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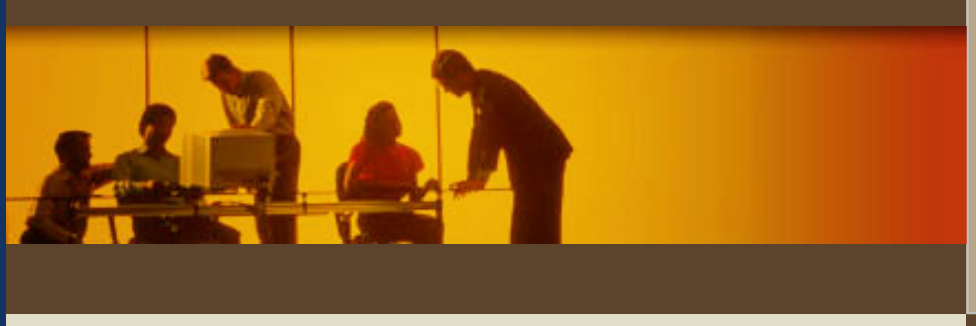

Editorial: Acalanes School District Should Abandon Foolish Gambit to Bypass Voters' Will

Oct. 4, 2015 | Contra Costa Editorial |www.contracostatimes.com

EXCERPT: Promises to voters matter.

That's the crux of Contra Costa Judge Judith Craddick's blunt and correct tentative ruling last week barring the Acalanes High School District from issuing bonds that would raise property tax rates beyond what voters were told. Craddick will likely affirm her ruling at a court hearing Nov. 10. ...

... As Judge Craddick determined, the district made a contract with voters and it must honor it. She flatly rejected the district's insulting assertion that the wording on the ballot was merely "surplusage," legalese for irrelevant or superfluous.

When voters passed Measure E, property owners were already paying special taxes to retire prior school construction bonds. Measure E enabled the district to issue an additional $93 million worth. But the ballot language, written by the district, promised that tax rates would not increase.

Officials didn't explain that, to fulfill that promise, they would have to wait until the old bonds were paid off in 2024 to start payments on the new ones. Consequently, just like any credit card on which payments are deferred, the interest on the Measure E bonds will be exorbitantly costly.

So far the district has issued $68 million of the $93 million authorized by Measure E. Now district officials want to issue $15 million more to complete projects they say are critical.

Wisely, they don't want to defer repayment on those bonds. Unfortunately, that would mean increasing tax rates above what voters were promised when they approved Measure E.

District officials have two options: They can continue pursuit of their foolish legal gambit. Or they can go back to voters, admit they goofed with their original promise and ask for permission to raise property tax rates so they can issue bonds in a fiscally responsible way. ...

It's time for them to fire their lawyer, admit they were wrong and seek forgiveness from the voters.

To read the complete article please visit:
http://www.contracostatimes.com/moraga/ci_28912193/contra-costa-times-editorial-acalanes-school-district-should

New Ruling Throws Poway Unified Consultants' Lucrative Deal Into Question

October 21, 2015 | By Ashly McGlone | www.voiceofsandiego.org

EXCERPT: Poway Unified's trusty financial advisers Dolinka Group have collected more than $2 million from the district over the last five years, much of that under a contract that may violate state conflict-of-interest laws after a new ruling that broadens those laws' reach.

Dolinka, a school-centric, Irvine-based consulting firm, advised the Poway district on how to structure its $105 million Proposition C capital appreciation bond sale in 2011 [1], a deal that earned Poway nationwide notoriety because it will cost taxpayers $981 million to repay over 40 years and can't be paid off early.

That bond sale - which netted the firm $288,000, sparked legislative reform and drew stern criticism from the state attorney general and state treasurer - isn't the only aspect of the firm's Poway work history that merits scrutiny, according to several legal experts. ...

State conflict-of-interest laws have long banned public officials and employees from being financially interested in contracts they create (Poway already flirts with the line on this standard, as its superintendent gets the same raises he negotiates with teachers). A recent precedent-setting ruling from the 5th District Court of Appeal this summer applied the same conflict standards to contractors and consulting firms performing government functions.

The Davis vs. Fresno Unified School District decision further clarified that those who advise government agencies generally cannot profit from their advice.

"The Fresno case has been a big deal in the conflicts world," said Sacramento attorney Gary Winuk, former chief enforcement officer of the Fair Political Practices Commission. "Where a company participates in the decision-making for the terms contract, they will have a 1090 conflict if they realize financial benefits from it," he said, referring to the section of the law that governs those conflicts.

"For the Poway example, I think they are in the danger zone and will have to take a hard look at the specific facts," said Winuk, who now works at a private law firm. "After the Fresno case, the legal ground has shifted for using corporate consultants to participate in contracts where they will have a financial benefit."

Michael Colantuono, a veteran municipal attorney, also said that while these relationships are common, "These practices may be difficult to justify, particularly in light of the Davis decision."

JoAnne Speers, a professor of public-sector ethics at the University of San Francisco, suggested the district and Dolinka seek advice from the attorney general, FPPC and their legal teams because, "The stakes are really high."

Contracts that violate state conflict-of-interest laws are invalid and consultants could be ordered to repay every dime to the school district, among other consequences. ...

To read the complete article please visit:
http://www.voiceofsandiego.org/topics/education/new-ruling-throws-poway-unified-consultants-lucrative-deal-into-question

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