



WCCUSD

CITIZEN'S BOND OVERSIGHT COMMITTEE

Kathy Fleming
Vice Chairperson

Don Gosney
Chairperson

Cameron Moore
Secretary

CHAIRPERSON'S REPORT BOARD RETREAT of 01/19/19

Since the Board is meeting outside of the normal setting of a large production, maybe you can spend a few minutes thinking about how you want to work with the CBOC.

We're hard at work drafting a revised Board policy with regards to the CBOC that will better reflect how things really are and what we need to make us a more effective oversight body.

In particular, we've heard rumors that the Board wants to reduce the number of joint meetings with the CBOC and that some even want to eliminate them completely. We would advocate against both of those ideas.

Even reducing the joint meetings to only one means that the Board meets with the CBOC but once per year. How can the CBOC work hand in hand with the Board when we're nothing better than strangers? How can you understand the issues we believe are important if you won't make the time to actually speak and listen with us?

These joint meetings are important to the point where everyone needs to come prepared to discuss issues of importance and to listen to what everyone has to say. Don't just go through the motions.

Right now your calendar doesn't show any joint meetings for this year. When the time is appropriate, I hope that you show us the courtesy of coordinating with the CBOC to ensure that the dates work for the Board AND the CBOC.

Which leads me to a major problem faced not just last year but for quite some time: When the Board plays with their calendar, it's as if they think they're the center of the universe and they schedule meetings seemingly without concern for other events that might conflict. Last June you

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scheduled a mandated public meeting to discuss the redistricting on the same night as a CBOC meeting which was also on the same night as an LCAP meeting. All three of these meetings were meetings where at least some members of the Board should have attended, staff should have attended and CBOC members needed to attend. This sends a bad message to the community and it hurts you when you are trying to rebuild confidence that you can be trusted, can be counted on and that you understand what transparency means.

Last year the Board did a terrible job of playing with their calendar with last minute scheduling of meetings that conflicted with CBOC meetings. We noticed not just that you took action but we understood the level of disrespect shown to us when you did this as if we did not exist. We were forced to reschedule and even to cancel a couple of meetings.

We recently took a hard look at the Board's agreed upon calendar, the District calendar, the real world's calendar and even the calendar for the meetings of the City Councils in all five cities in the District and drafted our own calendar of meetings that worked for all concerned. It wasn't easy but it really wasn't that hard, either.

The CBOC would relish the opportunity to work with the Board but this will require a change on the perceived attitude that the Board has with the rest of us. Are you up to the challenge?

To that end, we need staff support to get us the financial reports we need. We've gone months without any financial reports and this is unacceptable. And if we're going without the reports, that means you are, too.





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CHAIRPERSON'S REPORT **BOARD MEETING of 01/23/19**

(925) 608-2621

Maybe you don't recognize that phone number but that's the number for the Contra Costa County Grand Jury.

I mention this because it took me all of about 4.2 seconds to look that up online. It's that easy.

I mention the grand jury as a warning. Most of you weren't employed here or serving as Board members the last time this District had to defend itself when a disgruntled member of the community called that number and told the grand jury that that our house was not in order.

The newspapers had a field day running with the stories about the problems we had.

The District had to spend a bunch of bucks in staff and attorney fees to defend themselves and was able to blow holes in most of what the Grand Jury was alleging. As we often see, though, the newspapers made big news when the Grand Jury allegations were made but barely even mentioned it when the Grand Jury learned they had been played.

Does this District—does this Board—want to invite the Grand Jury to come back into our house to snoop around. Once they come through the door, they often pull up the carpet to see what else we may be hiding.

And how many of you are familiar with Dan Borenstein? Dan is on the editorial staff for the Bay Area News Group and he just loves to stick it to

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any governmental organization that can't handle their unfunded pension liability—organizations like the WCCUSD.

Once again, do you really want to invite Dan to come BACK into our house to see what he can find to make us look bad AGAIN?

All of this is being brought up because the Prop 39 mandated Citizens' Bond Oversight Committee has not been provided the support they need to do their oversight duties.

For anyone who has been listening to my reports this past year, you would have heard where I've repeatedly asked for that support.

In particular, over the past four months I've asked and asked and asked for the financial reports that we need.

The response from District staff has been that because of the massive budget cuts authorized by this Board, they simply do not have the requisite staff to take care of everything that's been thrown their way. Believe me—we fully understand and are sympathetic to what they're going through.

When they're shortstaffed to begin with, when even one member of the staff has to take time off—for whatever reason—it has an impact on the entire staff to get the job done. That's bad when a staff member loses a day but when this goes on month after month, the impact on this District is an invitation for another disgruntled member of the community to place that call.

