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OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools, Thriving Students

Memo

To Board of Education

From Jacqueline Minor, General Counsel

Board Meeting Date October 28, 2015

Subject **Adoption by the Board of Education of Resolution No. 1415-0121C to rescind the appointment of Directors Aimee Eng and Nina Senn to the Chabot Space & Science Center Joint Powers Authority (JPA) effective October 28, 2015 until such time as the loan payments are brought up to date to the satisfaction of OUSD or the matter has otherwise been resolved with the Chabot JPA**

Action Requested **Adoption by the Board of Education of Resolution No. 1415-0121C to rescind the appointment of Directors Aimee Eng and Nina Senn to the Chabot Space & Science Center Joint Powers Authority (JPA) effective October 28, 2015 until such time as the loan payments are brought up to date to the satisfaction of OUSD or the matter has otherwise been resolved with the Chabot JPA**

Background and Discussion At the Board Organizational Meeting on January 5, 2015, the Board President, among other things, appointed Board of Education Directors Aimee Eng and Nina Senn to the Chabot Space & Science Center JPA Board. Since 2012, the Chabot JPA has had difficulty making loan payments under the Lease Leaseback 40-year refinancing agreement with the District. The current loan balance owed by the JPA to the District is \$6.4 million. Despite the two year forbearance agreement approved by the Board of Education in June 2015, Chabot JPA is delinquent in making the reduced loan payments under the two year agreement and has informed the District staff that Chabot will not be able to make timely, scheduled loan payments for at least three years. Because of the ongoing dispute and the need for both Boards to discuss the dispute, anticipate strategies to resolve the dispute and protect the financial resources of both entities, OUSD Board appointees to the JPA Board should not attend or participate in any



way in JPA closed sessions discussing the loan delinquency. To avoid a conflict of interest, during the pendency of the loan dispute, the Board should rescind the Board member appointments to the JPA and send a letter to the JPA notifying the JPA that the appointment are rescinded until such time as the loan payments are brought up to date to the satisfaction of OUSD or the matter has otherwise been resolved with the Chabot JPA

Recommendation

Adoption by the Board of Education of Resolution No. 1415-0121C to rescind the appointment of Directors Aimee Eng and Nina Senn to the Chabot Space & Science Center Joint Powers Authority (JPA) effective October 28, 2015 until such time as the loan payments are brought up to date to the satisfaction of OUSD or the matter has otherwise been resolved with the Chabot JPA

Fiscal Impact

N/A

Attachment

Resolution No. 1415-0121C

**RESOLUTION 1415-0121C
OF THE
BOARD OF EDUCATION OF
THE OAKLAND UNIFIED SCHOOL DISTRICT**

Adoption by the Board of Education of Resolution No. 1415-0121C to rescind the appointment of Directors Aimee Eng and Nina Senn to the Chabot Space & Science Center Joint Powers Authority (JPA) effective October 28, 2015 until such time as the loan payments are brought up to date to the satisfaction of OUSD or the matter has otherwise been resolved with the Chabot JPA

WHEREAS, at the Board of Education Organizational Meeting on January 5, 2015, the Board President, among other things, appointed Board of Education Directors Aimee Eng and Nina Senn to the Chabot Space & Science Center JPA;

WHEREAS, since 2012, the Chabot JPA has had difficulty making loan payments under the Lease Leaseback 40-year refinancing agreement with the District;

WHEREAS, the current loan balance owed by the JPA to the District is \$6.4 million;

WHEREAS, despite the two year forbearance agreement approved by the Board of Education in June 2015, Chabot JPA is delinquent in making the reduced loan payments under the two year agreement;

WHEREAS, Chabot senior staff has informed the District staff that Chabot will not be able to make timely, scheduled loan payments for at least three years;

WHEREAS, there is an ongoing and significant financial dispute between the District and the JPA;

WHEREAS, the Board of Education Directors who are appointees to the Board of the Chabot JPA have a fiduciary duty to the JPA;

WHEREAS, the JPA and its Board will be called on to discuss the current delinquency and develop a strategy to make loan payments or alternatives to repayment of the loan that will, out of necessity also have to anticipate that the District may take action to enforce its legal rights;

WHEREAS, OUSD Board appointees to the JPA Board should not attend or participate in any way in JPA closed sessions discussing the loan delinquency, because to do so would be a conflict of interest;

WHEREAS, to avoid a conflict of interest, during the pendency of the loan dispute, the Board shall rescind the Board member appointments to the JPA and send a letter to the JPA notifying the JPA that the appointment are rescinded during the pendency of the dispute;

NOW THEREFORE, the Board of Education of the Oakland Unified School District hereby adopts Resolution No. 1415-0121C to rescind the appointment of Directors Aimee Eng and Nina Senn to the Chabot Space & Science Center Joint Powers Authority (JPA) effective October 28, 2015 until such time as the loan payments are brought up to date to the satisfaction of OUSD or the matter has otherwise been resolved with the Chabot JPA.

PASSED AND ADOPTED by the Board of Education of the Oakland Unified School District this 28th day of October, 2015, by the following vote, to wit:

AYES: Roseann Torres, Jumoke Hinton Hodge, Nina Senn, Vice President Jody London, President James Harris

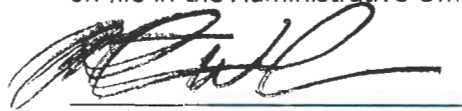
NOES: None

ABSTAINED: Shanthi Gonzales

ABSENT: Aimee Eng

CERTIFICATION

I, Antwan Wilson, Superintendent and Secretary of the Board of Education of the Oakland Unified School District, Alameda County, State of California, do hereby certify that the foregoing Resolution was duly approved and adopted by the Board of Education of said district at a meeting thereof held on the 28 day of October, 2015 with a copy of such Resolution being on file in the Administrative Office of said District.



Antwan Wilson