



**PASADENA UNIFIED SCHOOL DISTRICT (PUSD)
CITIZENS' OVERSIGHT COMMITTEE (COC) MEETING
Meeting Minutes of July 19, 2017**

Location: Pasadena Unified School District Education Center, Room 229, 351 S. Hudson Ave., Pasadena, CA. 91109

Date & Time of meeting: July 19, 2017 at 6:30 p.m.

COC Members Present: Clifton Cates, Quincy Hocutt, Willie Ordonez, Francis Boland, Steven Cole, Leslie Cross, Glenn DeVeer, Camille Dudley, Mike Mohit, James Vitale.

Absent: Mikala Rahn, Diana Verdugo, Gretchen Vance, Jen Wang, Joelle Morisseau-Phillips.

PUSD COC Board Liaison: Kim Kenne - Absent (no representative present)

PUSD Staff Present: Miguel Perez, Construction Specialist.

Absent: Nelson Cayabyab, Chief Facilities Officer

(Abbreviations used in these minutes: PUSD - Pasadena Unified School District and COC – Citizen's Oversight Committee.)

I. CALL TO ORDER

Mr. Cates

The meeting was called to order at 6:32 PM

II. APPROVAL OF MINUTES OF JULY 16, 2017 MEETING

Mr. Cates

The June 21, 2017 minutes were approved, with one abstention.

III. PUBLIC COMMENTS

Mr. Cates

There were no public comments. It was noted by the Chair that there was substantial action from the COC since the last meeting and numerous documents had been posted to our public website.

IV. BUSINESS

A. Introduction of new COC members

Mr. Cates

Mr. Cates welcomed the five new members of the COC that have been approved by the Board and invited them to introduce themselves and give a short description of their background.

i.

- **Francis Boland:** A financial representative for 20 years, now retired and a stay-at-home dad. A resident of Pasadena for 17 years.
- **Mike Mohit:** A retired accountant of financial annuities. I have over 25 years of experience in finance and accounting.

- **Leslie Cross:** Background in construction with 10 years of experience in Design & Build and General Construction. A full time real estate agent.
- **Jim Vitale:** An architect, with more than 50 years of experience. Former Executive Director of California Commission on Disability Access. Currently works with the Los Angeles Division of State Architect (DSA0 Office. While in private practice, was the project architect on the renovation of Sierra Madre E.S. Hopes to build a bridge between the School District and DSA.
- **Camille Dudley:** An executive administrator for an environmental educational youth organization with offices at John Muir. High School. Worked in the construction industry starting as an apprentice carpenter and finish carpenter. Construction assistant at the City of LA Building and Safety Department. Holds a Construction Management certificate from Cal Poly Pomona. Worked as a Construction Project Manager for a non-profit housing developer in Pasadena.

Subsequently all the other COC members re-introduced themselves and gave a brief summary of their backgrounds.

ii. Summary of new member orientation

iii. New member responsibilities

Mr. Cates

Mr. Cates reviewed the members' responsibilities with regard to their duty to oversee that Measure TT funds are expended in accordance with the law (the California Constitution, the Education Code, the COC bylaws, and the text of ballot Measure TT.) It was noted that the main duties of the Committee (*the COC*) include reviewing expenditure requests, ensuring an independent audit is performed once a year and that an annual report is made to the Board of Education. He informed the new members that the COC in recent years has become much more active in oversight activities and had taken control of its own agenda and minutes and had improved the audit function and its timeliness.

Mr. Cates reviewed the current state of untimely submittals of Board Reports and informed the Committee of his intention to write the District Superintendent a letter stating that in order to perform the COC's oversight function, the COC needs a reasonable time period to review appropriation requests (*Board Reports – BR's*) before they go to the Facilities Committee and the Board of Education.

Mr. Cates asked the COC members to interact with their community to inform them how the COC is trying to ensure the community receives what they voted for with Measure TT. Ms. Cross made the point that if we were to involve the local press in issues regarding Measure TT, it should be of an educational nature so that parents realize TT expenses are of a long-term nature and are precluded from being utilized for day-to-day expenses, such as whiteboards or erasers. It was noted that it would be a good opportunity to publicize new additions to the COC and to speak about the functions of the COC. New members Vitale and Cross and Dudley were assigned the task to explore the possibility of submitting an article to the local news.

