

**Paso Robles Joint Unified School District
Special Meeting of the Board of Trustees
January 9, 2021**

MINUTES

A. OPENING CEREMONY

1. Call Meeting to Order

The meeting was called to order at 9:15 a.m.

Present: Arend, Baker, Bausch, Gearhart, Reed, Williams

Absent: Gannon

B. ADOPT AGENDA

1. Adopt Agenda

A motion to adopt the agenda as published failed. Motion by Mr. Bausch and a second by Mr. Williams.

AYES: Baker, Gannon

NOES: Arend, Bausch, Gearhart, Reed, Williams

A motion by Mr. Arend, seconded by Mr. Gearhart passed 6-0 (Gannon absent) to modify the order of the agenda to handle Item 1 and 3, then 2 and 4. Passed with a motion by Mr. Arend and a second by Mr. Gearhart

C. OPEN SESSION - 9:00 AM

D. SALUTE TO THE FLAG

Mr. Gearhart led the Pledge of Allegiance.

E. COMMENTS FROM THE PUBLIC

Public comment specific to agenda items will be received prior to discussion of those topics.

F. ACTION ITEMS

**1. Acknowledge Formal Receipt of Grand Jury Report -
"Paso Robles Schools: A Cautionary Tale," November 17, 2020**

A motion passed to acknowledge receipt of the Grand Jury Report - "PASO ROBLES SCHOOLS: A CAUTIONARY TALE," NOVEMBER 17, 2020. Motion by Mr. Bausch; second by Mrs. Baker. (6-0, Gannon absent)

2. Discussion and Possible Action Regarding District Response to Grand Jury Report

President Arend explained this item would be handled in three sections to address each of the areas of the Grand Jury Report (school district leadership, district reserves management, and the aquatics complex). He asked trustees and the public to restrict their comments and discussion to the area then under discussion.

Public comment was received from Mr. Dale Gustin urging the Board to accept the validity of the report and its recommendations. He suggested the community had expressed its agreement through their votes in the most recent election.

President Arend reviewed Finding #1 regarding financial mismanagement and asked if Board members agreed. Discussion followed and the Board expressed agreement with the finding. Finding #2 relates to the information provided to the Trustees from Superintendent Williams being overly optimistic or misstated. Board members discussed how the County Office of Education also failed by not providing sufficient information to the Board of Trustees to alert them to areas of concern. Board members agreed with Finding #3 which noted that excessive hiring led to depletion of fiscal reserves, noting that steps have been taken to reduce the number of administrative positions and utilize the position control system to provide necessary oversight.

District hiring practices during Chris Williams' tenure were discussed, and Mrs. Gaviola cautioned the Board about her inability to speak to specific personnel issues in the public meeting. She did confirm that some managerial hirings, although approved by the Board, did not follow routine interview protocols. She suggested the Board could direct staff to develop an administrative regulation to clarify those procedures.

Berkeley Baker addressed the Board concerning Finding #4 regarding unqualified hires and suggested the Board pursue legal actions to recover funds. Board discussion ensued regarding Mr. Williams' separation agreement and financial settlement, and the lack of legal counsel available to the Board, independent of Superintendent Williams and the District. Trustees expressed general agreement with Finding #4.

General agreement was reached on Finding #5, including discussion regarding Trustees' inability to access the District's QSS accounting system, instead relying only on information from staff. Finding #6 related to Board members not sufficiently reviewing information prior to approving expenditures. Discussion on Findings 5-8 was held regarding various training opportunities that Trustees can avail themselves of, with suggestions that potential trustees should begin learning some of this information prior to election. Support was expressed for Finding #7. Finding #8 was agreed to, with the understanding that the situation is much improved and the finding is no longer accurate.

The meeting recessed from 11:19 to 11:25 a.m.

Discussion proceeded to Chapter 2 of the report regarding depletion of the District's financial reserves from 10.4% in 2015 to .3% and mismanagement issues leading thereto.

Finding #1 was agreed to. The Board agreed with Finding #2, but took exception with the term "abdicated." Michael Rivera gave his observations during the time period referenced. He felt the Board owes a public apology to many community members whose concerns were ignored. The Board agreed with Finding #3 that trustees should obtain financial training.

They also agreed with Finding #4 regarding rapid turnover of senior staff leading to poor management of district assets. Dale Gustin suggested that trustees should have sufficient training to be able to read financial reports and other documents so they can make educated inquiries and identify problems. As to Finding #5, Brad Pawlowski explained that the QSS accounting software did allow accounts to be overdrawn which is no longer possible. He assured the Board that he scrutinizes all purchase requests and expenditures. The Board expressed its agreement with this finding.

Finding #6 alleged the Board routinely approved then-superintendent Williams' recommendations. Following discussion, the Board stated its agreement.

