

**RIVERSIDE UNIFIED SCHOOL DISTRICT
MEASURE O CITIZENS' OVERSIGHT COMMITTEE MEETING
Wednesday, August 21, 2019
4:30 p.m.
Conference Room 3
3380 14th Street, Riverside, CA 92501**

MINUTES

Call Meeting to Order:

Chairperson George Frahm called the Measure O Citizens' Bond Oversight Committee meeting to order at 4:30 p.m. He opened the meeting by welcoming members and asked everyone around the table to introduce themselves.

Public Comment:

Committee Chair George Frahm 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, Jose Alcala, George Frahm, Dale Kinnear, Jason Hunter.

Members Absent:

Bob Garcia, Janice Bielman, and Tom Evans.

Staff Present:

Sergio San Martin, Ana Gonzalez, Mays Kakish, Gaby Adame, Eric Walker, Nadia Zeien, Melissa Elwood, Ariana Arciniega and Trisha DeGrood (Recorder).

Consultants Present: Tarana Alam from Key Analytics

Legal Counsel: Brad Neal from Stradling Yoca Carlson & Rauth.

Public Present: Letitia Pepper, Kevin Dawson and Sylvia Avendarno.

Action Item:

1. Approval of Minutes:

Motion made by Keith Nelson and seconded by Jason Hunter to approve meeting minutes dated May 29, 2019. **Jason Hunter commented:** Jason Hunter asked when voting for motions that we take roll

call. This is in uniform with the Brown Act. You have to note who voted yes and who voted no.

Member Dale Kinnear spoke out that he was not at the last meeting, but he did listen to the audio tape of the May 29, 2019 meeting. He noticed there was a motion by Tom Evans. on the audio tape but was not in the minutes. The motion was to have the Chair communicate to administrators and the board about the concerns whether or not we were filing the intent of Measure O of including new schools. Jason Hunter and Keith Nelson both rescinded motion to approve minutes.

Motion made by Jason Hunter and seconded by Keith Nelson to table the minutes until after review of the tape. All in favor. No opposed. One abstention. In addition, Jose Alcala requested that minutes from May 29, 2019 be update to reflect his absence.

Vote taken:

Yes: Jason Hunter, Keith Nelson, Terry Walling, Tina Grande-Field, Jose Alcala, George Frahm,

Abstention: Dale Kinnear

No: None

Motion pass.

Discussion Items:

1. Chief Business Officer (CBO) Report:

Mays Kakish, CBO was present in representation of School Board and Cabinet. She addressed three different point that were requests from the CBOC Committee.

- Prioritization of Measure O projects and whether or not they are proper projects according to the disclosure to the voters and would the board be recommitting to that after finding out there was legal opinion to confirm whether the projects were an allowable project through Measure O and a disclosure again to our voters. She stated to the committee that the projects that staff presented to the committee projects the Board prioritized about twelve months ago are legal through Measure O and based on legal opinion from Bond Counsel. There was interest from this committee to have a second opinion, she reminded the committee that the Board values the committee and their commitment and the time put in to making sure we stay compliant with this process. Therefore, the Board asked the staff to go ahead and engage with different law firm to get a second opinion. Second opinion document was provided to the committee as a handout. Mays also stated that the Board did review second legal opinion and requested that she attend the meeting to address their interest in staying with the prioritization of the projects.
- The second item addressed was the interest from the committee to obtain a budget for the committee to engage with outside counsel independent from staff and district bond counsel. The board has no interest in adding to their budget for outside legal counsel for this committee. They have lined up staff to make sure the committee gets what they need, arranged for an outside consultant to be sure the reports are easy to read and provided a bond council to advise them.

- Third item addressed is the Liability of the committee members. District obtained legal opinion and since this committee is only reviewing reports and reporting to the board, they are not personally liable for the decisions they make. The board will however, add this committee to their liability insurance policy as an insured body. Mays added however, that in order for this committee to be insurable, their bylaws and their role in the process cannot change. If their bylaws changed, the role of the board would change and it could lead to them being uninsurable on the board's policy. She also said that since the board is the decision making committee, this committee could not amend their bylaws without the board's approval, and that some changes could be considered illegal.

Committee Discussion:

A Committee Member stated that the recommendation for indemnification for liability was made by the Board's Bond counsel.

Committee Member Dale Kinnear also stated that the committee's role is also to inform the public, not just report to the board.

Committee member Jason Hunter relayed the fact that they only wanted an ad hoc legal representative. He said that Prop 39 mandated that the district be provided with technical and administrative assistance and that legal advice is considered to be technical and administrative. He doesn't understand why the district can't supply it. In addition, they did not request a second opinion. He also feels that an independent oversight committee has an ability to change their own bylaws. If believed otherwise, he would like to see case law supporting the position.

Mays reiterated that the board is not putting new projects before the current schools and that they are reconfirming the entire program. This is a 12-15 year program which includes new schools and modernization.

Committee Member Jason Hunter feels that new projects have been prioritized over others previously listed and that there is not enough money for the entire district. New acquisitions will take funding away from old schools on the original list.