A discussion ensued wherein several members voiced their concern regarding a possible lack of collaboration between the COC and the District and its Staff. It was noted that everyone would prefer a scenario of harmoniously working together, but the primary purpose of the oversight COC was to ensure that all Measure TT funds were being expended in the manner prescribed by law and the intent of ballot measure TT.

B. Report by Chief of Facilities.

Mr. Perez

Mr. Perez informed the COC that funds from the Californian Energy Commission for the Energy Expenditures plan for 2016-2017 in the amount of \$2,970,437 are available for usage in construction energy projects. These funds supplement funds from Measure TT and are approved for usage on the projects under which they were requested. It was unclear if everything that had been requested by PUSD from the State had been made available.

Mr. Perez informed the COC that the stenographer's transcription costs are on a sliding scale associated with their delivery schedule, ranging from \$650 for a one-day delivery of 100 pages to \$65 for a ten-day delivery. The stenographer cast doubt on this assertion, but the COC decided there was no need to incur additional cost associated with having the transcript expedited. It was agreed upon that the COC would accept receiving the transcript in 11 days with the rough draft from Facilities to follow in two days, leaving the COC two weeks to prepare the final draft for review and acceptance.

Current projects

- i. Status of proposed Construction Progress Status Report**
- ii. Status of proposed Financial Status Report**

Items i and ii were discussed together.

Mr. Perez provided the COC with a proposed draft of a July 2017 Construction Status Report and a copy of the un-reconciled Consolidated Budget Status Report (as of 7/10/17); Mr. Perez asked the COC to review the reports and to send their comments. The Budget Status report (aka Financial Status Report) showed no attempt to construct a report in the manner requested by the COC.

Mr. Perez had prepared a slide show with pictures of the projects in progress, as an indication of Facilities moving toward providing a Construction Status Report. It was noted by the COC that what was being requested was a factual information sheet with a written progress status, not pictures of progress, but that pictures could be a useful supplement. Items of information that the COC feels would be useful to the public and to the Board included a description of the intent of the project, design status, contractor identification, project manager identification, DSA status, status of construction in progress, percentage completeness of the construction stages, and any current issues that were being dealt with. This was requested in February 2017.

Mr. Perez noted that it had been agreed upon previously to have two separate reports, one with the financial information and one with the construction related data, and that was what the District was trying to provide to the COC.

(Editor's note: The concept of two separate reports has been on the table since the beginning of the requests for improvement from the COC. Progress is being made on the data for the Construction Status report but little progress has been made on the Financial Status report. As noted by several members of the COC, this condition could most likely be resolved if working sessions with personnel from Facilities and the COC would be allowed to be held.)

iii. Coordination with Colbi Technologies

Mr. Perez stated that the District is waiting to reach an agreement (approval) in regards to the contents of the COC requested reports before meeting with Colbi Technologies. The COC responded that it has specified in writing what is requested in the two status reports.

C. Action taken on Board Reports previously considered

Mr. Cates

i. BR's 114-B and 113-B: payment of District legal fees from Proposition TT funds

Mr. Cates noted that both BRs permit the illegal expenditures of Measure TT funds on legal fees that have nothing to do with construction, which is a requirement for the expenditure of Measure TT funds. There was an extended exchange of ideas between the COC members on the matter with the main issue being how to proceed.

Mr. Hocutt noted that BR 114-B had been pulled and was rewritten as BR 113-B, which was approved by the Board, even though the same permissions for illegality remained intact. The COC has requested detailed billings from the District's lawyers to determine if inappropriate charges have been made against Measure TT funds. Mr. Mohit appropriately noted that the District does not have internal auditors that could determine if internal financial controls are adequate.

A further discussion centered on the fact that although BR 114-B had been pulled from consideration of the Board (and replaced by BR 113-B) a copy of B\$114-B was produced bearing a stamp authorizing its approval by the District.

