

**Wiseburn School District
Measure A Bond Oversight Committee
January 11, 2010 Meeting Minutes**

Attendees:

- Russell Kehl, community member, Chair
- Cindy Parsons, community member, Secretary
- Daniel Juarez, community member
- Anne Eli Kershner, community member
- Roger Banuelos, Wiseburn School Board member
- Tom Cox, Wiseburn School District staff

Absent:

- Andrew Goslin, community member
- Brian Meath, Wiseburn School Board member

Meeting was convened by Chair Russell Kehl at 7:06 pm.

Agenda Items:

- 1) Fiscal Year 2008/2009 Measure A Audit Report: James Holly from Nigro Nigro & White provided a summary of the audit report and results, which are summarized below:
 - Performed and issued an unqualified compliance audit of the statement of revenues, expenditures and changes in fund balance of the Wiseburn School District's Measure A Bond Building Fund for the fiscal year ended June 30, 2009.
 - The compliance audit included the following:
 - Performed a site walk of the new Cabrillo Elementary School on May 26, 2009 to verify that the Measure A expenditures were for valid facilities acquisition and construction purposes.
 - Tested expenditures to determine whether the Measure A funds were used only for the purposes set forth in the Measure A ballot measure language. The expenditure test sampled 15 payments totaling \$1.4 million or 12% of the total expenditures for FY 2008-09.
 - Tested 3 contracts for compliance with District policy and Public Contract Code provisions related to contracting and bidding, and found the contracts followed proper bidding procedures and were awarded to the lowest responsible bidder.
 - Discussion
 - The bonds are a mixture of current interest bonds and capital appreciation bonds.
 - Are paying off ~\$1.5 million in principal annually across all 3 Wiseburn School District bonds (Prop W, Measure E, Measure A).
 - Concluded that the financial statement fairly presents the results of operations of the Measure A Bond Building Fund for the fiscal year ended June 30, 2009.
 - Motion by Danny, seconded by Anne, to accept the audit report as presented. Motion was approved.

Formatted: Right

Formatted: Font: (Default) Arial, 10 pt

Corrected 4-26-10

2) Review of Minutes from September 14, 2009 Measure A Bond Oversight Committee Meeting

- Corrections:
 - Committee members absent: Daniel Juarez and Anne Kershner
 - Agenda Item 4, Review of Cabrillo and Burnett Projects
 - Strike 2nd bullet (for informational purposes only, not intended to be included in minutes)
 - 4th bullet: correct \$3.6 million to \$3.840 million, insert "plus" before additional costs for inspections & testing. (Went to Board as two separate projects that add up to \$3.84 million.)
 - 6th bullet: insert "concrete" (Burnett concrete construction on hold...)
- Discussion:
 - Is annual audit required? The ballot measure stated would conduct annual audit; is up to Bond Oversight Committee whether should conduct separate audit or include as part of annual School District audit.
 - If bond measure only requires 55% of vote to approve, are required to list projects.
 - Wiseburn School District audit cost ~\$18,000.
 - What was outcome of sinkhole issue at Cabrillo? Still owe one vendor \$153,000, still some finger pointing going on.
- Motion by Danny, seconded by Russell, to approve minutes as corrected. Motion was approved.

3) Review of Measure A Revenues, Expenditures and Fund Balance (as of 12/31/09)

	Revenue	Expenditures
Total Revenues: bond proceeds + interest (9 quarters) + bond issuance refund	\$33,771,339.79	
Cabrillo School Expenditures (total)		(\$25,144,635.42)
Transfer of Expenditures to State Fund 35 (state funding)	\$5,078,314.00	
Cabrillo School Expenditures (net)		\$20,066,321.42
Burnett Projects Expenditures (net)		\$2,632,746.37
Maintenance Building Project Expenditures		\$23,749.28
Other Expenditures (Measure A Audit)		\$9,000.00
Total Expenditures		\$22,731,817.07
Measure A Fund 21.3 Balance (as of 12/31/09)	\$11,039,522.72	

4) Review of Burnett Projects and Maintenance Building Project

- Status of state matching money = "unfunded approved"; state can't sell bonds due to financial situation; once state is able to sell bonds, will get funding.
- Still need to pay out \$1.3 million for Burnett projects.
- Burnett projects were handled as "lease / leaseback" arrangement (school district pays CW Driver, CW Driver pays subcontractors); CW Driver reviewed bids with district.

Formatted: Right
Formatted: Font: (Default) Arial, 10 pt

Corrected 4-26-10

- Cabrillo fence extension: was installed for neighbors who wanted it, are considering installing for few houses on west side.
- Maintenance / Warehouse building (replace old south wing of Dana school):
 - 1st bid: \$138,000
 - 2nd bid: construction of building, bring in utilities, grading, retaining; cost TBD (should know in next few months).
- Utah property:
 - Property was purchased ~end of 2008
 - Tenant moved out of front part; 7 months behind in paying rent.
 - Board is dealing with bigger issues (facility issues, unification). Need more space for District Office, but educational programs come first.
 - Haven't decided what to do with; may want to trade for property to build high school.
- Portable classrooms at Burnett are being used for child care and music.