Mays does not agree with this conclusion. She said all the projects were always on the list and the district spent a whole year prioritizing them. Tarana from Key Analytics said that all the projects have always been on the original list on page 5 as expanded projects, but some did not have expenditures at the beginning so they did not appear on the list on page 91.

Jason again reiterated that earlier reports did not mention new schools. Mays said that if they felt there is a non-compliance, that they need to take it through the process of reporting to the board. They had two opinions that said the STEM and elementary schools are within the scope of Measure O, the second opinion being so this committee would be comfortable with the opinion.

Jason brought up that the first opinion was from the firm that drafted the bond measure and Mays said, thus the second opinion.

Jason again said the money would be better spent giving their committee independent counsel, Mays said again, the board is not interested in doing that.

Public Comment:

Community Member Keith Dawson communicated his displeasure with the way the funds are being handled and felt the board treats the bond money as a slush fund that they could spend however they want to.

Committee member Jose Alcala felt that if the public does not like the way the board is allocating the funds, they should go to the Board meeting and tell them, not to come to CBOC meetings and spend time here on these items.

Committee member Jason Hunter felt that if it is a prioritization of funds, it should be addressed at the Board meeting, but if it is about complying with Measure O and Prop 39, it should be addressed at the CBOC meetings.

2. Update on CBOC Terms

Chair Jim Rush (Community representative) resigned. Adriana Curiel (Parent representative) resigned and Kathy Wright (Community representative) resigned as well. Dale Kinnear is a new member. They are looking for a parent association representative. There is an advertisement running on the website.

Committee Member Dale Kinnear requested information on current members and their terms and expiration dates as well as vacancies.

3. Appointment of Chair for CBOC

Committee Member Jason Hunter motioned to nominate George Frahm for Chairperson and Dale seconded motion. Vote was unanimous.

Committee Member Jason motioned to nominate Keith Nelson as Vice Chair and Dale seconded motion. Vote was unanimous.

4. Measure O Project Update

Public Comment:

Community Member Leticia Pepper addressed her concerns regarding the school that will be built on UCR's property and the small amount of students that will attend the school. She also stated the district can only spend Measure O dollars on the district's master plan.

Committee Discussion:

Group A Construction Projects

Staff updated the committee on the progress of the group A construction projects: Harrison Elementary, Highgrove Elementary, Jefferson Elementary, Madison Elementary and Sierra Middle School: All broke ground this summer. Status of King High School parking lot bid was also discussed.

Committee Member Jason Hunter asked regarding the funding of Measure O signs on construction sites. Sergio San Martin stated that the project signs are part of the project and funded through Measure O. However, all projects are multi funded and signs could be funded from other funds. Mays also informed that paying for the signs with Measure O dollars is appropriate since the signs are used to inform the public about their tax dollars at work. Additionally, the signs are not extravagant; they are only designed to stand wind and any unforeseen weather.

Committee Member George Frahm also requested that the report include a picture of the construction sign and add at the beginning of each project update.

There was also discussion by the committee on access to current events pertaining to Measure O. and how much information should staff be asked to supply vs members doing their own due diligence.

Staff committed to notify the committee on any public activities, Boards meetings regarding Measure O projects via email. Commitment satisfied the committee.

Staff provided project updates for each of the projects under construction.

STEM School

It was stated that Board has taken action to focus on the Blaine Site. Site is currently in the exploration phase. Staff also explained the eligibility process for new school. Each high school will receive a certain number of applications and there will be a lottery system to determine who can apply. There was discussion whether any slots should be filled by inter-district transfers to bring additional funds to the district due to declining enrollment. There was also discussion regarding whether or not funds raised by local taxpayers through Measure O to build a new school are appropriate use to house inter-district transfers.

Neighborhood Schools

Update on status of new neighborhood schools: Casablanca, Eastside and Spring Mountain Ranch- properties have been secured for Casa Blanca and Spring Mt. Ranch and Eastside is ongoing, no ground breaking dates determined yet.

Discussion as to why the schools are necessary: Growth, overcrowding and to balance enrollment. Hundreds of kids being bussed every day to schools outside their neighborhood.

Discussion on the role of developer fees and the process involved in securing them.

Expenditure Review- Discussion on fund allocation, financial backup.

5-minute recess. Reconvened at 6:37 p.m.

5. Committee Annual Report to the Board of Education

Public Comment:

Leticia Pepper feels the report needs to be reviewed by the committee. She feels the committee is not reviewing and auditing the information given to them. She also sent an email to everyone voicing her concerns as to why the Measure O funds are not being used appropriately. Some members read it and some didn't. She feels the letter should be printed out and handed to all committee members so they can all see it.

Committee Discussion:

Staff presented the proposed annual report for the committee's review before it is sent to the Board. She shared the makeup of the report and how the information was arrived at in the ad hoc meeting. The report is not due until December 31, so due to some members not having the opportunity to review the material, Committee member Jason Hunter proposed a motion to table the report until next meeting. Motion was seconded by Dale Kinnear. Vote was taken; the vote was not unanimous, so an individual vote was taken. Motion is carried.