The CBOC cannot be expected to do their job, the community cannot expect us to do our job, if we're not provided the support we need. This also begs the question about how this Board has been able to deal with the \$1.8 billion bond program when they haven't been given the information they need to make informed decisions.

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The CBOC met last Thursday evening and, at the last minute, Dr. al Amin was able to get us the financial reports we need but because this was at the last minute, we weren't afforded the requisite time necessary to properly review the reports before we discussed them.

Dr. al Amin reminded us that he's only been here since August and was thrown into the deep end of the pool almost as soon as he got here. We understand that he needs the time to get his house in order—and we want to give him that time.

As sympathetic as we might be to his plight, at the end of the day, for a business running on a budget of more than \$320 million, excuses carry only minimal weight.

Here's some free advice for you all: one thing in business that's for sure and for certain is that none of us is indispensable. If Superintendent Duffy were to be abducted by aliens on his way home tonight, after a few minutes of disarray tomorrow morning this District should be able to find a quick replacement and by 8:30 everyone should be asking "Superintendent Who?"

For any staffer who takes ill, takes a vacation or gets abducted by aliens, someone else on the staff should be ready and available to step up and fill in.

Dr. al Amin has guaranteed us that he is cross training his staff so we won't be facing this problem in the future.

We have no reason to doubt his sincerity or ability and we're willing to give him a day or two to correct the problems that led us to this report.

I need to stress, however, how important it is that the people sitting at the dais tonight give him the support he needs.

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Whatever you all do, one of the most important things this Board and Superintendent Duffy needs to do—and this is more free advice—is to get this house in order to the point where my monthly reports don't include anything like what you're hearing tonight.

I've spoken numerous times about the need to improve the relationship between the CBOC, staff and the Board. We should have a collegial relationship—something I'm 100% in favor of. We can accomplish so much more when we work together instead of girding our loins for battle.

And for those that are interested, we still need volunteers to serve on the CBOC—we're about 10 members short of a full cohort. Go to the CBOC web site and you'll find an application.

Our next meeting will be on Wednesday February 13th at 6:15 PM at 1400 Marina Way South. All are welcome to attend.

A handwritten signature in blue ink that reads "Don Gooney". The signature is written in a cursive style with a large, looping 'D' and 'G'.



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CHAIRPERSON'S REPORT INTERVIEW WITH MOSS ADAMS

02/05/19

The success of the WCCUSD Bond Program is dependent on how well all of the parties work together to provide to the community the services and products advertised when the District went to the voters asking them to tax themselves for the next 30-40 years to rehabilitate or replace the crumbling school facilities in the district.

When Prop 39 was passed, one of the conditions and requirements included an oversight body to review the Bond Program to ensure that the voters were getting what was promised when the bond measures were put to them for approval.

I believe that a performance audit of the Program is incomplete if key personnel associated with the Program are not interviewed asking questions and receiving feedback about the efficacy of the Program.

As someone who has served on the CBOC for more than 8 years I've prepared a few brief thoughts to be considered. They are in no particular order.

These are some of the topics discussed:

- **RELATIONSHIP WITH THE BOARD AND STAFF**
- **BOARD LIAISON**
- **CBOC MEMBERSHIP**
- **SUPPORT**
- **APPROVED ARCHITECT'S PLANS**
- **SCHEDULING**
- **PARAMETERS OF THE AUDITS**
- **IMPLEMENTATION TASK FORCE**
- **WEB SITE**
- **FUTURE BOND MEASURES**

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While this was supposed to be a confidential interview so the parties could speak freely with concerns about any redress for comments about others that might be less than complimentary, I was very specific to point out the following:

On a positive note, the CBOC members we currently have are extremely hard working and dedicated people with each bringing a specific skill set to the table to enhance their role as a representative of the people. We may not always agree but we find a way to work together to do our jobs. They are eminently qualified, dedicated and committed.

There are some serious issues that have kept the CBOC from doing the job we need to do. These issues had a direct affect on the performance of the Bond Program and need to be brought out in the Performance Audit so the District (through the Board) can get a better idea of what they need to do.

A handwritten signature in blue ink that reads "Hon Gosney". The signature is written in a cursive, flowing style.



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Secretary

Superintendent Mathew Duffy
Board President Tom Panas
Board Clerk Stephanie Hernandez-Jarvis
Boardmember Consuelo Lara
Boardmember Mister Phillips
Boardmember Val Cuevas

February 8, 2019

Dear Superintendent Duffy and Boardmembers:

At the CBOC meeting of December 19, 2018 the CBOC took action to recommend the following four recommendations to the WCCUSD Board of Education and staff:

1. ADDITION TO IMPLEMENTATION TASK FORCE

On September 16, 2016 the Board of Education accepted the Phase II Final Report of the *Forensic Accounting Investigation* (the FAI) and approved the FAI's recommendation for the formation of the Implementation Task Force (the ITF) to implement the FAI's other recommendations.

