

**RIVERSIDE UNIFIED SCHOOL DISTRICT
MEASURE O CITIZENS' OVERSIGHT COMMITTEE MEETING
Wednesday, May 29, 2019
4:30 p.m.
Conference Room 3
3380 14th Street, Riverside, CA 92501**

MINUTES

Call Meeting to Order:

Chairperson James Rush called the Measure O Citizens' Bond Oversight Committee meeting to order at 4:31 p.m. He opened the meeting by welcoming members and informing them that this meeting was going to be audio-recorded.

Public Input:

Committee Chair James Rush asked that anyone in the public wishing to speak on any particular item to fill out a speaker card and once the item on the agenda came up they would be able to speak before any discussion on that item occurred.

Members Present: Keith Nelson, Terry Walling, Tina Grande-Field, Janice Bielman, Bob Garcia, George Frahm , Tom Evans, James Rush, Jason Hunter

Members Absent:

Adriana Curiel, Kathy Wright, Jose Alcala

Staff Present:

Sergio San Martin, Ana Gonzalez, Kevin Hauser, and Martha Trujillo (Recorder).

Consultants Present: Tarana Alam from Key Analytics and David Casnocha from Stradling Yoca Carlson & Rauth.

Public Present: Melody Clark, Sara Simpson, Kevin Dawson, Raychele Sterling, Letitia Pepper, Lenning Kuri and Vincent Rosso.

Action Item:

1. Approval of Minutes:

Motion made by Bob Garcia and seconded by Janice Bielman to approve meeting minutes dated February 12, 2019. Motion Carried.

Discussion Items:

1. Overview of Independent Citizen's Oversight Committee Bylaws

Sergio San Martin introduced David Casnocha. He mentioned that last meeting there were some questions and discussion in regards to the Committee bylaws and that Mr. Casnocha was going to go over the bylaws in length to answer any questions the committee had.

David Casnocha – Provide his background information. He was the managing partner of Municipal Bond firm called, Stradling Yoca Carlson and Rauth. He was based in San Francisco, was a bond attorney for over 40 years. Represents over five hundred of the one thousand school districts in California with their bond measures.

He further explained the history of how K-12 districts obtain general obligation Bond; which are secured by an Ad Valorem Property tax. Proposition 13 had the effect of eliminating a school districts ability to Levy a tax to secure a Bond. Between 1979 and 1986, there were no school district General Obligation bonds. If you had facility needs, during that period, you had to borrow against your operating budget and issue nonvoter approved debt, take money from the classroom, and dedicated it to pay debt service for borrowing to make all facility improvements. During those years 1979 to 1986, the School Community was not happy about the consequences of Proposition 13, and there were ongoing arguments as to what the law ought to be. During 1986 the California Constitution was amended with a provision that allows school districts to pass a bond with 2/3 vote. So long as the bond, proceeds was for improvement of real property.

Between 1986 and 2000 that was the law of the land, yet the debate continued within the School Community as to whether 2/3 was the right number for a bond passage, whether there should be some other number 50% or 55% of the debate suit. In 2000 when the California Constitution was amended again, to provide an alternative source of authority for School Districts to conduct an election. Known as Proposition 39. Measure O, is conducted under the provisions of Proposition 39. Proposition 39 says that with fifty five percent of voter approval, a school district has a general obligation. He further stated that under Proposition 39 districts have to perform annual financial and performance Audits, and to establish an Independent Citizens Oversight Committee. The powers of a Citizens Oversight Committee are not derived from a board of education. They are derived from the state legislature and the bylaws are reflective of what the provisions of Education through it all, and these bylaws are nearly the same as 95 or 99% of all the K-12 districts in the state.

David Casnocha further explained that an independent committee is not one comprise of employees of the district, not one comprised of vendors to the district, not one comprised of individuals who have a financial gain from working on bond funded projects.

The oversight committee has three essential functions that are set forth in Section 3. The primary responsibility is to review expenditures of bond proceeds. In addition, section 3.2 says the committee shall review expenditure reports produced by the district to ensure that bond proceeds are only used for the purposes set forth in Measure O.

