

# Berkeley Unified School District

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## FACILITIES PLANNING DEPARTMENT

1720 Oregon Street, Berkeley, CA 94703 (510) 644-6066 Fax: (510) 644-8703

Draft Minutes of the Meeting of October 3, 2013

Members Present: Stephanie Allan Eric Weaver Allen Nudel  
Nicolie Bolster-Ott David Goldin

Staff Present: Lew Jones, Director of Facilities  
Chanita Stevenson, Administrative Coordinator

BUSD Board Director: Josh Daniels

Member of the Public: Nazila Duran

1. *Call to Order:* The meeting was called to order at 6:00 PM.
2. *Approval of Meeting Minutes:* A motion to approve the minutes was made by Secretary Weaver and seconded by Member Nudel. The minutes were unanimously approved.
3. *Public Comments:* There were no public comments.
4. *Staff Report*

### Project Updates

#### Current Construction

- **Jefferson:** This project is going well.
- **Berkeley High School Phase II/III:** This project is going well.
- **King Field:** The track is open and the field is still under maintenance.
- **Hopkins:** This project is behind schedule by a few weeks. The site is open.
- **West Campus Charter/Board Room:** This project is moving slowly. The contractor worked to make sure that Building A of the Charter School was open for the beginning of the school year. The elevator for Building A and Building E are still to be completed. For the West Campus Board Room, Staff met with BerkeleyTV to determine audio/visual purposes for the Board Room. Staff mentioned that the City of Berkeley may be interested in utilizing the new Board room as a Council Chambers. The changes to dais to accommodate an additional student board member were discussed.

#### Projects in Design

- **Longfellow Cafeteria:** There has been on meeting of the group to establish a garden on campus. A meeting is scheduled for next week.
- **B-Tech and BHS Science Labs:** These projects are going well.

- **Pre-K Expansion:** Staff is still trying to work with Alameda County trades to exempt only the delivery and the installation of the modular for the Project Labor Agreement because the modulars will be on a piggyback contract.
- **Project Labor Agreement Joint Council Meetings:** The unions have cancelled or missed several planned PLA Joint Council meetings. We have rescheduled a meeting for October.
- **Portable Replacement:** The Board approved moving forward with the portable replacement project.

### **New Projects with the New Construction Notification Process**

- **John Muir, Emerson, and Willard Grounds Improvement Projects:** The Board was very appreciative of the Committee's work regarding the notification process. Implementation of the process was challenging for Facilities Staff, because the new process required meetings to occur before key personnel (architect and project manager) were hired. Samples of the notification postcards were available at the meeting. The introductory community meetings for these projects will take place in the following weeks. The intent of each meeting will be to introduce the project to the community and inform them on how to apply to the Site Committee. Also, each site has a large yellow 4' x 4' sign (similar to the City of Berkeley project notification process) with areas for information. The Committee expressed that they would like for Staff to email postcards to the School Board and members who are not present at this meeting. The Committee also requested for future projects that City Council Members Darryl Moore and Max Anderson be notified for the Longfellow Cafeteria project because students from both areas attend Longfellow.

### **Additional Information**

- **Demographer hired to study enrollment:** The Board approved hiring a demographer to understand the District's enrollment. Member Nudel commented on this item noting that Thousand Oaks has larger class sizes and added that many parents have questioned him if there was going to be new construction at Thousand Oaks. Staff responded that the only expansion in the North Zone is occurring at Jefferson. Board Member Daniels noted that there is space at Malcolm X, but the Board is interested at keeping equitable enrollment at the elementary school sites. Staff added that until this year the demographer's projections regarding have been correct.
- **Meeting with Auditor:** Staff met with the Auditor to discuss the allegations from a concerned citizen regarding the use of Bond funds. Staff has directed the Auditor to do some additional work.
- **Status of the slats on the fence at the Washington Transformer:** Co-Chair Allan requested information regarding the status of the slats on the fence at the Washington Transformer. Staff responded that this work should be completed in a few days.

### 5. *Discussion with the Auditor*

- Steven Wescoatt, from Crowe Horwath presented the plan for this year's Measure I Performance Audit. He will also discuss the letter received from the community member. Crowe Horwath is preparing to do the year end part of the District's financial statement audit

in a couple of weeks. The interim part of the work has been done for the internal controls and state/federal compliance. The yearend part of the audit is where the auditor does the financial statements of the district. The bulk of the performance audit will be done as well. The District will receive a financial and performance audit report for the Measure I funds. This process includes having the District identify for the auditor all Measure I funds (expenditures and revenues) as a piece of the overall District financial audit. Essentially these funds are audited twice. Once as a part of the District audit and separately as well. The process has not started yet and the auditor is not able to provide specifics about dollars or size of transactions. He asked the Committee if there are any particular areas of concern with Measure I funds, such as a project or school so that he can direct part of the sample towards addressing that concern. If there are no concerns then the sample is going to be broad based across all aspects of the project and the goal will be to get a representative sample from all school sites and projects. The Committee did not express any particular concerns.

