

## Pasadena Citizen's Oversight Committee

March 23, 2017

Mr. Nelson Cayabyab  
Chief Facilities Officer  
Pasadena Unified School District  
740 W. Woodbury Road  
Pasadena, CA 91103

Dear Nelson:

In your e-mail to me of March 17, 2017, you asked the Citizens' Oversight Committee to specify what information the Committee needs from the Facilities Department in order to provide clear, accurate and useful information about the expenditure of Proposition TT funds—past, present, and future. I am pleased to respond, particularly because you did not attend the last COC meeting on March 15 at which the COC discussed this subject at length.

At the outset, let me stress that the Committee has no reason to believe, nor has any member ever suggested, that there has been any malfeasance in the expenditure of Proposition TT funds. No independent audit has found any evidence of such impropriety. The Committee's objective is not to criticize or cast blame but to provide all interested parties—the Committee, the Board of Education, and the public—with the information they need, in one place and in understandable fashion, to monitor the expenditure of Proposition TT funds. We assume that you share our objective.

Please note that this letter is addressed to you alone, because we wish to have a polite, candid, and productive discussion of this important matter with the individual who runs the Facilities Department and who is ultimately responsible for the reports. We do not want to broadcast our present differences publicly and thereby give other individuals an opportunity to fan the flames of disagreement.

In our opinion the current Budget Status reports currently prepared by Facilities do not achieve our joint objective. We think that those reports should include, for each project, the following information—easily identifiable and juxtaposed to permit comparison:

- The original amount budgeted

- The current budget (which will necessarily include all changes to the current budget)
- The amounts expended to date (including current commitments for expenditures not yet made)
- Percentage of completion
- Estimated date of completion
- Estimated remaining cost of completion
- Estimated total cost of construction
- How such estimated total cost compares with the most recently budgeted amount
- Whether line items have been approved by the Board
- Identification of contractors and program managers

All of this information is readily available from a variety of different sources. Assembling it and presenting it in a transparent and comprehensive format should therefore be quite easy, and we would like to work with you, your staff and the vendor to create an improved document. Indeed, we have already created and provided to the Facilities Department a proposed format that we think would achieve these objectives. We have been told that the District has an existing contract with Colbi Technologies which permits the necessary changes to be made to the reports at no cost to the District. One simple addition, for example, would include an estimate of a project's percentage of completion made by your project managers. This information could be used in conjunction with expenditures to date to forecast an estimated total cost, thereby providing an advance warning of a potential cost overrun.

Here are some questions and answers discussed at our last Committee meeting that illustrate the inadequacy of the current Budget Status Report.

Q. How much was spent to build the Blair Middle School?

A. One cannot tell.

Q. The budget for Roosevelt Elementary School includes the cost of a multipurpose facility. What percent of this project has been completed, and when is the estimated date of completion?

A. One cannot tell.

Q. How much has been spent on the modernization of Linda Vista Elementary School? For what, exactly? What are the budgeted amounts?

A. One cannot tell.

Q. How much was actually spent to build Blair Middle School?

A. One cannot tell.

Q. The Facilities Committee has approved a large number of Board Reports in the last six months. Where in the report can one find the resulting amended budgets?

A. The budgets have not changed, and there is no indication that increases resulting from approved Board Reports have been reflected anywhere.

Q. There is a substantial amount of money budgeted for “Career Technical Education.” What is “Career Technical Education?” Whatever it is, will all of these budgeted amounts be used for that activity? Will that be a proper use of Proposition TT funds?

A. One has no way of knowing.

Q. Significant sums are allocated to various contingency accounts. To what project does each one pertain? Are the amounts contained in the contingency accounts reasonable in relation to the remaining construction costs, or are they really unallocated “pots of money” which can be shifted to other accounts and spent on something else?

Q. Where can one identify the salaries of the project managers? Are they included in this report and, if so, where? Are they included in the individual projects, in Facilities Administration, or something else?

A. One cannot tell.

Q. Measure TT is a \$350 million bond issue. What are the total budgeted expenditures on the report?

A. The report shows approximately \$343 million. What happened to the remaining \$7 million?

Although these questions need to be answered, doing so will not put this matter to rest. We need to devise a report in which questions like this do not arise—because all of the information to answer them will be readily available in one place.

We look forward to working with you and your staff to improve the Budget Status Reports. In addition, I think that it would be most helpful if you were to resume attending our Committee meetings. Miguel Perez is a complaisant man, but he does not have anything like the wealth of relevant information that you do. More important, without your specific authorization, he cannot speak on behalf of the Facilities Department. You can—and we welcome your input.

Sincerely,

/s/ Clif

Clifton Cates  
Chairman, Citizens' Oversight Committee