

CITIZEN BOND OVERSIGHT COMMITTEE  
Measure G & E  
"Meeting Minutes of August 12, 2009"<sup>1</sup>

- Call to order by: John Moore (CBOC Chair)
- Time called to order 6:00 PM
- The following were in attendance:

CBOC Members

John Moore (Chairman)  
Bill Becker  
Bill Jackel  
Bonnie Mace  
Bud LoMonaco  
Jon Reinke  
John Sellarole  
Rosa Solorazano  
Rowena Smith  
Ruben Dominguez

District Representatives

Alan Garofalo  
Dan Moser  
Jerry Kurr

Visitors

Eddie Garcia (Board Member)  
Roland Smith (CSEA)  
Dave Castro (Community Rep)  
Joe Cavanagh (SGI)  
Julio Hernandez (SGI)  
Kent Brown (SGI)  
Mariana Solomon (SGI)  
Vernesha Thomas (SGI)

- Meeting adjourned by: John Moore (CBOC Chair)
- Time of adjournment: 7:48 PM

Public Comments

- There were no public comments made.

Review and Approve Meeting Minutes of May 6, 2009

- Ruben Hernandez replace with Ruben Dominguez
- Replace Gymnasium with Library under first paragraph following Alan Garofalo on page 12 of 34.
- Members of the CBOC read the minutes from the May 6, 2009 meeting. The minutes were approved.

Old Business Overview

- Meeting minutes of May 6, 2009 are posted separately.

<sup>1</sup> August 12, 2009 meeting minutes approved on meeting of November 4, 2009

- **John Moore**
  - Welcomes Dan Moser as Acting Superintendent
  - Personally compliment Mariana on an excellent packet. It shows a lot of work and a great deal of sensitivity to the questions and request for data that have come from this committee over the last year. Successive approximations of perfection is a good thing...
  - Dan Moser assumed the position of acting Superintendent for East Side Union High School District. It is now his door that we report too.
  
- **Dan Moser**
  - Thank you and it is a pleasure to be your guest.
  - I am well aware and will learn even more of the importance of the service that you provide to the community serving the capacity as the CBOC that you're watching the taxpayers' dollars. I think that is one admirable task.
  - All groups should always have another group that is making sure that things are happening the way that we said it should be done.
  - The District staff will always be of assistance, we have an open door and open book.
  
- **John Moore**
  - Welcomes everyone and trustee Garcia as he enters
  - Make note that trustee Garcia is here
  - Trustee Garcia is there anything you want to say before we get into the business of the meeting?
  
- **Eddie Garcia**
  - Keep doing the good work that you (CBOC) are doing
  
- **John Moore**
  - I will entertain comments, additions, deletions to the minutes that were provided to you
  
- **Bill Jackel**
  - I think there is a lot of subjects in the minutes that we've talked about that are still open. Normally you look at the minutes and say whether there correct or not. There is a lot of things in here that need more discussion. I don't know how you want to handle it.
  
- **John Moore**
  - Site a specific example if you would
  
- **Bill Becker**

- One question about change orders. Page 3 of 22 (Meeting Minutes 05/06/09) “Lance responded that the only way it would be reflected of it affected the bottom line increase.” I want to know what he meant by that. Because if he is eliminating accounting because he doesn’t think that its appropriate, that’s against what we need to do, what we need to look at.
- **John Moore**
  - My opinion is that should be an agendized item. At this point our discussion is are that minutes as given an accurate reflection of the meeting we held.
- **Bill Becker**
  - So I should send these items to the chair for agenda?
- **John Moore**
  - Yes you should
- **Bill Becker** questioned as to why there was no signature on the letter (Page 3 of 34).
  - **John Moore**
    - I took the signature off because the letter came from the District.
    - That’s a good reason to fire anyone. That was a decision that I made.
    - That letter came from the District and I wanted to reflect it as District policy, there is enough individual finger pointing going on around here.
- **Jon Reinke** questioned since the letter is not signed, who was it from?
  - **John Moore**
    - It was sent to me by Associate Superintendent of Facilities Alan Garofalo at the direction of Superintendent Nuñez.
    - No one raised the issue when we discussed the letter in detail.
- **John Moore**
  - All should be aware that the County Board of Education raised several issues of concern with the District. I am only concerned with those issues that apply to either Measure E or Measure G, in point of fact they did raise an issue of concern for our bonds.
  - I would like to hear opinions from all.
  - **John Moore** read from item #6 under tab labeled additional information: Measure E and recommendation:
    - MEASURE E
      - *The voters within the district passed measures A, G and E to fund capital projects. The district accounts for these measures in different sub-funds. An analysis of expenses*

