

RIVERSIDE UNIFIED SCHOOL DISTRICT

MEASURE O CITIZENS' BOND OVERSIGHT COMMITTEE MEETING

Tuesday, March 11, 2025

5:30 P.M.

Arlington High School

Call Meeting to Order:

The Measure O Citizens' Bond Oversight Committee meeting commenced at 5:32 PM.

Members Present:

Chani Beeman, H. Martin de Campo, Art Alcaraz, Lara E. Martin, Ashley Peake, Nick Corbo, Beiwei Tu, Douglas Kroon, Richard Vandenberg

Members Absent:

Jag Patel, Matthew Stowe

Staff Present:

Orin Williams, Rene Castro, Karyn Dowden, Erin Power, Samir Arreola, Eric Walker, Tim Deland, Steven Ybarra

Consultants Present:

Jennifer Bradlee of Best Best & Krieger; Alicia McHenry and Tarana Alam of KeyAnalytics

Community Members' Present:

Sandra Roy, Duffy Atkinson, Richard Davis

Welcome and Introduction of Members

Chair Beeman requested that all Committee, staff, and consultant members present at the meeting provide introductions, while absent Committee members were noted.

Tour of Arlington High School Measure O Improvements

Mr. Ybarra provided an overview of the improvements made to the school and then led the Committee on a tour of the site, along with Mr. Walker's help.

Public Comments for Items Not on the Agenda.

Before the campus tour, Chair Beeman stated that public comments would be heard after the tour had been completed. After stating this, Comment Instructions were read by Chair Beeman. Upon return from the tour at 5:55PM, instructions were reiterated, and *public comments were made by community member Sandra Roy*, who referenced a letter sent to certain parents by the STEM principal, inquiring whether the committee was aware before it was sent and whether or not the district planned to respond with additional information.

Discussion Items:

Update on 2023-2024 Annual Report to the Board of Trustees:

Chair Beeman confirmed to the Committee that the Annual Report was presented to the Board of Trustees. Chair Beeman shared that the Trustees commented on their appreciation for the complete and timely report.

Update on Fraud Investigation:

Ms. Power provided an update on the fraud investigation and disclosed there was no new information to share. However, she reviewed what was presented in the previous Committee meeting - which entailed the new processes which were implemented by staff, the recovered funds, how Measure O had been made whole through self insurance, and the improved measures taken by the District to prevent this incident from reoccurring. These measures included: involving a consultant from Alliance of Schools for Cooperative Insurance Programs ("ASCIP") to review and strengthen District policies and procedures, a more thorough vetting process of vendors, as well as a more enhanced staff training. Ms. Power also requested the auditor increase sampling size for the next audit. As a final update, Ms. Power confirmed recovery of an additional \$15,953.00, resulting in a total \$164,131.00 overall in funds recovered. Since Measure O was made whole, the additional funds were put back into the self-insurance fund. To conclude, Ms. Power stated she does not believe there are any additional updates required unless it pertains to Measure O specifically.

Public Comments

Public comments were made by Ms. Roy, who expressed her desire to continue

receiving updated status and details about the fraud investigation.

Committee Comments

Mr. Vandenberg stated that his concern regarding transparency by the District remained, and further questioned who was involved, what had been done, and whether or not someone had been fired over this. He further stated that if the fraud incident had been repaid using taxpayer dollars then the explanation of Measure O being made whole again was misleading.

Mr. de Campo requested a ballpark percentage to what has been recuperated, and Ms. Power answered it was roughly \$164,000.00 out of \$926,000.00.

Ms. Power stated that personnel matters are confidential, and therefore could not comment on those. She also stated that as far as self-insurance is concerned, it is not an external insurance policy. In response to Mr. Vandenberg's statement, Ms. Power responded that this incident was caused by a fraudulent ACH transaction, which is what the self-insurance fund is for. It is to be used specifically to protect the District with matters not covered by insurance. Mr. Vandenberg stated that we are now missing the \$1,000,000 to play with, to which Ms. Power responded that it was repaid from the self-insurance fund, which is specifically used for the purpose of covering the District in losses.

Mr. Corbo stated that he found Ms. Power's presentation to be factually true and feels this is not the forum to discuss further updates on the investigation, requesting that the Committee relieve Ms. Power of any further questions. Chair Beeman asked if a motion needed to be made, to which Ms. Bradlee answered these are discussion items so there is no action to be taken. Chair Beeman stated this would be taken under advisement as an item for a future agenda.