Keith Nelson questioned why it was not listed first, if that is the primary duty. It should have been listed first, if it was a primary duty.

Committee member Jason Hunter – Asked to hold off on David’s explanation because it was going to be discussed later in the agenda.

Committee member Keith Nelson engaged in a conversation about what should be discussed.

David Casnocha attempted to discuss the project is not for Measure O and it’s relation to the master plan. Anything listed on the facilities master plan as it existed in 2016 is a qualified Measure O project.

Jason Hunter asked Mr. Casnocha to stop with his explanation and made a motion to table this discussion for another time.

Community Input

Community member Melody Clark was provided community input and stated she was at the meeting because she received an email from the University Neighborhood Association and was alarmed to see that there was something about the STEM High School, not being able to be constructed with Measure O Bond money and had a different understanding. What started out as a dispute about traffic had evolved into something different. She thanked everyone for adding the project that was voted for.

Community member Sarah Simpson stated she was happy the committee exists. She said the information reflected what has been reiterate and she understood. Group A, B, and C projects are in process. She said it was wonderful to see that the Measure O Bond will touch so many elementary, middle, and high schools.

She said she understood the committee is concerned to see that money is divided amongst the schools within the district. That is why it is so important to see so many of those schools listed, so much work has gone into planning. She asked if anyone had heard if anybody had mentioned to them about the controversy regarding the STEM High School construction. As a long-term advocate of STEM, she believes this is chance to have a new facility that will touch more students than within group A. She is the president of the Riverside STEM Academy Foundation, and we has done a preliminary report showing that it could be up to 13,000 students annually who would be touched and have access to those facilities if you consider it.

Community member Kevin Dawson stated the following, “I am from the University neighborhood. I see a disconnect in this information here, I went back and looked at the actual language that was in the ballot, and looked at what was actually on the ballot that people would read when voting. The supplemental ad on the ballot says this measure will expand STEM education through the district. If you want to find the next part of the discussion or mention of STEM you had to go into the supplemental thing and it said, we will collaborate with UCR, and you would like to create a STEM center with no further definition of what is subsequently. I am reading stuff here and I read other documents online, but this is not what Measure O ballot states. That is why we need to go back to the original language not what people have interpreted Measure O.

As a voter, I am upset. The school district has said that our number one priority is to build a STEM High School at UCR. This is our number one priority so much, that at a workshop one of the board members said we do not have enough money to finish this project. We need to be able to look down the list of our priorities and be willing to take money from other needed projects. I know we need it because how would you like to be one of the principles or PTA members or staff members of one of those schools. There

project is just as needy and here the district is saying to take money from their project to fund the STEM High School at UCR, because it is a number one priority. This is not what voters voted for on Measure O.

Your oversight is supposed to prevent board members from misusing Measure O funds. This is what I am hearing here, and from the district attorney. I hear you COC members do not have any power. You are just supposed to be a rubber stamp. You cannot make comment feedback to the board members that this is an improper use of Measure O funding. The committee is supposed to be overseeing. This is upsetting to me."

Letitia Pepper, "I have been an attorney since 1982. I am retired from the state of California. I am here today to tell you a few things that I believe are true. I should also tell you I used to work at Best, Best and Krieger. I was in meetings where attorneys would tell people things and you can tell when they were hurting people in one direction or another. I have to tell you I think the gentleman who is here who flew down from the Bay area has been brought here, to herd you away from dealing with the issue of the Measure O funds by telling you for example, he says independent review doesn't mean independent review. He says, it means no conflict of interest well conflict of interest is a term of art. It means something that is specific. They want to tell you, that you should not have a conflict of interest. When people vote for a bond, knowing there will be a group of citizens that feel they can trust. What they want you to think is; you will do this independently from the school board.

Independent means independent of the people who are making the decisions. What you are trying to do is decide if their decision matches what the voters were promised, because this is the only reason that the voters will vote for school bonds with less and a two-thirds majority with the special Proposition 39. So now, they are talking about what Measure O says. Well, you have to look beyond Measure O you have to look at Proposition 39 because these bonds were approved under Proposition 39, which takes less than a two-thirds majority vote, right? So if you look at what Proposition 39 says guess what it says that the bond measure is to list specific projects at the school needs the money. Now, if you look at that list of things it does not have a high school on it. Thank you."

