

**West Contra Costa Unified School District
Citizens' Bond Oversight Committee**

January 17, 2017

WCCUSD, 121 Ash Court, Hercules, CA 94547 Hand Delivered on January 17, 2017
Facilities Subcommittee
Madeline Kronenberg, Chair
Liz Block, Member

RE: Response to Forensic Investigation Recommendations in Regards CBOC

Attached are the CBOC's responses to the comments made by Vicenti Lloyd Stutzman, LLC in their September 16, 2016 Forensic Investigation Report:

- Selection and Appointment of CBOC Members
(response approved by CBOC October 26, 2016)
- Assess the Responsibilities of the CBOC
(response approved by CBOC December 21, 2016)

We request that these two responses be posted to the WCCUSD website under the Forensic Audit tab with the other comments made on this report.



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Encl.

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE**

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DOUBLE-SIDED PRINTING.**

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
 CITIZENS' BOND OVERSIGHT COMMITTEE MINUTES OCTOBER 26, 2016
 Website: wccusd-bond-oversight.com**

#	Description	Pg ¹	Speaker
E	ACTION ITEMS		
1	<p>Appreciation of CBOC Member Dr. Charlene Harlan-Ogbeide for Her Service, Resolution 16-9 The attached Resolution No. 16-9 expresses the CBOC's appreciation and thanks to Dr. Charlene Harlan-Ogbeide for her CBOC service.</p> <p><i>Requested Motion:</i> That the attached Resolution No. 16-9 expressing appreciation and thanks to Dr. Charlene Harlan-Ogbeide for her CBOC service be approved.</p> <p>Motion by: Jungherr Second by: Kelley Vote: 12-0-0-2</p>		Panas
2	<p>CBOC Response to Vicenti Lloyd Stutzman, LLP (VLS) Forensic Investigation Recommendations in Regards to Selection and Appointments of CBOC Members</p> <p>Charley Cowens suggested that the that the CBOC action on its response be considered in two parts: 1) <u>Selection and Appointment of CBOC Members</u> and 2) <u>Assess the Responsibilities of the CBOC</u>.</p> <p>Motion by Cowens, seconded by Jungherr to divide the CBOC Response into two parts as described above. This motion was approved on a voice vote of 11-0-0-3.</p> <p><u>Selection and Appointment of CBOC Members:</u> The CBOC concurs with VLS assessment that the new Board Policy 7214.2 effective December 9, 2015 appears to be transparent, neutral, and free of possible conflict of interest or loyalties to Board members. Further, the CBOC agrees with the various proposed methods to recruit CBOC members as outlined in the report.</p> <p>Motion by Cowens, seconded by Kelley that the <u>Selection and Appointment of CBOC Members</u>, shown above, be approved. Further, that this response be sent to the Board of Education, VLS Auditors and the WCCUSD Forensic Investigation Implementation Task Force.</p> <p>This motion was approved by a roll call vote of 8-1-2-3:</p> <p>Yes: Bordas, Cowens, Hicks, Johnson, Jungherr, Kelley, Moore, Panas No: Chau Abstain: Gosney, Ames Absent: Medrano, Purser, Harlan-Ogbeide</p>		Jungherr

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	Moore		X					
	Purser	X						
	Total	8	5	0	2			
	<p>Auna Harris was elected as the CBOC Representative on the District's Implementation Task Force.</p> <p>Sally DeWitt, a member of the public, made comments on this item.</p>							
4	<p>CBOC Response to Vicenti Lloyd Stutzman, LLP (VLS) Forensic Investigation Recommendations in Regards Access the Responsibilities of the CBOC</p> <p>Vicenti Lloyd Stutzman, LLP Forensic Investigation Final Report, September 16, 2016, had two sections relating to the CBOC: 1) Selection and Appointment of CBOC Members and 2) Access the Responsibilities of the CBOC.</p> <p>At the November 10, 2016 CBOC meeting the response to the Selection and Appointment of CBOC Members was approved by the CBOC.</p> <p>At the November 10, 2016 CBOC meeting Charlie Cowens was requested to redraft the reponse to the Access the Responsibilities of the CBOC recommendations. Mr. Cowen's recommendations are attached.</p> <p><i>Requested Motion:</i> That the attached response, Access the Responsibilities of the CBOC to the Vicenti Lloyd Stutzman, LLP Forensic Investigation Report, September 16, 2016, be approved and submitted to the Board of Education, staff and VLS and further that the District be requested to post this response along with the previously approved response <u>Selection and Appointment of CBOC Members</u> to the WCCUSD Website, Forensic Audit Comments.</p> <p>Motion by Charles Cowens, seconded by Leisa Johnson approved on a voice vote 13-0-0-2.</p>						Cowens	
5	<p>Subcommittee Assignments</p> <p>Tomas Panas, in addition to being Chairperson of the CBOC was also the Audit Subcommittee Chair. I have appointed Auna Harris to replace Mr. Panis as the Audit Subcommittee Chair.</p> <p>New Member Bell has requested membership on the Annual Report and Training Subcommittees. Confirmed.</p>						Kelley	

