendar year 2016. Responding to both audits and current financial accounting responsibilities has placed great stress on District Financial Services staff. Until audits are fully caught up, the Committee has been reluctant to add additional items to the staff's work load. As the staff's audit work load decreases, the Committee expects to analyze District procedures in greater detail.*

*Edward Berne – Suggested rather than comparing the schedule to other school districts, compare to State requirements.*

**Discussed**

## F. New Business

[15-2401](#)

### District's Worker's Compensation Unfunded Liability

Presentation to the Audit Committee by staff of a report on the District's Worker's Compensation Unfunded Liability.

**Attachments:** [15-2401 District's Worker's Compensation Unfunded Liability](#)

*Rebecca Cigolani, Risk Manager, provided the staff presentation.*

*Worker's Compensation is a no-fault benefit law that guarantees prompt payments for benefits to workers who are injured on the job. The District is self-insured for worker's compensation benefits, using a third party administrator to administer the program. The third party is responsible for taking claims, accepting or denying claims, and paying benefits.*

*Every year all self-insured agencies must submit a report to the State detailing the previous five years of claims. This report shows future liability for indemnity and medical.*

*Why is the District self-insured?*

- It's cost effective. A fully insured program would cost over \$12 million annually and currently the District pay about \$7.5 million and has more control over the program*
- An aggressive detailed claims program lowers the cost creating a savings for the District*
- The average claim is \$24,711*

*Typical Injuries are back injuries and slip trip falls.*

*Return to work after an injury*

*Employees who are put on restriction can't return to their current position after an injury on restricted duty. The District tries to find another work location for the employee.*

*Recommended level for funded liability?*

*The recommended level is 90 percent and currently District is at 70 percent.*

**Discussed**

 [15-2402](#)**District's Parcel Tax Exemptions**

Presentation to the Audit Committee by staff of a report on the District's Parcel Tax Exemptions.

**Attachments:** [15-2402 District's Parcel Tax Exemptions](#)

*Ruth Alahydoian made the staff presentation.*

*There were two parcel taxes approved by the voters of Oakland, Measure G and Measure N, each which has a low income exemption. Measure N also has a senior exemption.*

**Application Process for Measure G**

- *Prepare an application for the upcoming year in the spring*
- *Place a notice in the legal section of the Oakland Tribune stating the application will be available and the submission deadline*
- *Establish a dedicated telephone number, a website providing information, and the public may visit the Financial Services Office*
- *Application deadline is June 30th for the upcoming year. Applications must be processed and submitted to Alameda County by the beginning of August. In August, the county processes applications submitted by the District and determines who will not see the parcel tax on their property owner's tax bill*

*The application and notice were combined for Measure N and followed the same procedures as Measure G. Late applications are processed as well. The tax will show up on the property owner's tax bill, but reimbursements can be submitted and processed. Adding the senior exemption increased the number of possible exemptions. The District has prepared a letter to be sent to all property owners next week informing them of the senior and low income exemption. The application deadline for reimbursement has been extended to April 15, 2016 for fiscal year 2015/16. The reimbursement applies to both the senior exemption for Measure N and the low income exemption for both Measure G and N. For the three prior years, the low income exemption is the only exemption that is reimbursable. The senior exemption began this year.*

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**Discussed**

 [15-2403](#)**District's Use of Contractors for Temporary Oversight of Departments**

Presentation to the Audit Committee by staff of a report on the District's use of contractors for temporary oversight of departments.

**Attachments:** [15-2403 SGI Contract - Interim Deputy Chief Facilities](#)

*Ruth Alahydoian said General Counsel Minor will respond the Committee's concerns at the January meeting regarding this item.*

**Discussed**

**15-2406      Audit Committee - Regular Meeting Dates - January 2016 Through June 30 2016**

Adoption by the Audit Committee of its monthly Regular Meeting Dates beginning January 2016 through June 30 2016.

*The Committee accepted the Committee Meeting Schedule as presented by staff.*

**Discussed**

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

**15-2405      Public Comments on All Non-Agenda Items Within the Subject Matter Jurisdiction of the Committee - December 7, 2015**

Public Comments on All Non-Agenda Items Within the Subject Matter Jurisdiction of the Committee - December 7, 2015.

*None.*

**H.      Introduction of New Legislative Matter**

*None.*

**I.      Adjournment**

*Chairperson Lindheim adjourned the meeting at 7:07 P.M.*

Prepared By: \_\_\_\_\_

Approved By: \_\_\_\_\_