Raychelle Sterling, "I appreciate the opportunity to speak. I have been an attorney for longer than I would like to admit, at least 25 years. I am very familiar with bonds. I was a City attorney for many years when the city was engaged in inappropriate use of bond funds. I, along with other members of my Community Action Group were able to have the city's Bond rating reduced, and I wrote a letter to the city indicating that they were misleading the bond holders. This is my concern here when I voted for this measure and I did vote Yes on Measure O. My daughter is in special education. She has severe autism and epilepsy. She is at Monroe, which is a school completely dilapidated, outdated.

I should say it does provide for construction or demolition and rebuilding of dilapidated schools.

She continued with her comments: As to the bylaws, I will say that I am concerned with Section 3.1. I want to know from the attorney, what statutory authority he relies on that reflects his language, and I want to know if a minority person with a minority view did inform the public or the board what the repercussions would be, and who is going to pay the attorney's fees for the First Amendment lawsuit, that will be filed. That is what I would like to know. I just think that this oversight committee needs to be doing exactly that, overseeing, because I can guarantee you if you take one dime away from my daughter's school, then I'll be filing a lawsuit.

Jason Hunter responded that we are not responding to them. Jason Hunter said that he has the right to respond to them and he reiterated that it was not the intent of the folks. I do not believe who wrote the rules, three of the four of them are in the room, were going to quash anybody's rights to First Amendment speech. I think it was actually an order to give the right of the minority to express additional viewpoints beyond the majority. I think it is actually, the antithesis we have introduced through amendments.

Kevin Dawson stated he had concerns regarding responsibilities of the committee. The overview in your packet, it did not include a list of your bylaws. The District Board of Education held a workshop on the proposed STEM High School, back in August 2018. There is no record of the discussion at this workshop. The meeting was at a location that was difficult to find. It was during this workshop that the Board Members were saying that the STEM High School project was the number one priority."

2. Committee Member Letter to District

Jason Hunter opened the item by saying, "so many folks have asked me, what is in the genesis of your letter like, how did you come about writing it?" He further continued to discuss his opinion of his role with Measure O; it was just part of the normal kind of due diligence I would do before I joined any committee as far as figuring out what my role on the committee would be, what my duties would be and understand as much as I could about Measure O.

Chair James Rush opened the agenda for public comment for Item No. 2

Community member Raychele Sterling, stated she voted for measure B. She stated the following, "They also had a facilities Improvement plan and part of that plan, because at that time, we had growth issues and so I took a snapshot of it on my phone, but that plan actually referenced growth related needs and talked about new elementary schools and new middle schools. And this is what the voters voted on they knew they were voting for new schools then. The voters of the Measure O, we are not voting for new schools that is readily apparent to me after reviewing everything and I think that you know to say otherwise is a complete misrepresentation of the voting process, but I think that you know, if they attempt to build this school, I think there will be litigation. I do not think proponent they will go ahead and the build the new school. I think that there will be implications for the bonds if the funds are misused. You can lose your tax-exempt status of the bonds, which I am sure the attorney can talk about that. How catastrophic it could be to lose a tax-exempt status of your bonds. However, when you look at the literature here, they literally go through every existing School in the district and they talked about the different improvements."

James Rush – Opened it up for comments from the committee related to Mr. Jason Hunter's letter.

Committee member Janice Bileman said she was sorry and their obligation as a committee is to oversee the funds that are being spent not deciding where they go.

Chair member James Rush asked Sergio San Martin about Mr. Hunter's submitted letter, and the protocol to send the letter to the Board of Education.

Sergio San Martin responded that the existing bylaws state that all official communication to the Board or the public comes from the Chair acting on behalf of the committee.

Discussion continued about what is an authorized project, what to approach the board about, and what the duty of the Committee is.

Mr. Casnocha stated that the way it typically works is that staff presents projects that the board is considering to the committee. In this case, a committee member can say that is not an authorized Measure O project. The committee member can ask staff for additional information about that topic. Mr. Casnocha said that this is what he has done by writing this letter for the Board. He wrote that letter as staff's response to the concerns that were raised by the committee. If the committee wants to reject the response then its next step is to have a vote on whether they think it is an appropriate use of funds and share that with staff to then share with the board, or the committee chair can then share with the board.

