

*NATOMAS UNIFIED SCHOOL DISTRICT*  
Citizens' Bond Oversight Committee Meeting

Education Center - Board Room  
1901 Arena Boulevard

Monday, August 26, 2013  
6:30 p.m.

## AGENDA

I. ROLL CALL

II. COMMUNICATIONS

- A. Welcome/Introduction
- B. Appointment Designation Table

III. INFORMATION ITEMS

- A. Roles & Responsibilities – Addison Covert, (Kronick Moskovitz Tiedemann & Girard)
- B. CBOC Resignation approved by Board of Trustees
- C. Measure D Project and Financial Updates

IV. PUBLIC COMMENTS

Public comments are welcome. Please fill out a Public Comment card and turn it in to William C. Young, Assistant Superintendent – Business Services.

V. ACTION ITEMS

- A. Approve June 24, 2013 Citizens' Bond Oversight Committee Meeting Minutes

VI. NEW BUSINESS

- A. Assign project audits for:
  - D-2 Computer & Support Infrastructure (Multi Year/Phased Audits)

VII. FUTURE COMMITTEE AGENDA ITEMS

October 28, 2013, January 27, 2014, April 7, 2014

VIII. ADJOURNMENT

*Note: Assistance for the Disabled: Please contact the Assistant Superintendent's Office at (916) 567-5457 at least 24 hours before the scheduled Citizens' Bond Oversight Committee meeting to request disability-related accommodations in order to participate in the public Citizens' Bond Oversight Committee meeting at the Education Center.*

*NATOMAS UNIFIED SCHOOL DISTRICT*  
**Citizens' Bond Oversight Committee**

Education Center, Board Room  
1901 Arena Boulevard, Sacramento

**Monday, August 26, 2013 - 6:30 p.m.**

**MINUTES**

**I. ROLL CALL**

Present	<u>Committee Members</u>	<u>Staff</u>	
	H.K. Allen	Michael Bratman	William C. Young
	Kara Corches	David Kawada	Mark Covington
	Margaret Mack	Tom McDonagh	Sherry Duschka
	Manpreet Narwal	William Stanglin	Brenda Monson
	Jennifer Slay	Eric Stern	
Absent:	Dianne Mattar		

**II. COMMUNICATIONS**

Jennifer Slay, Committee Chair, called the meeting to order at 6:36 p.m. and established a quorum.

**A. Welcome/Introductions**

- Chairman Slay welcomed members.
- Chairman Slay introduced the District's new Assistant Superintendent of Business Services, William Young.
- Committee members introduced themselves and welcomed Mr. Young.
- Mr. Young thanked the committee for their role in serving the students of Natomas, noting that the work of this committee directly affects the quality of education as our schools benefit from the bond funds that are spent on school and classroom improvements.

**B. Appointment Designation Table**

- Chairman Slay reported that the committee is still seeking a member to represent a bona-fide tax payer organization. Chairman Slay encouraged members to continue their efforts to recruit a member for this vacant slot.

**III. INFORMATION ITEMS**

**A. Roles & Responsibilities of an Independent Citizens' Oversight Committee – (Addison Covert)**

- Mr. Young welcomed Addison Covert from Kronick, Moskovitz, Tiedemann & Girard who will present the roles & responsibilities of Independent Citizens' Oversight Committees pursuant to Proposition 39 which permits the use of local general obligation bonds for school improvement projects.
- Mr. Covert provided handouts of the power point presentation & encouraged members to keep this document handy as a reference to refer to as questions arise during their tenure on the committee. He invited members to ask questions during the presentation.
- He commended the Natomas USD community and staff for maintaining a strong, well represented CBOC committee over the years. Mr. Covert noted that most districts find it difficult to staff their committees with members in all areas to be represented as specified in Education Code. He noted that while this committee is missing a member representative from a bona-fide tax payer

