

**ORANGE UNIFIED SCHOOL DISTRICT  
BOARD OF EDUCATION • SPECIAL MEETING**

**District Education Center  
1401 North Handy Street • Orange, California  
Special Meeting**

**Monday, June 30, 2014**

**6:00 p.m. – Closed Session**

**6:30 p.m. – Open Session**

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**MINUTES**

**1. CALL MEETING TO ORDER**

The Board of Education met for a special meeting on Monday, June 30, 2014, at the Education Center, 1401 North Handy Street. Board President John Ortega called the meeting to order at 6:00 p.m.

**2. ESTABLISH QUORUM**

Board members present: Deligianni, Ledesma, Mofñat, Ortega, Singer, SurrIDGE, and Wayland

**3. PUBLIC COMMENT ON CLOSED SESSION AGENDA ITEM**

No public comment.

**4. ADJOURN TO CLOSED SESSION**

The meeting adjourned to closed session at 6:00 p.m. to discuss the following item:

**A. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:**

Significant Exposure to Litigation and Anticipated Litigation Pursuant to Government Code Sections 54956.9(d)(2): One Item – PW Construction Inc. Government Code claim. On June 10, 2014, Orange Unified School District received a Government Code claim from PW Construction, Inc. for costs owed and additional costs incurred arising out of PW Construction's work on the Lampson Elementary School Modernization Project.

**5. CALL TO ORDER – REGULAR SESSION**

Mr. Ortega called the meeting to order at 7:06 p.m.

**6. PLEDGE OF ALLEGIANCE**

Mr. Ortega invited the audience to join together in reciting the Pledge of Allegiance.

**7. REPORT OF CLOSED SESSION DECISIONS**

Mr. Christensen reported that the Board of Education provided direction to staff regarding potential litigation. There was nothing else to report.

**8. ADOPTION OF AGENDA**

**Motion No. 106**

It was moved by Dr. Deligianni-Brydges, seconded by Mr. SurrIDGE, and carried by a vote of 7-0 to adopt the June 30, 2014 agenda.

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## **Introductions**

Mr. Ortega acknowledge members in the audience: Deborah Pauly, councilmember from the City of Villa Park, Carolyn Cavecche, former Mayor of Orange, and Lisa Smith, former OUSD Board member.

## **9. PUBLIC COMMENT ON OPEN SESSION ITEM**

### **Speakers**

Keni Brayton Cox, resident of OUSD, urged the Board to take an interest in 21<sup>st</sup> century learning and spoke in support of placing a facilities bond on the November ballot.

Linda Roslund spoke in support of the facilities bond and urged the Board to place it on the ballot so voters can decide.

Kelly Tokak spoke against this particular school bond as they are incredibly expensive under current law and it will cost more to have the modernized schools as proposed.

Sean Griffin spoke in support of the bond and urged the Board to put students first as he advocates for students with special needs who cannot reach classes they want or need.

Kris Erickson, CARE representative, spoke in support of a facilities bond, noting that our high schools are outdated, inefficient, dangerous, and not what our students need to succeed in the 21<sup>st</sup> century. She urged the Board to let the voters decide by placing the bond on the November ballot.

Deborah Pauly, councilwoman for the City of Villa Park, stated that she is staunch fiscal conservative and that the proposed bond measure is all about "bonded indebtedness." She acknowledged there is a need for facilities improvements, but admonished the state for withholding funds that should be provided to the District. She does not support the bond measure for the debt it will impose on all taxpayers, residents and businesses of the District.

Carolyn Cavecche spoke on behalf of the OC Taxpayers Association, and stated that the organization neither supports nor opposes school bond initiatives as the taxpayers in each individual district are in the best position to judge the condition of their facilities and the needs of the community. However, they ask that every school bond initiative meet a particular list of criteria. Ms. Cavecche was pleased to state that all 13 points of their criteria that they are either in current District policy or have been included in this measure. Should this measure go forward, the OC Taxpayers Association will send a letter to the Superintendent stating as such.

Kathleen Moran urged the Board to be good fiscal stewards, particularly with regard to deferred maintenance funds. She asked for information indicating that the Board has been good stewards and asked what is the state's requirement for deferred maintenance. She is not in support of the bond if the District has not been good stewards.

Ron Esparza spoke in support of the Bond and how he has been inspired by the countless volunteer hours that have gone into the process.

Michael Fisher, resident in the City of Orange, spoke in opposition to the \$260 million school bond adding that it is a large sum and he agreed with the points made by Deborah. Pauly and Kathleen Moran. He questioned if the maintenance funds have been spent responsibly and would like to see numbers in order to gain his support.