Committee discusses whether Mr. Hunter's letter is an action item or a discussion item and how it was submitted to staff.

Discussion continues on the process for the Committee and the responsibility of the Board.

Chair Jim Rush reiterated two questions that should be asked to the board: 1) money for legal counsel. The second questions Keith Nelson stated he would place his question in form of a motion.

Keith Nelson motioned that the Chair go to the Board of Education Meeting and ask for guidance on the prioritizing projects and school improvements vs acquiring new properties in relation to the expanded schools project list. Bob Garcia seconded the motion.

Discussion continues on the proposed motion.

Tom Evans stated that there has been community questions about Measure O money that has been taken away from rehab activities to use for expanded projects and the committee wants to know if that is the intention of the Board? If it is an appropriate use of measure O funds?

Motion is read again by staff.

Keith Nelson wants to amend his motion to Tom's verbiage whether Measure O money has been taken away to use for expanded projects and taking away from rehab activities and the committee wants to know if that is the intention of the Board? Is this appropriate use of measure O funds? Bob Garcia seconds.

Vote on Keith's motion. Motion carries with 1 nay.

Jason Hunter presents motion to ask Chair to approach board to request independent legal counsel for the committee. Seconded by Bob Garcia.

Discussion by committee members if this is appropriate because this takes money away from the general fund, which in turn takes money from children.

Jason Hunter withdrew his original motion. He placed a substitute motion in its place which says through the Chair to ask the Board if they would entertain providing this committee a budget to hire their own independent legal counsel.

Motion was made and seconded by Bob Garcia.

Vote on Jason Hunter's motion by raise of hands. Motion is denied.

Sergio San Martin asks to move up item 4 in agenda and discuss because legal counsel has a plane to catch. None were opposed.

4. Bylaws Ad Hoc Committee

Last meeting they discussed amongst this committee to put together an Ad Hoc committee to go over and review the current bylaws. The Ad Hoc Committee participants: James Rush, Adriana Curiel, Jason Hunter, Keith Nelson and Bob Garcia. The original bylaws with the Proposition changes should be given to the committee.

James Rush made a motion to table this item for next meeting and seconded by Keith Nelson. Motion carried.

3.Measure O Project Update

Harrison Elementary – Design plans were approved by DSA in March. Construction contracts will be awarded by the Board on June 11, 2019. Construction is expected to begin in July 2019. Project is expected to be completed within 15 months.

Highrove Elementary– Design plans were approved by DSA in February. The Board approved the contracts at its May 7th meeting. Construction is expected to begin in June 2019. Project is expected to be completed within 15 months.

Jefferson Elementary – Design plans were approved by DSA in February. Construction contracts were approved by the Board on May 21, 2019. Construction is expected to begin in June 2019. Project is expected to be completed within 15 months.

Madison Elementary– Design plans were approved by DSA in March. Construction contracts will be awarded by the Board on July 9, 2019. Construction is expected to begin in July 2019. Project is expected to be completed within 15 months.

Sierra Middle – Design plans were approved by DSA in February. The Board approved the contracts on April 9, 2019. Construction is expected to begin in June 2019 and it will take 12 to 15 months to complete.

Alcott Elementary – Upon DSA approval this project is expected to be bid next year. Construction will be funded from the 2nd series of Measure O in June 2020.

Jackson Elementary – Design plans have been submitted to DSA. This project will be bid next Spring 2020. Construction will be funded from the 2nd series of Measure O in June 2020.

Monroe Elementary – HMC Architects is currently preparing the design plans for this project. DSA plans are expected to be submitted to DSA in June. Construction will be funded from the 2nd series of Measure O in June 2020.

Sunshine Early Childhood Center – Design plans were approved by DSA on February 9, 2019. Construction will be funded from the 2nd series of Measure O in June 2020.

Poly High – WLC Architects submitted the design plans to DSA on March 30th, 2019. Construction will be funded from the 2nd series of Measure O in June 2020.