*within these sub-funds revealed many inconsistencies. There was no evidence that the contract with SGI had gone through a formal bidding process. Invoices from this vendor lacked sufficient detail to adequately describe the work that was being performed. Expenses for consulting services provided by Richard Gonzalez lacked sufficient detail to validate the legitimacy of charges. Invoices for Measure G PO 402606 do not tie back to the PO. Expenses charged to the various sub-funds do not tie back to the measures that are being tracked within those sub-funds.*

▪ RECOMMENDATION

- *We recommend that the district reconcile the recorded expenses back to each of the measures. The district should also invest resources in order to validate the accuracy of charges made by independent contractors for each of these sub-funds. Finally, we strongly recommend review by an independent third party so that a determination can be made as to whether the money expended correlated to the percentage of completion on each of the projects.*
- This area of concern in the recommendations is something that we should take an interest in.
- To confirm back to the district, their objections have been met and answered either on the grounds that they are not relevant or they are relevant and we have taken steps to correct them.
  - To Alan Garofalo or Joe Cavanagh: What steps have they taken to answer these concerns?
    - **Alan Garofalo:** The district is responding to each of the concerns. Specifically in the Measure E item #6, with regards to Richard Gonzalez. What the county was looking at was invoicing of Mr. Gonzalez's services that are a monthly invoice that says "Services provided" \$2,500 monthly retainer.
    - What the county didn't look at was the original proposal and agreement between the district and Mr. Gonzalez's consulting services for the annual product that he produces with his monitoring and assisting the district in chasing the OPSC (Office of Public School Construction) dollars.
    - Mr. Gonzalez is our representative in Sacramento to make certain that East Side Union High School District is first in line when available eligibility credits are there, and he locks those credits down and that we go through the application process and we chase it from that point and get the dollars returned to the district (in essence).



out to be the same number. We should take the money and pay him from OPSC.

- **Alan Garofalo**
  - There are actually a couple of funds that would fit this category without any real problem.
- **Bill Becker**
  - The voters were told one thing and now your doing something different. What did the voters think you were going to do?
  - I motion that we request the district to change Richard Gonzalez's funds to come from the OPSC fund.
- The motion was 2<sup>nd</sup>
- **John Moore**
  - Motion passed by inclination we recommend to the district that Richard Gonzalez's be paid from a source other than the facility's bond.
- **Ruben Dominguez**
  - I looked at this number 6 Measure E statement as being 3 questions. One was the bidding process, Mr. Gonzalez was the second, and the third was the Measure G PO. I didn't realize, have we started reconciling those numbers in the accounting department?
- **Alan Garofalo – PO issue**
  - SGI and Facility are working the way through three years of PO's to determine exactly which ones they (County) are referring to and coming up with a response. If there is a mistake then there is a mistake. If there is an explanation and a reasonable one than that will be presented as well, and that's what we are in a process of doing.
  - On the bidding process: Remind the group that this is a professional service that SGI provides. The law is very clear for professional services, you don't bid it. For us to look and seek on our own efforts as an administration recommending to the board that these are the companies that are out there. Those are the services they provide, these are the charges they will present. You weigh the value of all and then you make a recommendation to the board.
    - In this case SGI was chosen under Measure G through a very very extensive process. We did advertise both locally and throughout the state for program management services.
    - There were approximately 20+ firms that responded. Of those 20+ firms, a committee of a number of people within the district, outside of the district, administrators, people in the facilities department in Cupertino, facilities department at ESUHSD, architects on the

selection committee, community members all did the interviews. After three days of interviews, it was nailed down to a final three then down to one which was SGI. SGI was recommended to the Superintendent to make a recommendation to the Board at that time. The Board of Trustees gave the contract to SGI based on experience and pricing (SGI was considerably less in their invoicing on their hourly charges than their nearest competitor).