(Editor's note: a later-in-the-evening investigation by Mr. Cole noted that the 114 number, once pulled, had then been re-assigned to a non-financial BR on another subject entirely and that new BR had been approved. Apparently a clerical error had applied the "approval" stamp to the old, pulled BR-114 report. The question of appropriate internal controls is again raised.)

D. Review of new Board Reports

Mr. Cates

i. BRs 1201-1204, 1210, 1213

Mr. Hocutt noted that the subject BR's had been recommended for approval by the full COC by the BR analysis sub-committee. A motion was made to approve the BR's and the motion carried. Although approval was voted upon favorably, it was noted that BR 1221 had an internal consistency regarding the actual expenditures for the Marshall School sports complex, showing a difference of about \$3 million for the actual expenditure between this BR and the Consolidated Budget Report. Facilities replied that they are in the midst of the year-end reconciliation effort. Facilities also noted that the new accounting team took over in 2015 and that reconciliation is still in progress.

E. District responses to outstanding requests for information

Mr. Perez

A motion was made by Mr. Hocutt to request a written explanation of the data items shown below. The motion carried unanimously.

The items below contain detail on the specific issues in question:

i. Derivation of Spend-out Plan budgets

Mr. Perez explained to the COC that the budgets are created by Facilities based on the Project Manger's input and on the available plans; the criteria to select the projects was based on ADA compliance, Health, Fire & Safety and the addition of classrooms.

ii. Reconciliation with \$126M total

Mr. Perez explained that once the Board decides on which project the funds will be invested in, a reconciliation of budgets between projects will be performed.

iii. Reconciliation of Norma Combs Elementary budgets

Mr. Perez explained that in the 2009 Facilities Master Plan it was estimated that the cost of the Norma Coombs project was estimated at \$5,133,152 and that on July 13, 2017 the lowest bid was for \$6,593,000.

iv. Law requiring separate bids for 3 similar athletic tracks.

Mr. Perez acknowledged that there is no law requiring separate bids for 3 similar athletic tracks, but argued that practical management indicates that it's better to have projects for each school separated. It is the intent of the COC to ask for a written explanation of why it makes economic sense to design a project essentially once and be charged three times, in conjunction with the other outstanding requests for information.

F. COC Website

Mr. Cates

i. Continuing improvements

Mr. Cates informed that the COC that improvements have been made to the contents of the COC website and listed the items already being included, such as the governing law, information on the members, the mission statement, audit reports and reports to both the Board and the District office.

ii. Timely posting of documents

Mr. Cates acknowledged that the District has been cooperative in posting all documents requested by the COC o the COC website

G. Report by Board liaison to the COC

Ms. Kenne

Ms. Kenne was absent and no report was made.

H. Report by COC liaison to Facilities Committee

Mr. Cole informed the COC that he had submitted to the Facilities Committee the Board Reports that were disapproved by the COC, and that there was not a great deal of discussion on the subject in the Committee. Mr. Cole also stated that Mr. Cayabyab had reported to the Facilities Committee that \$2.5 million of Proposition 39 Energy Funds would be available in August.

Mr. Cole noted that the Spend-Out plan had been pulled from discussion and would be dealt with by the Board in a special session in August.

Public comment at this point centered on flooding at Willard Elementary with complaints that the issue was not being properly attended to and treated as non-important. The COC had empathy for this problem but noted that it does not have the power to direct actions by Facilities, only to oversee budget expenditures. It was noted that this discussion was captured in the COC minutes and made available to Facilities for action.

I. Report from Site Council Representatives

Ms. Verdugo

Ms. Verdugo was absent this evening and no report was made.

V. FUTURE MEETING DATES AND LOCATIONS

Mr. Cates

The next COC meeting will be held on Wednesday, August 16, 2017 at 6:30 p.m. at the PUSD Education Center on Hudson Avenue. As per the practice of the Board of Education meetings, any person requiring special accommodations may contact the Superintendent's office and arrangements will be made.

VI. ADJOURNMENT

Mr. Cates

The meeting was adjourned at 9:12 PM.