AGENDA ITEM

CBOC Response to Forensic Audit Report Section FI(6) Concerning Responsibilities of the CBOC (Pages 247-252)

The forensic audit includes a "work step" to: "Assess the responsibilities of the CBOC based on California Education Code and the California State Constitution and determine what actions taken by the CBOC may overstep their responsibility." The audit section includes three recommendations concerning: (1) providing reports to the CBOC, (2) the wording of the board policy for the CBOC in WCCUSD, and (3) the funding source for supporting the CBOC. The audit section begins with an allegation concerning the CBOC "overstepping" its bounds.

Forensic Audit: <https://goo.gl/LKw81c> [FI (6), pages 247-252]

PACKAGE

[Text of BP 7214.2]

[Text of Forensic Audit FI (6) pages 247-252]

CBOC Response to Forensic Audit Report Section FI(6)

This is the response of the West Contra Costa Unified School District Citizens Bond Oversight Committee (CBOC) to the allegation and to the three recommendations in section FI (6) of the forensic audit.

"Related Allegation

GOV (3) –The CBOC has overstepped its legal responsibilities in providing oversight of the bond Program"

Response: The audit fails to convincingly point out any specific ways the CBOC has overstepped its authority. The board policy for the CBOC echos the permissive language in the Education Code for what the CBOC "may" do. The board policy then includes a few things the CBOC cannot do. There is no evidence that the CBOC has violated any specific limitations in the board policy for the CBOC.

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One of these prohibitions is: "Require the district to prepare reports or conduct audits more frequently than those required by law." The CBOC does make requests for information and reports, but is fully aware that it does not have any right to receive particular reports beyond what is required by law. At the same time, the CBOC appreciates the efforts of the staff to go beyond what is strictly required under law and policy in order to help the CBOC and the general public understand better how the bond funds are being used.

"Recommendations

FI6-1. The District and CBOC should evaluate the value (frequency and type) of proposed monthly reporting against the ongoing cost of development and maintenance of the reports as this is not required under the Education Code enumerated duties of a CBOC and runs counter to the existing statement of Board policy."

Response: The CBOC welcomes paying more attention to the costs and benefits of reporting by staff on the construction program. Improving operating efficiencies is an important value to the CBOC. However, we must object to the implication that for the staff to simply provide more reporting than legally required runs "counter" to board policy.

"Recommendations...

FI6-2. The District should consider merging the two statements currently in board policy on use of District resources in support of CBOC into one clear statement. The District should also consider removing the statement "without limit" from the policy to eliminate ambiguity about which District resources are committed to support the CBOC. Having a "without limit" statement in this policy can result in less than optimum use of District resources."

Response: The CBOC is supportive of any efforts to improve the clarity of board policies as long as these efforts don't involve making it harder for the CBOC to accomplish its oversight responsibilities. We would like to scrutinize any such changes. Furthermore, we would like to know the history behind using the phrase "without limit" in the sentence describing contacting various types of people involved in our bond program, before supporting deleting the phrase.

"Recommendations...

FI6-3. As required by Education Code Section 15280 (a) (1), Bond Program resources should not be used to support the CBOC. The CBOC in conjunction with the District should establish a visible separate budget under a District official and charge District time and cost incurred by District staff to support the CBOC in order to provide a transparent and accountable picture to the CBOC members, the District Board, and the public."

Response: The CBOC agrees with this recommendation. Along with its other benefits, if support for CBOC had had a more formal budget before, this use of an incorrect funding source might have been prevented earlier.