- Through measure G we felt we had a successful program, and the Superintendent at the time Mr. Nuñez said he wanted to have a performance audit on Facilities division and SGI to see how we performed.
- A performance audit was done. Total School Solutions did a thorough audit and came back with a very positive report.
- Mr. Nuñez said it was his intent to recommend to the board that we roll the professional service of SGI under the bond Measure E.
  - Before that was done it was discussed openly, the CBOC made a recommendation that we go with SGI rather than going through the process that was followed for measure G.

- **John Moore**

- It was my intention that this committee recommends Seville Group, and we in fact would have, but at the direction of the Superintendent we were told it was not out business to make such a recommendation or even discuss such a recommendation and so we did not.

- **Eddie Garcia**

- I was on the board when we made the decision to support the recommendation to move forward with the professional services of SGI. As one board member, I can't speak for the others, there were 3 things that moved me:
  - I have full confidence in Alan's leadership, which was verified and confirmed with the Total Schools Solutions report which was very positive.
  - Although it was not official, I had spoken with Mr. Moore, I trust his opinion fully.
  - An independent third party, Total School Solutions, recommendation itself to roll over SGI professional services.
- So as a board member I thought we could save the expense, the time and effort if we have a winning team to continue moving forward.

- **John Moore**

- I think that was a good decision and my point of direction, Mr. Garcia is correct, I would have and I did privately recommend and stand by that recommendation. I believe the County is in error in this critique.

- **Eddie Garcia**

- I just hope that when we are completed with measure E we get the same third party independent audit. We have a winning team, let's just keep moving forward.
- **Bonnie Mace**
  - Regarding the legality of the bond measure, is it stated that we need to go through another subcontracting procedure every time we do a bond measure? Or legally are you allowed to just continue over from one bond measure contractor to the next bond measure even though they are separate?
  - **Alan Garofalo:** The law allows flexibility with the district, the contracting agency to go out for their own selection they determine. It doesn't apply to a construction project, just for professional services
- **John Moore**
  - As a committee we recommend to the Board of Trustees the following:
    - For the last two years the district has tried an experiment to consolidate management of the facilities programs, specifically our bonds, through the office of the Superintendent. As a member of the committee, and a voter and taxpayer, weigh the relative progress between E & G. I believe the experiment has not worked well, as far as management structure. I will hope this committee will follow my lead and recommend the Board of Trustees that we return the management oversight of our bond funds, bond program, and our facilities back to the office of the Associate Superintendent of Facilities, where we have a group of experts whose job it is to do that.
    - The Superintendent's office has had an awful lot on its plate for the last two years; I would argue that that's a reason why measure E did not progress as rapidly as G. I think that's a reasonable assumption to make.
    - When you have an office of expertise to run things, it seems to me you should utilize those services.
- It was questioned as to how has that not been done.
  - **John Moore:** Measure E has been consolidated and run and operated through the Superintendent's office that was a structural decision that was made a management decision well within the right of everybody to make. I'm only arguing now that it seems not to have worked well and we should return to a system that did work well.
- **Bonnie Mace**
  - Do we have the right to tell them how to organize their structure?
- **John Moore**

- As far as I'm concerned we have the right to make a recommendation. I believe it is within our purview to make a recommendation; it is not within our power to choose to change the structure.
- As a group whose job it is to oversee the most efficient use of Facilities dollars in total that it is our obligation to make such recommendation to the board of representing the public.
- **Bill Jackel**
  - I would disagree, I don't think its our purview. I think we need to look at the bond not the bond dollars.
- **Jon Reinke**
  - In terms of how the district organizes and runs itself, I think it is premature to talk about that. There is still some issues, and the outcome of those issues may well influence the way the board or the Superintendent decides to manage the district.
  - I think we have to stay focused on the issues that the County raises. The deeper issue really has to do with the people who did the review from the County were unable to tell which projects were funded out of which sub account.
  - Is the district going to follow the recommendation and do a third party review? When will the review occur, who will do it, and when will the report be available?
  - For the purpose of this committee, I think it's more important to understand when we look at the accounting of what money was spent on what project, can you actively tie that back to the bond program or not.
- **John Sellarole**
  - As I see it our job would be the watch dog to make sure money is not wasted. If the Superintendent wants to assign Alan or Jerry to do that job it's their prerogative..... When Measure E was passed it took forever to get things rolling and start building for whatever reason.
- **Bill Becker**
  - There seems to be an attitude of we can't do this and can't do that. We can make a recommendation anytime we want. This committee is not restricted on making recommendations. The board can ignore us completely if they want to. It's their responsibility to spend the money not ours, but we can recommend. Our job it to watch the money.
- **John Moore**
  - Jon Reinke, you raised valid points. My argument is that that relates directly to a management structure or wiring diagram. We speak to the efficient use of money, that is our responsibility. Are the Facilities program being run as efficiently and economically as possible? Therefore, it is well