The auditor has an obligation to follow up on the letter. The approach the Auditor took was to determine what the District is doing about the letter and to find out what role the District would like for Crowe Horwath to play. He said Staff explained the reactions from the Committee and the Board. There are some specific allegations contained in the letter and the auditor will do their best during the course of their procedures to address those issues for their own purposes just as a part of their internal control documentation and not as a means to produce a report to the District. He personally does not believe that it rises to a level that a separate report is required. As the Auditor, whenever they receive a letter they are obligated for their own purposes to follow up to see if there is any substance behind the allegations. If something comes out of the process the Auditor will bring it to management, the Board and the Committee if needed as part of that process.

- Member Goldin: What is the process you are going to do?

A: The auditor answered that the process started with inquiries with the District staff including the Director of Facilities, Director of Fiscal Services and the Deputy Superintendent. The Auditor requested information regarding Board action when the letter was received. It will definitely involve some review of Board minutes and may involve interviewing Board members as part of the process to follow up on any of the issues in the letter. Most of the issues in the letter had to do with things that either the District did or did not do. If they did things that they were not supposed to do or did not do something they were supposed to do, the auditor is going to follow up with the District regarding the status of those items.

- Member Goldin: Will you be talking to Bond Counsel?

A: Possibly if it rises to that level. We typically do that anyway as a part of the audit we contact the attorneys.

- Secretary Weaver: Will there be a note even if you find it not to raise any concern?

A: Mr. Wescoatt responded he does not think so. Again, this is not being done for public consumption, but mainly to protect Crowe Horwath. If something comes out of this, the Auditor will go to District Management and the Board to have further conversations before it goes anywhere else. If the Auditor believes that the District somehow violated the

requirements of Measure I then yes it would be in the report, but it is a long process to get there.

- Secretary Weaver stated that he is thinking from the standpoint of the next bond he believes this document will surface again and believes that it would be helpful if there was a note of where it could say that the District got this the auditors looked at it and the results. The auditor responded that it would be separate engagement. The District would have to engage the auditor and it would state be specific to a letter was received there are 3-4 items that we would like for you to investigate for the purposes of providing a report. That is different than what we would do internally with respect to the performance auditor.
- Member Goldin: Has the District received any other correspondence from the concerned community member or any inquiries from the press?

A: Staff responded that the letter originally went to the City Attorney. Also, the member visited the Superintendent's Office and spoke with Facilities Division staff.

- Member Goldin stated he is concerned that what if hypothetically if the Committee certified an audit where a mistake was made. What happens?

A: The Auditor responded and reiterated the process. As part of their work they will look at these four allegations to satisfy themselves to say that nothing is there or something is there. If nothing is there no mention will be made in the report. If they see that something appears to be there then we have to go down a different road. First, they will contact the Deputy Superintendent and the Superintendent. Then it will impact the performance audit may result in additional work and will impact the regular audit. It may require meeting with the Board and contacting legal counsel. They will produce reports needed for the Board and the District for the Performance Audit. Board Director Daniels noted that the Auditor will make findings and disallowances. So if the District used Bond funds are used inappropriately, the recommendation will be to transfer funds to the Bond fund from the General Fund.

- Secretary Weaver stated that he understood the auditor's take on the process, but asked if in the Auditor's letter would the Auditor note that this process took into account a letter that was received from a constituent.

A: The Auditor responded that if there is nothing there, there is no point of pointing it out something that is not there. In his view, it would only raise more issues than it would solve. Co-Chair Allan agreed with this statement and stated that even if there was a statement added which states that there is no validity to the allegations and the District has been compliant the letter will still surface. The District has dealt with allegations of mismanagement before none that have ever been shown to have any validity. She explained that she is comfortable that the Auditor will review and show that the District was audited independently. The Auditor agreed and stated the absence of finding means that there was nothing wrong.

- Member Goldin: When should you expect to be done with the financial and performance audit?

A: The auditor responded that state deadline is December 15<sup>th</sup> and would like to get the reports done earlier and to provide the reports to Board for their December meeting.

Secretary Weaver requested to receive the reports earlier. The Auditor will make sure to coordinate with Staff to provide these reports to the Committee ahead of time.

The Committee thanked the Auditor for attending the meeting.

6. Committee Member Comments

- There were no committee comments.

7. Reports from Subcommittees

- There were no reports from any subcommittees.

8. Future Meeting Dates:

- The following dates were scheduled for future meetings:

October 30, 2013    December 5, 2013

9. Adjournment.

- The meeting adjourned at 6:49 PM.