Mr. de Campo agreed that Ms. Power cannot comment on personnel matters, but did inquire if the Committee was able to relay if Human Resources took action to prevent this from occurring again with the current procedures in place, if personnel had changed, and asked if Ms. Power was able to respond to these questions. Ms. Power responded, stating that personnel was involved, and she is confident in the training put into place, not only annually but also with onboarded staff training, to spot phishing and cyber-attacks.

Mr. Vandenberg followed these statements advising that he feels this is exactly

why the Committee is here, and while often discussion items are not the body's purview, this subject is. In response, Mr. Corbo stated that funds have been made whole, and though self-insurance fund terminology can be confusing, after confirming funds were made whole, the Committee can receive updates more effectively on other items. To this, Mr. Vandenberg confirmed that he is not looking for more updates, just more transparency.

Chair Beeman confirmed that she and Mr. de Campo will take such requests into consideration regarding the Committee's interest and performing duties related to this incident.

Ms. Peake inquired if any additional insurance had been purchased, to which Ms. Power said no. Ms. Martin then asked if the investigation was closed and Ms. Power confirmed that the investigation is still ongoing. Ms. Martin then added that the Committee deserves an update, not monthly, but when it is appropriate based on any new information. Ms. Power stated that she did not mind updating the Committee as a courtesy, but reiterated that Measure O had been made whole.

Chair Beeman advised that this matter had been exhausted.

Consent Items:

Approval of December 3, 2024, Committee Meeting Minutes:

Chair Beeman asked if there was any discussion on the minutes to which Ms. Martin stated her name should be included as she did attend and vote in this meeting. Chair Beeman asked for a motion to approve the minutes as amended. A motion was moved by Mr. Kroon and seconded by Mr. de Campo.

A vote was taken via roll call vote per the Brown Act. The vote was as follows:

Chani Beeman, Art Alcaraz, Lara E. Martin, Ashley Peake, Nick Corbo, H. Martin de Campo, Beiwei Tu, Douglas Kroon, Richard Vandenberg in favor

None opposed, and no abstentions

The motion carried

Staff Reports/Discussions Items:

Measure O Project Updates:

Mr. DeLand presented on the individual project updates, the percentages of

completion, timelines, and current campus improvements of Casa Blanca Elementary School, New Elementary School on Eastside, and J.W. North High School Transformation. Once reaching the STEM Education Center updates portion of the presentation, Mr. DeLand deferred to Mr. Williams to provide additional information for the Committee. Mr. Williams proceeded to summarize the current status of the STEM project - which involves the UC Board of Regents approval of three documents: The Draft EIR, The Ground Lease, and The Options Agreement. These documents have been submitted and the Draft EIR will be made available for public view when the item is agendaized for the RUSD Board's upcoming meeting.

Public Comments.

Public comments were given by Ms. Roy once again requesting clarification and additional details about the letter sent out by the STEM Principal.

Committee Comments.

Mr. de Campo relayed the public comment presented by community member Ms. Roy to Mr. Williams asking if the Board was aware of the STEM school principal sending a letter to certain parents and not to the entire community, which alluded to the STEM school project not proceeding, as well as clarification on what had been spent thus far on this project, and for clarification if the project will be moving forward. In response, Mr. Williams confirmed that while a letter had been sent, he was not the author so he was unable to provide clarification as to what the letter said, having not read it himself. However, he understands the confusion, stating that the current plan is to agendaize this project for the Board's review and await their final decision of what action will be taken in regards to the project and response to the letter.

Chair Beeman stated her understanding is that the STEM project is moving forward unless the Board declines to proceed. Mr. Williams clarified this comment by stating that Measure O funding was designated for preliminary plans at this stage which are necessary to complete the EIR, but that Measure O will not be funding the remainder of the project. He stated that the District must locate alternate funding provided the project is approved.

Further discussion took place between Mr. Williams and Ms. Martin, who had voiced her disagreement that ultimate decisions resided with the Board. She felt that there should not be closed meetings because they are community elected

and therefore the community should be updated. Ms. Martin requested a document summarizing the status of the STEM school project and what has occurred to date. She would like to be able to provide the community with a better understanding since Measure O funds were used for an early portion of the project. Ms. Martin made a motion to agendaize in the next Committee meeting that the District prepare and read a formal letter to the Committee as a full summary of the STEM school status to serve as a community update.