within our purview and is consistent with what the issue you raised, that the district reconsider their operation.

- It is incumbent for us to make that recommendation has been pointed out and openly knowledge by me. If upon consideration appropriate people district say no we don't believe that's appropriate so be it. We did our job they did their job and it's up to some other high power to determine what was right or wrong in the process. All I'm suggesting is that if you compared G to E at this point under measure G, we have significant construction in place.
- We have a larger bond and so far what we have bought, and I'm sure all of you read in the same detail I did, we bought computers and we spent \$20 million on Calero. I am a strong advocate of planning, there is good reason why we haven't done anything but frankly we are in remiss to the voters who we went to long time ago saying we desperately need this money were not spending it. We have missed opportunities, it is appropriate in my opinion but if it is the consensus of the committee will pass on that that is the wrong way to go its a committee it's not a one person thing.

- **Bonnie Mace**

- I don't necessarily agree that we should say anything. I just agree that we shouldn't say that you should do "x." I don't think that is our purview to say how the system should be run, just like Jerry was saying, you can say the bond money should be used for "this," but you shouldn't say we want the bond money to come from "this."
- I would like to know the cause, your assuming a cause may not be the cause. Your assuming a cause of why we don't have measure E construction projects is because of the office of the Superintendent, is that true or not? There may be some other cause.
- First I'd want to assess what's the cause, what's the reason before we try to get a resolution. So that would be my angle. To make it more generic, instead of focusing on their day to day meddling in what they do. I really don't feel that we have a purview in telling them how to run their organization. We just need to tell them what the problem is and let them figure out how to solve it.

- **John Moore**

- In the interest of discussion, I have the sense that consensus opposes this, is that a fair statement that the majority of people think that this is not the important topic we should discuss right now?

- **Bill Becker**

- I think that what is important is the concept here; we have the right to make recommendations.

- **Jon Reinke**
  - I think it is more important for us to make sure that there is a plan in place to address the issues raised by the County. We can't tell if the district is spending money efficiently if we can't tell what it's being spent on. Some of that may be a result of a very preliminary review by the county, but based on the concerns they raise here, I think it's more important to focus on making sure that issue is addressed.
  
- **Eddie Garcia**
  - To me the key term in the Citizens Bond Oversight Committee is the word "citizen." Last time I checked every month we get a line of people telling us how to do things, and that's the way it should be. Quite frankly I got into this part of the business because I totally believe, with all my heart and soul, that the keystone to democracy is letting people tell us their opinions, tell who ever is making decisions, their opinions. So I'm on the side of, you guys can recommend anything you want and I'm going to listen. It doesn't mean that I, as a board member, is going to believe or agree but I want to know. That's the first thing.
  - The second thing is, just as you know one board member, I'm not, with all due respect to Dan and Alan and the rest of the crew, I'm not a fan of bureaucracies and all I know is as a representative of this community, the voters passed this bond February 2008 and there is not one spec of dirt on one shovel yet and I don't know what's causing that. This committee, John you as chair, if you think this may be one reason? I think you should let us know what you're thinking because we don't know, we're not here everyday and we need something to think about.
  
- **Bill Jackel**
  - I think instead of going after the organization, why isn't this bond money being used for construction? And why aren't they balancing the books? This is like a red flag. It's been over a year and we don't have anything going. There are people unemployed and we have the money doing nothing.

