

MEASURE A - STRONG SCHOOLS BOND
CITIZEN'S OVERSIGHT COMMITTEE
PALO ALTO UNIFIED SCHOOL DISTRICT

MINUTES FOR MEETING OF October 20, 2010

Opening

The Citizens' Oversight Committee held a meeting in the conference room of Building D - Facilities & Construction Building, 85 Churchill Avenue, Palo Alto, California.

*All handouts can be viewed at the District office, Business Services 25 Churchill Avenue

Members present:

Mr. Ray Bacchetti, Senior Citizen
Mr. Scott Darling, At Large Member
Mr. Gary Hornbeek, Parent, PTA Member
Mr. Deepak Kanungo, Parent
Ms. Catharine Baker, Business Organization Member
Ms. Mary Marth, Parent
Mr. Todd Collins, Taxpayer Organization

Others present:

Mr. Tom Hodges, O'Connor Construction Management
Mr. Scott Jewel, Gilbane Building Company
Ms. Heidi Rank, Gilbane Building Company
Mr. Lori Alvarez, O'Connor Construction Management
Mr. Alex Morrison, Gilbane Building Company

District Staff Present:

Dr. Robert Golton, CBO
Mr. Ron Smith, Facility Project Manager
Ms. Betty Munoz, Secretary to Co-CBOs

Call to Order

The meeting was called to order at 5:05 p.m.

Public Comment

There was no request for public comment.

Review of Agenda

The annual financial and performance audit and the COC annual report were moved to be the first items on the agenda.

Financial & Performance
Audit

James Hawley of the auditing firm, Christy White, presented the draft June 2010 annual financial performance audit, which includes: summary of the program, financial audit piece, balance sheet, revenues, expenditures, and changes in fund balance statement, financial reporting, standard accounting disclosures, expenditures by project for the fiscal year ending June 2010, description of the interfund activity, qualified school construction bonds issued on July 13, 2010, report on internal control, report on performance, internal control evaluation, facilities site walk, expenditures test, test of contracts and bid procedures, unqualified opinion on compliance, disclosure of finding, and a recap of the status of the prior year's audit findings.

A Committee member mentioned they didn't see the term "Generally Accepted Auditing Standards" in the audit report, and Hawley said it is the same as the Government Auditing Standards mentioned in the report.

Committee members asked the following questions:

How the auditing report compares to the PAUSD's financial report? The PAUSD's financial report is cumulative, whereas the audit report covers one year.

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Who decides the bond payment structure, and Golton said it was established when they first issued the bonds, the first \$120 million, and the QSCB \$25 million. There will be another structure in the future.

A Committee member asked if there are other items that are pretty common that other districts have on their audit report that PAUSD should add to their audit report? Hawley said in performing the audit under yellowbook standards, they are supposed to cover a broad range of what the audit is supposed to represent and there can certainly be a little more. He said if any concerns were brought to their attention at the kickoff meeting, they would add that to their scope to address these areas.

Golton asked if he should be using "Government Auditing Standards" instead of "Generally Accepted Auditing Standards"? Hawley said the two are the same so it doesn't matter.

A Committee member asked how much is PAUSD paying for the audit? Golton said \$15,000.

The Committee's kickoff meeting took place on September 15, 2010, with Auditor, James Hawley. Committee members Darling and Hornbeek were in attendance.

Golton, Darling, Hornbeek, and Hong reviewed the annual report at the October 6, 2010, meeting.

COC Annual Report

Committee members reviewed and discussed edits to the annual report. Alvarez will update the report accordingly. The Committee will present their annual report to the Board at the meeting of December 7, 2010.

November 9th Presentation to the Board of Education

Golton said this was originally scheduled for November 9th, but Kevin Skelly would like to move it back to December 7th as the first item on the agenda because of a few long board items on the November 9th agenda. The Committee agreed to present their report on December 7th and post the report on the District website prior to the meeting.

Approval of Minutes

MOTION: Darling moved to approve the minutes of July 14, 2010, with the correction to page 1: change new COC members to COC members to be approved by the Board of Education, page 5: info on Mary Marth - change adolescence to adolescents and student committee to steering committee, page 3: change have July 20th meeting to there will be a July 20th meeting. Motion carried 7-0.

The Committee discussed reducing the detail of the minutes and agreed to do so.

Site Visit

The Committee attended a site visit of the Palo Alto High School – Multi-use fields and reconvened at 6:37 p.m.

Program Status Update

Gunn Classroom Projects: Submitted to DSA; will remain under review until spring 2011.

Paly Multi-Use Field: Currently under construction; should be ready for use on February 15, 2011.

Paly Classroom Bldg. & Media Arts: Submitted to DSA; to remain under review until spring 2011.

Paly Performing Arts Center: Will go back to the Board in November possibly December; there are budget challenges they need to work on.

Jordan: At the design phase; submit to DSA in December 2010.

JLS: Approved by Board on September 28, 2010;

Terman: At design phase; submit to DSA in December 2010.

Fairmeadow New Classroom Building: Schematic design approved by Board September 28, 2010.

Elementary Classroom Improvements: Barron Park, Duveneck, El Carmelo, Hoover a

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Review of Visits Back-to-School Nights

MOTION: Darling moved to postpone this item for a later date. Motion carried 7-0.

February 2, 2011 Agenda

The next COC meeting was rescheduled for February 2, 2011, and the agenda includes:

- Project status update
- Chair/Vice Chair elections

Darling said they will work the February 2, 2011, meeting agenda through e-mail.

Next Meeting and Future Meetings Schedule

February 2, 2011
April 20, 2011
July 20, 2011

Adjournment

The meeting was adjourned at 6:46 p.m.