

**Minutes of Citizens' Bond Oversight Committee**  
**Meeting of December 5, 2003**  
**9:00-11:00 a.m. \* Business Services Conference Room**  
**\* 211 Ridgway Avenue**

The meeting was called to order at 9:00 a.m.

In Attendance: Oversight Committee members Jack Atkin, Patty Collis, Lilo Kangas, William Keck and Evelyn Zientek; prospective Oversight Committee members Lee Tipon, Ronald Scoggins and Jim Dunwoody; staff members Doug Bower and Louise Bostrom; Oversight Committee member Omar Medina was absent.

**Approval of Minutes** - Committee members have not had a chance to review changes to the minutes of the November 14, 2003 meeting so they will be approved at the next meeting.

**Review Requested Information** - There was no information requested at the last meeting.

**Review of Expenditure Activity** - Committee members reported on the status of their individual reviews of the Measure B & C expenditures. Drafts of the performance and financial audits conducted by the District's independent auditors were then discussed. The Oversight Committee members felt the audits were quite thorough and that they therefore did not feel it necessary to duplicate the work. The consensus of the committee was to rely mainly on the formal audit reports for compliance with ballot language and to ask staff for additional information on certain projects if necessary. Final drafts of the audits are expected to be approved by the Board of Education in January 2004.

**Finding** - After noting that the Oversight Committee does not yet have the required membership, Jack distributed a copy of a draft Finding he had prepared. After a language change was suggested by Lilo, Bill moved that the Finding be adopted. Lilo seconded and the motion passed with all in favor. Discussion followed regarding the District's efforts to recruit members and the need to make a follow up Finding acknowledging that the District had remedied the situation once that occurs. (The Finding is shown on Page 3 of the minutes)

**Construction Manager** - Doug reported that the District is in the process of recruiting a School Facilities Construction Manager to replace that part of the work previously done by the Director of Maintenance and Operations who has retired. The salary of the Director of M & O has been charged in part to the District's "old" bond funds to reflect the position's construction management responsibilities. Whereas the "old" bond funds

have no prohibition on administrator salaries for this purpose, the Measure B & C ballot language states that "Proceeds ... shall ... not (be used) for any other purpose, including teacher and administrator salaries and other school operating expenses." The Measure B & C ballot also, however, contains the language that "Each project is assumed to include its share of costs of ... construction management ..."

Doug requested the Oversight Committee's opinion on use of B & C funds to support a salaried construction manager, since such a position is considered an administrator in accordance with the school accounting manual. Lilo stated that there appears to be a conflict in the law and also noted that the Oversight Committee does have a responsibility to help ensure efficient use of bond funds. He asked for comments from the members. Lilo asked if we would obtain a better job with in-house management or a construction management firm. Doug stated that the District has long felt that in-house management is better because there is an ownership feeling with district staff and a vested interest. Jim felt that deriving maximum benefits from use of the funds overrides the other conflict. Bill asked for a definition from the California code of an administrator. Jack asked Doug to obtain a legal opinion on the question and then suggested a straw vote to provide an idea of the committee's opinion at this time. Three indicated support for charging the salary to the Measure B & C funds as long as it is clearly documented that no other services such as maintenance are charged; two opposed the concept and three were undecided at this time.

**Future Meetings and Terms of Office** - It was determined that January 1, 2004 will be the official start date for length of terms. At the next meeting further discussion will be held and lots drawn for one or two year terms of membership. The Committee agreed that meeting four times a year should be sufficient. The next meeting was set for February 20, 2004 at 9:00 a.m. after the Board has approved the audit reports. The committee members would like to have final audit reports available to pick up for review prior to the next meeting. All members will be notified when the reports are available.

Following Page:            Draft of Citizens Oversight Committee Findings Report.

Meeting Adjourned at 10:50 a.m.

**Requests for Information**

- Final Performance and Financial Audit Reports
- Legal Opinion on the Administrator Definition

Citizens Oversight Committee  
Santa Rosa School District  
Finding Report  
12-5-03

Finding: The Santa Rosa School District has not complied with the requirement that a Citizen's Oversight Committee be formed within 60 days after the bond election results were entered into the Board minutes.

Facts:

The bond election occurred on 3-5-02 and the election results were entered into the District's minutes on 4-24-02.

The deadline for formation of a Committee was 6-24-02, 60 days after the date the election results were entered into the minutes.

The first meeting of the Committee of which there is any record of minutes occurred 10-03-03, approximately 16 months after the deadline required by law to form the Committee.

The Committee membership, as of this date, includes six citizens, one short of the minimum requirement.

Recommendation:

The current members of the Citizens Oversight Committee recommend the District take immediate action to fully populate the Committee and bring the District in to compliance with the law.