- **Jon Reinke**
  - As to the delay of the start of the project, my big concern is the cost of the professional fee to administer the contracts and run the program is directly related to the time. The longer we take to spend the money, the more money we're spending on overhead.
- **Ruben Dominguez**
  - The measure G tying back to the PO's, three years of measure G stuff to go through, do you have an estimated time when you might be done with that?
- **Alan Garofalo**
  - Within the next two months we should have some semblance of it. I have to find out what the county is referring to. Specifically, once we have that, my division and SGI will come up with what they are talking about and address it. If it was a mistake it has to be corrected, if it wasn't a mistake and there is a clear explanation then so be it.
- **Rosa Solorzano**
  - A whole lot of people are getting paid to do a job, and by not keeping the books aligned the way it's supposed to be is creating more work and more expenses in a way. Because one of the recommendations of the independent third party is going to cost a lot more money to do. Is there a reason why there is not a process? Or is there a process already in place to keep track of all those expenses and all the paperwork that needs to go with the PO's?
- **John Moore**
  - I can say to you that there is in fact a process that County Board of Education has found a process, and I think the key point is that at the level that they have investigated as of the time of writing they could not track the process, well that does not mean at this point that the documentation isn't there. It may in fact be there and they didn't see it.
  - All of you raised an issue that at this point we don't know Mr. Garofalo has responded that the district is going back and doing an itemized audit. I guess that the best thing we can say to that is that at our November meeting hopefully it will be on the agenda to have a more detailed accounting of that process so that we can do our responsibility.
- **John Moore**
  - As sitting in Chair and sensing that there is no consensus one where another over my request, I'm going to forgo that for the moment arbor as part of the briefing to the Board of Trustees I'd think it is fair that the consensus of the board on this committee on that issue is to say that we have concerns that we have not seen actual work being done for Measure

E, and we are hopeful that we will get more accounting why and when money will in fact be spent.

- **Joseph Cavanagh**

- I'd like to talk about measure E. I know I don't have all the history; I've been here since the 1<sup>st</sup> of April. In coming in, I'm working for SGI, one of the first things we did was start a kick off meeting. The kick off meeting was to start 31 new projects, and get them going as quickly as possible and trying to get dirt moving was the term used.
- One of the things that wasn't done ahead of time, and it wasn't because we didn't recommend it, it was because they were doing a academic master plan. We were told to "hold off and don't do anything until the master plan was done," again this was before my time, I'm just telling you what I was told.
- Since the kick off day SGI has worked very hard to get all the programming and all the due diligence and everything going at the same time the projects are being built. So right now, our first project has been bid of the 31, and they are going to start rolling out month after month.
- I can't talk about when the month's after E was passed and why it was slow. I can tell you where we are now and what's going to come out. Dirt will start moving and we do have 31 projects in design right now, and starting construction in the next week or so with Piedmont Hill High School.

- Where did the direction to wait until the academic master plan was complete come from?

- **Joseph Cavanagh:** Again it's hear say, I wasn't there. I heard that was from the Superintendent at the time.

- **Jon Reinke**

- I would like to make a motion, to understand will a third party review be done? Who will do it? When will it be completed? When will the report be available?
- The motion was 2<sup>nd</sup> by Bonnie Mace.
- **Alan Garofalo:** Yes it will. FCMAT will be coming in, but there will be another audit.
- **Jerry Kurr:** FICMST is a state body that works out of the current county office of education. They do special reviews throughout the state school district(s). FCMST (Fiscal Crisis and Management Assistant Team).

- **John Moore**

- When is the next audit coming up?
- **Jerry Kurr:** The bond fund uses the same auditor, an independent audit firm, as the school district does. It is part of the bidding process. That company is BTM. They are in the 2<sup>nd</sup> year of a 3 year contract. That 2<sup>nd</sup> year is to audit last year's financial statements and they do provide a separate report for the bond funds.

