

Minutes of Citizens' Bond Oversight Committee
Meeting of February 20, 2004
Business Services Conference Room * 211 Ridgway Avenue

The meeting was called to order at 9:00 a.m. by Chair Jack Atkin.

In Attendance: Committee Members Jack Atkin, Patty Collis, Lilo Kangas, Bill Keck, Lee Tipon, Ronald Scoggins & Sandy Daly who arrived at 9:30; Staff Members Doug Bower, Louise Bostrom; Committee Member Evelyn Zientek was absent.

Approval of Minutes Bill Keck moved and Patty Collis seconded the approval of the draft minutes of October 17, 2003. The motion passed 4-0-2 with abstentions by Ron Scoggins and Lee Tipon who were not on the Committee at the time. With the proposed insertion of the word "draft" in front of "District audit report, Patty Collis moved and Lilo Kangas seconded the approval of the draft minutes of November 14, 2003. The motion passed 4-0-2 with Ron Scoggins and Lee Tipon abstaining. With the proposed change in a reference on Page Two, Paragraph Two from "Jack" to "Lilo", Bill Keck moved and Lilo Kangas seconded the approval of the draft minutes of December 5, 2003. The motion passed 4-0 with Ron Scoggins and Lee Tipon abstaining.

Review Requested Information There were no requests from the last meeting.

Review of Expenditure Activity Doug advised that the Facility Master Plans are still being revised and will not go to the Board of Education until late March or April. He indicated that most summer 2004 projects are on schedule but two or three modernizations will be delayed a year. The second of three planned sales of Measures B & C bonds will be sold later this spring in keeping with the original schedule. In response to a question from Jack, Doug indicated that the District only sells the amount needed to fund program expenditures for two years. He explained that selling more bonds than needed would cause local tax rates to exceed projections made at the time of the election and also would subject the District to arbitrage penalties.

Review of Audit Reports Committee members held a lengthy discussion on the Committee's role in dealing with the Performance and Financial Audits that have now been completed and formally accepted by the Board of Education. Also discussed was the level to which the Committee itself should review expenditures. Bill Keck felt that the audit reports should be "accepted" because the Committee could not perform the analysis any better. He stated that he is comfortable with the results and that the system appears to be working properly. Other members expressed satisfaction with the audit reports in that they were very thorough and no audit exceptions were identified. It was suggested that the Committee's role is to report the audit results to the public and this could be done in some form on the web site. It was generally felt that publishing the entire audits would not be productive but a summary finding could be made and published on the web site. It was also felt that progress reports on the District's

accomplishment of projects was not necessary but that such a report should be made and published at the end of the complete program. Bill Keck moved and Lilo Kangas seconded a motion to state that the Committee has reviewed the audit reports, that a summary of the Performance Audit findings be included in the minutes and that the full documents are available to the public through the District Office. After additional discussion on the language, the motion was eventually withdrawn. It was moved by Bill Keck and seconded by Ron Scoggins that the minutes indicate the audit reports were reviewed by the Committee and that language for a finding relative to the audit reports be developed and considered at the next meeting. The motion passed 6-0.

Committee members also requested that the District auditor be invited to attend the next meeting to discuss the audit process and answer any questions. Doug will make the arrangements.

Future Meetings and Terms of Office A drawing was held to determine the length of terms for the individual members, all starting January 1, 2004. Ron Scoggins, William Keck, Jack Atkin and Patty Collis drew two year term while Sandy Daly, Lilo Kangas, Lee Tipon drew one year terms. The undrawn one year term was assigned to Evelyn Zientek who was absent. On the topic of the meeting schedule, the Committee consensus was to meet on the third Friday of February, May and October of each year at 9 A.M. The next meeting will be May 21, 2004.

Use of Bond Funds for Construction Manager's Salary Doug stated that there is apparently no clear legal answer to the question. Interviews for the School Facilities Construction Manager position were held February 13 and follow-up interviews may occur. The District is currently contracting construction management services for selected projects. Jack indicated he is inclined to put the issue on the May agenda for further discussion and perhaps development of a formal position by the Committee. (Post-meeting note: Doug was advised by counsel Susanne Reed on February 23, 2004 that the State Attorney General has been asked by a District in another community to rule on this very question and is currently seeking input from various county legal representatives.)

Other Matters from Members Doug announced that the Sonoma County Grand Jury has been inquiring into the development and operation of the District's Citizens Bond Oversight Committee. Except for the home telephone numbers of Committee members, his office has provided all requested information including Board policy, audit reports and the like. Jack suggested that a Grand Jury rep be invited to the next meeting.

Request for Information

- 1.) Roster of names, phone numbers and email addresses for each member.
- 2.) Schedule of times when auditor can meet if not on May 21.

Meeting Adjourned at 10:30 a.m.

LB 2/23/04 DB-2/24/04