Nicole Jones, OUSD parent, stated that she has seen the disrepair at the school campuses and that going forward with a bond is a good start towards getting the schools back on track. She urged the Board to put this in front of the voters now.

Erik Kuli encouraged the Board to listen to their constituents for whom they represent noting that certain groups, such as the Lincoln Club is not a constituent. He spoke in support of the school bond measure.

Joe Greenwald, CARE representative, spoke in support of a facilities bond and urged the Board to put the bond on the ballot adding that a school facilities bond is necessary for the District.

Caroline Alatorre, OUSD student, stated that she is appalled with the conditions of our schools and urged the Board vote in support of bond measure.

## **10. ACTION ITEM**

### **Item 10.A. Resolution No. 21-3-14 of the Board of Education Ordering an Election and Establishing Specifications of the Election Order**

The resolution before the Board calls for an election within the District for the purpose of approving school bonds, to request the Orange County Registrar of Voters to conduct the elections on behalf of the District, and to authorize the preparation of election materials, including ballot arguments and tax rate statement, to be included on the ballot pamphlet.

State law requires the Board of Trustees to order school district elections. The Orange County Registrar of Voters will conduct the election on behalf of the District, including publishing all required notices. This resolution meets the statutory requirements for describing the projects to be funded with the proceeds of the bonds, included as Exhibit B to the resolution. A 75-word summary of the measure, as it will appear on the ballot, is included in the resolution as Exhibit A. The resolution authorizes the preparation and filing of a tax rate statement, which must be included on the ballot pamphlet, describing the anticipated rates of tax throughout the life of the bond issue. The resolution also authorizes, but does not commit, the Board and/or individual members of the Board to prepare and sponsor a ballot argument in support of the bond measure. No more than five (5) persons may sign the ballot argument.

This election will be called under constitutional and statutory provisions that require fifty-five percent (55%) voter approval and certain accountability requirements, including annual independent financial and performance audits of how funds are spent, and the formation of a Citizens' Bond Oversight Committee. Following adoption, the resolution (including the signed tax rate statement) must be delivered to the Registrar of Voters and the Board of Supervisors. State law requires that two-thirds (2/3<sup>rd</sup>) of a school board support the resolution calling an election requiring 55% voter approval. At least five (5) Board members must be present and vote "Yes" in order to call the election.

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**Motion No. 107**

It was moved by Mr. Ortega, seconded by Mrs. Singer to approve Resolution No. 21-13-14 authorizing a bond election for November 4, 2014.

**Discussion**

The Board members asked questions of the presenters and engaged in discussion regarding tax rates, interest rates, legal requirements and transparency. Legal counsel David Casnocha addressed topics such as requirements for the Citizens Oversight Committee. Mr. Casnocha noted that an Oversight Committee only has the authority to report to the Board. Financial Advisor Chet Wang addressed interest rates noting that the bond program was originally built on higher interest assumptions than today's current market place. He pointed out that the District has very good credit ratings – Aa2 from Moody's, Aa-1 from S&P – which indicates that borrowing costs would be lower than for a district having low credit ratings.

Mr. Wayland spoke in favor the Resolution noting that the Superintendent has a strong background in managing budget funds and has the ability to keep the District solvent.

Mr. Ledesma acknowledged that the amount of the bond is a significant amount. He noted that the budget changed from a \$250 million budget in 2008 to a \$200 million current budget along with cuts in the deferred maintenance funds. He wanted to give a Board member perspective to the audience.

Mrs. Moffat commented on the good ethics of the Board in going forward and the need to be transparent. She remarked on adopted policy guidelines regarding contract bidding, awarding of contracts, purchasing processes, etc. from the Rancho Santiago Community College District. In connection with that, she thought it would be a good thing to look at OUSD policies. Mrs. Moffat will bring some suggested amending policies at the July meeting so the public can see that the District intends to do everything possible to show that this process is open to everyone and followed with propriety and transparency. She stated that she is in favor of the bond measure.

Dr. Deligianni stated she had concerns about the bond. She said that the Board is setting the community for disappointment because the stated costs associated with the modernization will not cover all that is expected, which is misleading the public. Additionally, she finds it problematic that the construction will be done in phases. She pointed out her concerns with statements in the resolution that will also mislead the public.

**Motion No. 107** carried by a roll call vote of 6-1 (No: Deligianni-Brydges) to approve Resolution No. 21-13-14 authorizing a bond election for November 4, 2014.

**11. ADJOURNMENT**

By call of the Chair, the special meeting of June 30, 2014, adjourned at 8:43 p.m.

  
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Mark Wayland  
Clerk of the Board