- The way audits works, right after the close of the fiscal year they come in and do some testing. Then after we close our books they come back in the fall and that report is due out by December 15<sup>th</sup>.
  - **Bill Jackel**
    - Would be possible for them to come to the November meeting for the committee to express any concerns? Either that or come early for the next year's audit (Pre-audit conference).
      - **Jerry Kurr:** I think that would be possible.
  - **Alan Garofalo:** When those auditors do come in they pull 80% if the PO's that are being worked on throughout the audit time. They review each of those PO's to determine if everything is the way it should be, so they are pretty thorough.
- **John Moore**
  - What I've heard spoken here is that there will be an auditor on board December 15. The committee would like to have input to the audit which may in fact too late with this one. Therefore we want to go on record as wishing input early in the process for the next one, because there are items that we would like investigated, challenged or questioned, not to put too much emphasis on challenged or questioned. Is that a fair representation of what people have said here today?
- **Joseph Cavanagh:** Status of Measure E projects.
  - I will speak about E, and where we are. If Alan will take over for G, because a lot of history is before my time.
  - E, on April 16<sup>th</sup> we had a kick off meeting where we kicked off the 31 projects. We got the Architects and CM firms working as a team to provide design services, and do work on getting their budgets and starting to design their projects. At the same time in parallel, this was to expedite the process; SGI went through and made sure they got through with their programming the site due diligence and all the due diligences that go along with doing a project.
  - Normally to get a school project done from the start, where you say go to finish, it take 1 1/2 to 2 years.
    - The reason it takes a site due diligence, if you did it in a straight linear order, site due diligence when you have your design period and you go to DSA and then you start your construction, it really takes about a 2 year process.
  - What we are doing now, because we realize everything's in haste, we want to make up for as much time were running in parallel. The designers are working at the same time SGI is programming and giving them that information. So to expedite things we're working very hard in close contact with the teams to get that together.
  - The first project has been bid and will start construction. It has been awarded, but the bids have not been approved by the board, and will

expect to be approved the 20<sup>th</sup> of August. At that point we will start construction on the first project.

- The other 31 projects, some are more complicated than others, will start rolling out and have construction after that. We're really starting the beginning of our construction phase.
- In all these projects everybody looks at construction, to get to that first shovel of turning dirt it takes 1-1 ½ years of work to get there, and I could understand everyone's impatience to get it done. We really worked hard to expedite things knowing we've had a year where not as much work got done because we were waiting for the academic master plan.
  
- **John Moore**
  - We are spending \$27 million on technology, what is the technology?
  - **Alan Garofalo:** That comes out of the I.S. division and it is beefing up the backbone to the existing infrastructure. It adding the electrical capacity to run the existing and projected new installation of the new equipment throughout the district. That includes communication systems, data, labs that have been established in the schools.
    - The only dollars spent at the Ed Center would be the back-up equipment that is necessary to run the operation that the school sites. (i.e. Servers at the Ed Center serve the school sites).
  
- **Alan Garofalo:** Status of Measure G projects
  - James Lick Fire Life Academy is in design right now. The Foothill Science Building and the Santa Teresa performing Arts building/theatre are technically complete. We are currently working on the final punchlist items for both projects. The design for the James Lick child care center is complete and is at DSA for stamped and approval so it can be bid.
  
- **John Moore:** The resolution of the insurance issue at foothill high school and rebuilding of the library.
  - On June 6 the Mr. Becker and myself met with Rogelio Ruiz, Superintendent Nuñez, and trustee Frank Biehl in my office following our hour of meeting, to resolve the issue Mr. Ruiz, districts position was elaborated by Mr. Ruiz who advocated that sense this committee in general and, I specifically had not raised an issue to the Board of Trustees when the initial decision to transfer money was made and, had brief the Board of Trustees on the progress of the construction of the library that we were at.
  
  - We in general, and me specifically were at fault for the error. It was a problem that a problem that contributed to. For that reason since the money could not be legally loaned or distributed or in any fashion from the bond that would allow repayment from another source, we could not use the insurance proceeds to repay the bond.