Further discussion between the Committee then took place to clarify what this motion specifically should contain, out of concern for sharing additional misinformation with the public. Ms. Bradlee interjected to help clarify, recommending that Ms. Martin list the questions the District staff could answer in a summary. Ms. Martin then listed her questions for the record: Who wrote the letter; What is the status of the project; and when can the public make comments on options the District is considering. Ms. Bradlee said that by June these items will have gone to the Board, however Ms. Martin felt this timing would be an issue, asking if a letter could be emailed to the Committee and posted to the public before this. Following further questions posed by Mr. Vandenberg and Mr. Corbo on the original letter, and to clarify to District staff what the Committee would like to receive as a response, Chair Beeman to state she feels this motion is too vague to vote on, and that the RUSD Board will address this as the Committee has no authority over this matter. She went on to state that she isn't sure the motion has relevance to the Committee. To clarify for Chair Beeman, Ms. Martin read a quote that detailed the original letter written by Dr. Mark Colwell where he wrote an extensive letter as a STEM update, which was circulated to parents and posted on social media, with no response from the District, other than Mr. Williams today.

Ms. Martin motioned that the individual in charge of the STEM School project update the Committee in writing as to the current status of the STEM school, and their professional response to this original letter, requesting that this update takes place as soon as possible. The motion seconded by Mr. Alcaraz.

A vote was taken via roll call vote per the Brown Act. The vote was as follows:

Motion was favored by Art Alcaraz, Lara E. Martin, Ashley Peake, Nick Corbo, H. Martin de Campo, Douglas Kroon, Richard Vandenberg

Motion was opposed by Beiwei Tu and Chair Beeman

The motion carried

Mr. Kroon then requested clarification on how long the lease will be and when the University will reclaim the property. Mr. Williams responded, advising that the lease is a 50-year term with two 10-year extensions. Ms. Beeman then inquired if the buildings will be demolished or handed back to UCR after the lease term is over. Mr. Williams answered that the property owner would give notice 1-year prior to the lease term ending with the intention to demolish the buildings or take them back. Chair Beeman additionally asked where the final document of the EIR is or where it will be made public. Mr. Williams advised that this large document will be part of the attachments included in the upcoming Board meeting, which will include questions and comments.

District Staff Measure O Project & Financial Updates:

Ms. Alam of KeyAnalytics introduced herself and summarized how her firm supports the District by tracking all Capital Facilities Funds, including Measure O, since the inception of the program. Ms. Alam then presented a financial update on the Measure O program, stepping through the reports prepared for the Committee's review, explaining the details of the information shown.

Action Items:

Annual Report Item Selection:

Chair Beeman asked if there are items discussed in the meeting today that the committee would like to select to be included in the next Annual Report such as: the fraud update; the Committee's discussion on the STEM Education Center, focusing primarily on the letter from the school principal and the Committee's request to receive an update on how the situation with this project will evolve after RUSD's next board meeting; the tour of the Arlington High School Measure O improvements; and updated project reports.

Further discussion took place among the Committee regarding Ms. Martin's request that the Committee should receive an update prior to the next Board Meeting, but Chair Beeman, Ms. Bradlee, and Mr. Williams individually explained that there is no response that can be given to the Committee until the Board is able to meet, vote, and decide what the final decision and action will be regarding the STEM school project or the letter sent to the community by the STEM school principal. Ms. Bradlee explained that the Committee can attend

the next board meeting to make public comments. Mr. Williams assured that he will personally prepare a full summary of what has happened with the project, the status, and all the information requested. Chair Beeman further stated that by the next Committee meeting, the Board will have met, and this requested response can then be shared with the Committee. Ms. Martin requested that the information shared today regarding the letter should be made public.

Mr. de Campo requested that this be added to the list that the Committee has been given as an update on the funds recovered by the District thus far.

Committee Member Agenda Requests:

Chair Beeman requested to add an update on the STEM Education Center to the next meeting agenda.

Next Meeting

Mr. de Campo would like the next meeting to be at Casa Blanca so there can be a tour of the new school. Mr. Deland suggested that there be a back-up location set, in case the school is not ready in time. If location changes, the Committee will be updated accordingly.

Next Meeting is scheduled on June 10th, 2025, at 5:30PM at the Casa Blanca Elementary School.

Meeting Adjournment

Meeting adjourned at 7:34.