- organization, good faith efforts continue to seek filling that vacant slot.
- With regard to Government Code Section 1090 (and 1125), Mr. Covert gave examples of potential conflict of interest instances and referred to completing the Form 700 (Statement of Economic Interests); he explained that the rules and procedures in this area are complex. He made it clear that the Form 700 is maintained in a confidential file with the district.
  - Mr. Covert reported that the Board of Trustees took action on September 27, 2010 to transfer the remaining amounts in the Measure M account to Measure D and moving forward, the newest members appointed to the committee will be providing oversight to Measure D projects only.
  - Mr. Covert explained that the Brown Act is an important part of the roles & functions each member plays on the committee. The Brown Act makes sure that public meetings are in fact properly called and information (business conducted) was on the agenda, and meetings are held where the public has an opportunity to hear (and comment on) those conversations. There are limited situations under the Brown Act where legal or personnel matters are deemed to be confidential & can be considered in closed session. Typically these types of situations do not come up with the Citizens' Oversight Committees. When consensus and business is conducted between members outside of the public meeting is called a Seriatim meeting. When committee members are together outside of a publically noticed meeting the conversations should not involve committee issues/matters. Another important requirement for speaking about an issue/matter at a meeting involves the meeting agenda. If an item is not on the agenda, it cannot be discussed and more importantly decisions cannot be made. The public is not on notice if topics not on the agenda are brought up during the meeting. Chairman Slay added a reminder to be careful about selecting 'reply all' when corresponding on CBOC business emails as it could potentially constitute a seriatim meeting.
  - It was noted that the Bylaws should be amended to reflect new 3 year term limits. Education Code section 15282 now allows for members to serve up to 3 consecutive 2-year terms. Previously, the limit was 2 terms.
  - Mr. Covert emphasized the importance of having a quorum present in order to conduct the meeting. Without a quorum, the committee cannot conduct the business of the meeting. In response to a question, Mr. Covert replied that even to discuss the information items on that agenda (without a quorum) could lead to a Seriatim meeting situation if not careful about how the discussion is held & information is presented.
  - Mr. Covert reported that the Committee is to review and report on the proper expenditure of taxpayers' money for school construction, ensure that the chain of expenditures is related properly to the kind of projects using the funds and advise the public as to whether the school district is in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XII A of the California Constitution. He explained the committee members have a responsibility to ask district staff to explain how bond revenues are being spent if there is a question about whether it meets the accountability requirements.
  - Discussion followed regarding the use of bond funds for purchasing copy machines, as recently transacted from Project D – Computer and Support Infrastructure Project. Several committee members expressed concern over the Board's decision to allow copiers to be purchased with Measure D funds noting the 'long-term' debt associated with bond financing as opposed to using general funds and/or short term financing. Discussion concluded with Mr. Covert emphasizing the role of the committee was to oversee District bond expenditures (activities & projects), and inform the public regarding the use of the bond revenues, noting that the overall authority to approve or disapprove the District use of bond revenues is reserved for the Board of Trustees of the NUSD. Suspected misuse or waste of bond revenues should be brought to the attention of district staff and would also be reported on in the annual Performance Audit. If it's determined to be a misuse, the Board of Trustees would decide whether to reimburse out of district funds for the misuse. Per provisions in the Education Code, the worst case effect would be action by the Superior Court to restrain the District in engaging in ongoing expenditures of bond revenues.
  - Chairman Slay thanked Mr. Covert for his time and comprehensive presentation.

B. CBOC Resignation approved by the Board of Trustees

- Mr. Young reported that the Board of Trustees accepted the resignation from Eric Solario and the current number of committee members is eleven (11). Mr. Young noted that the law requires at least 7 members and recommends not recruiting a replacement unless the applicant can represent the tax payer organization slot.

C. Measure D Project and Financial Updates

- Mark Covington referred to the list of projects in the packet (green sheet) and explained that there was little activity during the summer. Chairman Slay requested that future lists contain only Measure D projects since Measure M has been closed out. Committee members are invited to contact Mr. Covington at 567-5468 if they have project questions.
- Ms. Duschka reported little financial activity. She noted the credit amount of \$489,795.95 was the Measure D-1 project - West Lakeside Site Acquisition settlement. Brief discussion followed. Sherry explained the monies return to the overall Measure D fund balance, not to project D-1 specifically.

IV. PUBLIC COMMENTS

None

V. ACTION ITEMS

A. Approve the June 24, 2013 CBOC Meeting Minutes

*Eric Stern moved to approve the June 24, 2013 meeting minutes. Motion seconded by H. K. Allen. Motion passed 10-0*

VI. NEW BUSINESS

A. Assign Project Audit for D-2 Computer & Support Infrastructure

- Eric Stern and H.K. Allen were assigned to conduct the next project audit. Discussion followed noting that this was initially a 10-year project and project length was reduced to 7 1/2 years when Extron became part of D-2. The project has been audited in phases beginning in February 2009 with the most recent report being presented in August 2012. Staff will coordinate with Mr. Stern and Mr. Allen to arrange for site visits and schedule time for the financial reviews with Sherry Duschka.

VII. FUTURE COMMITTEE AGENDA ITEMS

Update the Bylaws

Identify New Projects

Project D-2 Sub-Committee Audit

VIII. ADJOURNMENT

Chairman Slay adjourned the meeting at 7:00 p.m.

Future Meeting Date(s): October, 28, 2013, January 27, 2014, April 7, 2014

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