The ITF has six (6) members:

1. The Superintendent, Mr. Matthew Duffy.
2. The Associate Superintendent for Operations, Ms. Lisa LeBlanc, reporting to Superintendent Duffy.
3. **The Director, Internal Audit, currently vacant since July 2018 pending recruitment of a replacement for Ms. Jackie Kim; this position reports to Superintendent Duffy and to the Board.**
4. Director of Contracts Administration, Ms. Melissa Payne; this position reports up through the District Engineering Officer to Ms. LeBlanc.
5. CBOC Member, Mr. Cameron "Mac" Moore; and
6. Solution Team Member, vacant since April 2018 when Mr. Rhem Bell resigned.

With the elimination of the Executive Director, Bond Finance position (formerly held by Mr. Mark Bonnett), which reported to the Associate Superintendent for Business Services; and consistent with good internal controls, it would be useful to have a representative from Business Services as a member of the ITF. The Associate Superintendent of Business Services, Dr. John al-Amin, reports to Superintendent Duffy and manages construction program budgeting practices, accounting procedures

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and internal controls, all subject to recommendations from the FAI. Business Services is independent of the Associate Superintendent for Operations, which manages the construction program.

Ms. LeBlanc, Dr. al-Amin and the Director, Internal Auditor (currently vacant) all report independently to Superintendent Duffy. This organizational arrangement provides for appropriate checks and balances and appropriate internal controls:

- Construction program management by Ms. LeBlanc;
- Construction budgeting and accounting by Dr. al-Amin; and
- Internal audits by the Director, Internal Auditor (currently vacant).

At the CBOC meeting of December 19, 2018 the CBOC took action to recommend to the Board that:

CBOC Recommendation:

The District appoint an appropriate Business Services member to the Implementation Task Force.

2. DIRECTOR, INTERNAL AUDIT

Director, Internal Audit Direct Reporting to the Board of Education

CBOC Recommendation:

That the Board of Education amend the Director, Internal Audit job description by deleting “Under general direction of the Superintendent and with direct access to the President of the Board of Education...” and replacing with “**Report functionally to the Board of Education and administratively to the Superintendent...**”.

3. Financial Impact Statement Richmond High School (Board of Education Agenda Item G4, November 14, 2018)

CBOC Recommendation:

That the Board of Education be encouraged to direct the Superintendent to

- 1) in the future follow in both spirit and substance Financial Impact Statement formats previously recommended by the CBOC (i.e., be simple, brief and complete) and
- 2) as soon as possible, and no later than the next joint meeting of the Board of Education and the CBOC by March 31 of 2019, provide to both the Board of Education and the CBOC risk analysis concerning the statement in the description section of the G.4 agenda item on Nov 14, 2018, “...Increasing the [Richmond High School budget by \$3.9 million} will decrease the available funding associated with the WCCUSD Long Range Facilities Master Plan.”

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While staff has suggested that it might be premature to go through an FMP re-budgeting/re-prioritization exercise with the Board and recommends waiting to a time closer to the bidding of the 2020 critical needs projects, at which time more information regarding costs and state funding would be known, members of the CBOC are of the opinion that escalation in the construction market has driven costs higher than the estimates established in the FMP, and that risk mitigation measures should be taken now, rather than wait till the time of bidding. There are concerns that if planning measures were not taken now, there might be a surprise announcement of budget increases in the future. Risk planning now would allow for potential mitigation measures and creative solutions.

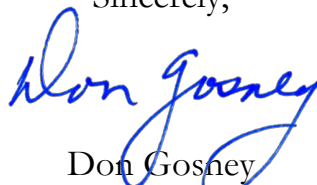
4. Moss Adams LLP Performance Audits Agreement Proposed Amendment to Align with Forensic Accounting Investigation Reviews

CBOC Recommendation:

That the current Moss Adams agreement (FY2017-2019) be amended to provide for the alignment of the annual performance audits with the forensic accounting investigation review so that the prior fiscal year reports are combined into one document and accepted by the Board of Education on or before March 31 of each year.

Further, that the subsequent performance audit agreement after FY2019 continue to review, if needed, the implementation of the forensic accounting investigation recommendations until said 112 recommendations are fully implemented.

Sincerely,



Don Gosney
Chairperson, CBOC

dongosney@comcast.net

(510) 233-2060