Agreement was also expressed for Finding #7 regarding the superintendent's fiscal qualifications. Mr. Bausch noted that Mr. Williams was selected as superintendent despite not having the characteristics and experience that had been specified with the search firm.

Finding #8 addressed reporting capabilities not available through QSS. Mr. Pawlowski disagreed, at least in part, as QSS does provide the tools and information needed to provide trustees with needed information. Mr. Bausch countered that Mr. Pawlowski's statement is accurate at the current time, but this was not the case during Mr. Williams' tenure. Mr. Arend proposed the Board's response to this finding be qualified as "partially disagree" because tools did exist in QSS but were not used. The Board agreed.

Moving onto Chapter 3, Mr. Arend read the Grand Jury statement. Public comment in support of the aquatics complex was received from Dale Gustin, Juana Moore, Amy Oberg, Jill Ogorsolka, and Julie & Cory Smeltzer.

Finding #1 states the pool components were prematurely purchased before the aquatics project was fully developed or funded. Trustees debated the status of project design and development at that time. As total project costs exceed the Measure M allocation which cannot be increased, they must be acquired through other sources. Board members agreed with the finding. Board members agreed with Finding #2 that the superintendent and trustees did not visit existing pool installations prior to purchasing equipment.

The meeting recessed for lunch from 12:45 to 1:15 p.m.

Board members agreed with Finding #3 regarding lack of documentation of proposed donations to fund portions of the pool construction. As to Finding #4, the Board agreed that financial support has not materialized; but disagreed about community support. Public comment was received from Jill Ogorsolka, with Swim Paso, who explained that fundraising efforts were curtailed following Chris Williams' resignation and the project being paused. Additional comment was received via email from Tara Quinn (Swim Paso) regarding fundraising. The Board agreed to respond to this finding as "partially disagree."

Mr. Arend took note of the time and suggested the Board will probably need to schedule a special board meeting to continue this agenda. Mr. Bausch suggested a special meeting prior to the regular meeting on Tuesday, January 12, 2021.

Regarding Finding #5, the Board agreed the Board has not chosen to shift Measure M funding from other projects to the aquatics project, acknowledging that Measure M funding was insufficient although the District was pursuing donations. Finding #6 stated that annual operating costs were dramatically underestimated in planning the aquatics complex. Public comment was received from Tara Quinn. Board members agreed with Finding #6, with the qualification that estimates varied widely.

Mr. Pawlowski suggested the Board partially disagree with Finding #7 regarding the Citizens Oversight Committee's (COC) negligence in their oversight duties. The Board did timely receive a 2017-2018 report from the COC. Additionally, annual financial reports are due by March 31 of each year (covering the fiscal year ending the previous June 30). The 2018-2019 report was received as scheduled; however, March 13, 2020, was the date of the pandemic lockdown. It became challenging to gather the COC for meetings, but they did meet in November to review the audit and draft their annual report. That will be coming to the Board soon. The Board felt the need for further information before responding to Finding #7.

Finding #8 alleges the Board did not use due diligence and failed their fiduciary obligation regarding the aquatic complex. There was substantial discussion about practices of some trustees during that time frame to question staff/superintendent recommendations, with an acknowledgment that the Board, as a whole, failed to act upon those concerns. The Board agreed to respond affirmatively with some explanation to Finding #8.

President Arend asked the Board their preference on whether to continue work today. Mr. Bausch concurred with Dr. Dubost's earlier recommendation that this would be a logical point to break, and defer work on the recommendations to another meeting. He offered to consolidate the input from today into a template for such a review. Mr. Arend noted that much of today's discussion also talked about recommendations, so he felt those would go fairly quickly. He suggested the Board convene in special session prior to the regular meeting on January 12 to work on the remaining agenda items and responses to the Grand Jury Recommendations. The Board requested a copy of recent correspondence from Lozano Smith LLP, and an opportunity to review qualifications of other potential counsel.

A motion was adopted to table discussion of response to Finding #7 and the recommendations, to a special meeting on Tuesday, January 12, 2021, at 4:00 p.m. (Bausch/Williams; 6-0; Gannon absent)

3. Discussion and Possible Action to Hire Additional Counsel Relative to Grand Jury Response

A motion passed to table this item. (Bausch/Baker; 6-0; Gannon absent)

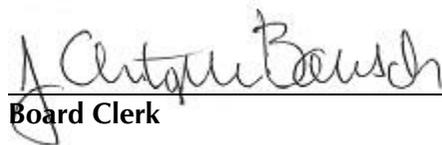
4. Determine the Need for Scheduling a Special Board Meeting

A motion passed to table this item as it may not be necessary. (Bausch/Baker; 6-0; Gannon absent)

G. ADJOURNMENT

1. Adjournment

The meeting adjourned at 2:46 p.m. on motion of Trustee Gearhart; seconded by Trustee Bausch (6-0, Gannon absent).



Board Clerk



Board President