- We had extensive discussion over the terminology that reference to repayment, reimbursement or anything that implied that would be confessing to criminal activity. We could not take money from the insurance proceeds, and put it back into the bond. However we could use another facilities construction fund, fund 35. It would be used to reimburse measure G, or moneys that were taken out of measure G to be used at board discretion on an unfunded measure G. project.
- What is still in question is the amount of the insurance settlement. Note for the record I thought when we had the meeting in my office it wasn't known how much it would be. I was told the first payment might be in the amount of \$700,000. A week later, reported to the Mercury News that it a one-time insurance settlement payment of \$850,000 was used rescue sports at East Side. For the record, I'm assuming that the insurance settlement is \$850,000, and that amount of money will come back to measure G to be used on unfunded measure G. project of which there many.
- I argued that it should go the foothill but trustee Biehl argued that that was a board discretion issue and that the board will decide where to spend it. My comments to that are that in one sense Mr. Ruiz was right, I should have objected at the time, and did not and therefore complicit isn't something that I disagree with that has a great deal to do with my decision to resign as chairman because I believe that leadership to take responsibility for their action and I'm accountable for that.
- That said we would not have gotten the money back, it was the position of superintendent Nuñez that no money should go back to measure G from the insurance settlement, so perhaps it can be argued that we got some money reimbursed. My sense is that it's a distinction without a real difference were taking money from one building fund to reimburse another building fund were still short \$850,000 that still leaves open the question of the second insurance settlement, and I would like to know where we stand on getting that money.
- **Jerry Kurr**
  - I think what we perceive is not fact. I think we need to give an accounting to the Board of Education on how Foothill was built and the sources of those funds and of course that would be shared with the CBOC.
- **Bill Becker**
  - I think we are on the wrong track when you keep talking about the insurance reimbursement money. A certain amount of money was taken from the bond and that amount should be brought back to the bond money. We don't care as a committee what source it is.

- **John Moore:** And that is in fact what I reported that that committee's consensus is what I in fact reported to the board and what I agreed to, it is not my intention to revisit that issue or go back on that issue. I'm only reporting here is the results of the meeting we had. We have a commitment, what is in fact an open item, is what project will be done and exactly how much is going to come back.
- **John Moore**
  - According to the bond measure G, no money should have been spent from measure G for the library so I wait getting that elaborated order expanded report with you don't. Then in fairness to the district in a case that this committee made, that I have elaborated to them, there is a legitimate reason to use bond money to bring the library up to code. We decided that was a safety issue, and funds that paid for computers and wiring under the technology provision of bonds. So that may either clear or muddy the waters, but the committee at our last meeting acknowledged that some money from the bond legitimately could be used.
  - **Alan Garofalo:** I believe the construction cost for the Library was \$1.8 million. The safety and technology upgrades were approximately \$400,000. The insurance company fronted the construction project approximately \$400,000 for the very beginning. They referred to that "seed money." The rest would be bond, and of course that safety and technology was bond. So taking all those figures, whatever the bottom line is, that Mr. Kurr is referring to, that would be what CBOC would be expecting.
  - **John Moore:** I'd like to point out that was volunteered by Mr. Garofalo, Mr. Kurr a long time ago that we could replace the money from other funds that is in fact happening, hasn't happened yet, but will happen. Open issues are what are we going to do with the money. Measure G for the record, completed in rough terms 75% of its goals rising costs a variety of things, a variety of legitimate reasons meant that the bond fell short of intended goals. So there's lots of places, but money not the least of which is Foothill, which I think wanted more back.
- **John Moore**
  - A variety of reasons not the least of which is that the board needs to hear a different ways of reading this committee needs new leadership one of the reasons ordinates different ways is that when they hear the same voice over and over and over again it becomes very easy to assume that that's the only voice they need. All legislative bodies need to hear to know that there is more interest, we need a different chair. I will entertain nominations for a new chair.
  - All was in favor to appoint Jon Reinke the new Chairman of the Citizens Bond Oversight Committee.

- **John Moore** suggested to Jon Reinke, that when he is asked for agenda items for the November's meeting, to respond.
- **Rowena Smith:** Regarding salaries
  - I need to say how disappointed I was, in the one little piece of paper that took us almost a year to get. I would like to see hours, along with salary, maybe a few sentences of what exactly a "purchasing agent" does that a "buyer" doesn't do. I think we could use a little more detail on salaries.
  - John Moore: Jerry this report comes from your office and I think you reference the auditors request that we designate actual hours of time put in for salaries. So can we expect it in the next report? It has been requested in the past, I think it is a fair request if we get some general idea the number of hours that are put in. FTE is helpful but we are building a position, not necessarily work done.

Additional Items
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