Adams Elementary – Design plans have been submitted to DSA. Upon DSA approval, construction will be funded from the 2nd series of Measure O in June 2020.

Fremont Elementary – Design plans have been submitted to DSA. Upon DSA approval, construction will be funded from the 2nd series of Measure O in June 2020.

Longfellow Elementary – Design plans have been submitted to DSA. Upon DSA approval, construction will be funded from the 2nd series of Measure O in June 2020.

Magnolia Elementary – Design plans were approved by DSA on April 11th. Construction is expected to begin in June 2020 and the project will take 12 to 14 months to complete.

University Heights Middle – Design plans have been submitted to DSA. Upon DSA approval, this project will be bid between February and May 2020. Construction is expected to begin in June 2020 and the project will take 12 to 14 months to complete.

Arlington High – Ruhanu Clarke Architects is currently preparing the design plans for this project. DSA plans are expected to be submitted to DSA Winter of 2019. Construction is expected to be funded from the 2nd series of Measure O Bonds.

King High School Parking Lot – Design plans were approved by DSA on April 9. The project will be bid in June of 2019. Construction will start in the Fall and will take approximately 4 to 6 months.

STEM High School @ UCR – Ruhanu Clarke Architect on this project. This project is part of the Expanded Project list not included in any of the original Groups A through H. This project is currently in the due diligence phase.

Tom Evan wanted to know where was the current STEM located. Sergio San Martin answered that the current STEM is located at the “old” Hyatt Elementary on Mt. Vernon.

Keith Nelson asked if the district was taking resources from UCR. Sergio San Martin answered “no”.

Letitia Pepper mentioned that she saw \$2 million of expenditures of budgets that were approved by the Board to prepare the environmental report. She mentioned that UCR will be the lead agency on CEQA. Sergio San Martin clarified that no decision has been made on the site and that there is no lease agreement yet.

Casa Blanca Neighborhood School – A preliminary environmental assessment is complete. No further action letter has been issued by the Department of Toxic Substance Control. CEQA process for Environmental Impact Report has been completed and was approved by the Board on May 7th. District staff has begun negotiations with the Property owner. The site is currently in escrow for purchase.

Spring Mt. Ranch Neighborhood School – The district has entered into a site negotiation agreement and the close of escrow will be extended in order to complete site testing and obtain State approval.

Jason Hunter - my familiarity with development projects when you have got this size of housing going in is that the developer pays fees for a lot of the services. Are they going to need or will it be combined into a mello-roos to provide things like schools public safety, etc. What is going on as far as the funding? That is has that been determined or are we falling back on strictly Measure O funds when there might be other sources of money available?

Sergio San Martin Answered: There is a lot of development taking place before this developer. There's no CFD's here. This developer did not want to pursue a CFD. That is really on them. So they're paying just straight developer fees. Their share It is not the full hundred percent with what we collect we cannot build a school right now.

5. Committee Annual Report to Board of Education

Ana Gonzalez – I am bringing this to you for review and comments. Every year the committee takes this annual report to the board and presentation. This will be a review snapshot of the four meetings that we've had over the last year. We can take it to the Board in August to give us time to form an ad hoc committee then we can bring it back to this committee for review and make sure everything's okay with presenting it to the Board. Ad hoc committee: James Rush, George Frahm and Ana Gonzalez to work on this annual report. This report will be presented to the Board of Education in their regular September meeting.

Ana Gonzalez mentioned to the committee that most of the member's term had expired. She had the list of the members that their term had expired and she called their names and took a roll call, and asked each member if they would like to continue serving another term in this committee:

Adriana Curiel – does not wish to continue
Bob Garcia – yes, would like to continue
James Rush – yes, would like to continue
Kathy right - absent
Keith Nelson – yes, would like to continue
Tina Grande-Field – yes, would like to continue

Ana Gonzalez inform them for those that wish to continue on this committee that we already had their first application and there was no need for them to fill out another one. Positions would be advertise, once there was a new pool of applicants, we will take it to the superintendent, he will look over your applications and make the recommendation to the board of education

Next Meeting - August 21, 2019 at 4:30 p.m.

Adjournment

Meeting adjourned at 7:58