Vote taken:

Yes: Jason Hunter, Keith Nelson, Terry Walling, Tina Grande-Field, George Frahm, Dale Kinnear

No: Jose Alcala

Motion pass.

Committee member Jason Hunter motioned to move item 7 before item 6. He felt in the essence of time this would be more appropriate to spend time on item 7 than item 6. A vote was needed to be brought on this item.

Committee member Dale Kinnear did not have an issue to reverse items, but wanted to say that he felt item 6 (the bylaws) is also important as the committee is operating independently from what the bylaws stipulate and he as a new member is not comfortable operating without a set of bylaws.

Committee member Jason Hunter felt that the current bylaws they are operating under have not been adopted and are just recommendations. He stated that the topic would be a long discussion and should be handled at the beginning of a meeting not in the later half. A vote was taken and did not move with a vote of 4-3.

Vote taken:

Yes: Jason Hunter, Keith Nelson, Terry Walling,

No: Jose Alcala, Tina Grande-Field, George Frahm, Dale Kinnear

Motion did not pass.

6. Overview of Independent CBOC Bylaws

Public Comment:

Leticia Pepper brought the committee's attention to bylaw 3.1 saying that each member has personal liability to fulfill their fiduciary duty to the public and if even one member did not agree with the consensus it should be in the annual report as a minority report.

Committee Discussion:

Brad Neal, one of the district attorneys disagreed. This is an oversight committee, they are not fiduciaries, they do not make decisions they oversee the choices made by the board. The committee acts by majority and no minority report is expected to be issued. Discussion continued as to how inference to a minority report came about and that this is another example of why the committee needs its own counsel.

Next there was discussion of how the bylaws got to where they are now; about the legality of changing and amending their own bylaws as opposed to the board doing it.

Committee member Jason Hunter motioned to adopt the amended rules as proposed. Keith Nelson seconded motion. Vote did not pass. Further discussion covered procedure to how bylaws are approved.

Vote taken:

Yes: Jason Hunter, Keith Nelson

No: Terry Walling, Jose Alcala, Tina Grande-Field, George Frahm, Dale Kinnear

Motion did not pass.

Opposing views stated that since the committee was instituted under the Board they cannot change or revise their own bylaws. The district's attorney agreed with this assessment.

A motion was proposed by Keith Nelson to make this set of proposed amended bylaws the first reading of the proposed changes. It was seconded by Jason Hunter. A vote was taken per member. Motion was defeated 4-3.

Vote taken:

Yes: Jason Hunter, Keith Nelson, Dale Kinnear

No: Jose Alcala, Tina Grande-Field, George Frahm, Terry Walling

Motion did not pass.

7. Use of Measure O Funds for New Sites/Schools

Public Comment:

Leticia wanted to speak at the end of the item discussion, the chair denied her request. She said they are violating the Brown Act.

Committee Discussion:

Jason read his response to the two attorney opinions that the new school sites are a proper allocation of funds under Measure O. His due diligence revealed that the purchase of property for new schools and the construction of a STEM high school violated the Measure O initiative. Discussion followed that the committee should not render an opinion on the use of the funds. That instead they should alert the board to what they are hearing and let the board issue a response.

Committee member Jason Hunter motioned that the committee determine Measure O funds being used for new schools is an improper use of funds. There was no second.

Committee member Dale Kinnear felt that regardless of the legality, the board's interpretation of the use of the measure's funds does not agree what the public thought when they voted.

Mays explained the basis for the bond measure and the researched that was done to determine how much was needed over the next 15 years. The Board is aware of the public's opinion in no small part by Leticia Pepper's letter. They are staying the course and reiterating that they will not change their priorities.

Further committee discussion included a definition of the types of bonds available and the future voter support could be in jeopardy if the public felt they were being misled; that it is irresponsible of the committee not to vet this improper spending. Opposing opinion said that the Board should be given flexibility with the allocation of the funds. They are elected officials and if private citizens are not pleased with the way the money is spent, they can elect different representation. A motion was brought to close discussion on this topic by Tina Grande-Field. A second was received by Jose Alcala. Motion pass 4-3.

Vote taken:

Yes: Jose Alcala, Tina Grande-Field, George Frahm, Terry Walling

No: Jason Hunter, Dale Kinnear, Keith Nelson,

Motion pass.

8. Indemnification of the Committee Members

Public Comment:

In contrast to the district's legal representative Brad Neal, Leticia Pepper told the committee they did have a fiduciary duty and responsibility to do the right thing. That indemnification will only cover legal fees, but it does not protect them if they are convicted of a crime.

Committee Discussion:

The committee was appreciative for the gesture from the Board to add them to the general liability insurance policy and asked for a copy for their records.

Lastly, it was discussed that the committee review the annual report and send comments and suggestive revisions to staff. Staff will collect comments and send to all committee members along with the documents that will be reviewed by the committee at the next meeting.

Next meeting

October 30, 2019 4:30 p.m.

Adjournment

Meeting adjourned 8:28 p.m.