5) Future Projects

- Burnett (new wing, restroom building, drop-off and pick-up):
 - Making good progress, some cabinetry issues, bulk of work should be done by February.
 - Drop-off / pick-up is functional, almost finished (need to finish landscaping).
 - Price tag: \$4.2 million (expect to receive \$1.4 million in matching money from state).
- On hold:
 - Projects to demolish old Dana School and move District Office are on hold due to Charter Schools; may need to reconsider fields.
- Burnett multipurpose room
 - Board request to discuss at upcoming meeting.
 - Could get \$400,000 to \$500,000 in matching money from state (would be "unfunded approved" status until state is able to sell bonds).
- Solar power
 - Met with Chevron Energy Solutions, looking at rooftop panels.
 - Would get credits through SCE, qualify for low cost financing (CREBS).
 - Would need to use same roofing contractor because of warranty.
 - Chevron would be responsible to get DSA approval.
 - Would provide 80% of energy needs at Cabrillo & Burnett.
 - Initial cost estimate for rooftop PV ~\$6 million (for all 4 schools).
 - Cost estimate for solar shade structures ~\$9 million.

Formatted: Right
Formatted: Font: (Default) Arial, 10 pt

Corrected 4-26-10*

6) Website

- Forwarded a few committee member bio's to Tom Johnstone
- Tom J. will assign to Wendy or someone else; Russell to follow up with Tom.
- Roger has not found anyone to donate website services, will continue to look.

7) Other Discussion / Questions

- Bond issuance costs? Refund of \$16,000 from escrow account.
- Committee recommendations regarding use of remaining Measure A funding (\$8.6 million + \$1.4 million in matching funding from state):
 - Multipurpose room at Burnett
 - Solar
 - Future high school
- The committee did not reach consensus on priority/use of the remaining funding.

8) Upcoming Bond Oversight Committee Meetings for 2010-11

- April 26, 2010
- August 23, 2010

Meeting adjourned at 9:15 pm.

Next meeting scheduled for April 26.

Deleted: August 23

Minutes by: Cindy Parsons

Formatted: Right

Formatted: Font: (Default) Arial, 10 pt

Corrected 4-26-10

**Wiseburn School District
Measure A Bond Oversight Committee
September 14, 2009 Meeting Minutes**

Attendees:

- Russell Kehl, community member, Chair
- Cindy Parsons, community member, Secretary
- Andrew Goslin, community member
- Roger Banuelos, Wiseburn School Board member
- Tom Johnstone, Wiseburn Superintendent
- Tom Cox, Wiseburn School District staff

Absent:

- Daniel Juarez, community member
- Anne Kershner, community member
- Brian Meath, Wiseburn School Board member

Formatted: Bullets and Numbering

Agenda Items:

- 1) Appointment of New Chairman: Russell Kehl was appointed to replace Roger Banuelos as chair of the Bond Oversight Committee. Roger stepped down from serving as chair because over the summer he was appointed to fill a vacancy on the Wiseburn School Board. Roger will continue to serve on the Bond Oversight Committee as a School Board member.
- 2) Review of Measure A Revenues, Expenditures and Fund Balance (as of 6/30/09)

Total Revenues (bond proceeds + interest + bond issuance refund)	\$33,718,190.87
Total Expenditures (for Cabrillo School)	\$25,098,034.31
Transfer of Expenditures to State Fund 35 (state funding)	\$5,078,314.00
Net Expenditures (for Cabrillo School)	\$20,019,720.31
Measure A Fund 21.3 Balance (as of 6/30/09)	\$13,698,470.56

Deleted: 3/31/09

- Remaining Cabrillo expenditures:
 - Retention for 1 vendor
 - Sinkhole expenses
 - Architect fees for closing out project with DSA
 - Shade for Kindergarten playground & fencing
 - Received 8 quarters of interest
 - Once finish Cabrillo, will roll up Cabrillo expenses and start tracking Burnett expenses.
 - Why do figures for state matching \$\$ differ?
 - Started with small balance in Fund 35, and spent some \$\$ directly out of Fund 35.
- 3) Meeting Minutes (April 27, 2009): reviewed and approved as-is.
 - 4) Review of Cabrillo and Burnett Projects

Burnett project: anticipate completion in winter 2009

- Pick-up / drop-off currently in use, need to add signage
- Cost estimate (Total impact to Measure A) = \$4 million for classrooms/restrooms & drop-off
- Approved \$3.840 million for construction, plus additional costs for inspections & testing (soft costs)

Deleted: <#>Next door neighbor unhappy about unloading & street sweeping signs!

Deleted: \$3.6

Formatted: Right

Formatted: Font: (Default) Arial, 10 pt

Approved as corrected 4/26/10

- o Application submitted for matching \$\$ but not yet approved by State Board; out of Office of Published School Construction (OPSC) which oversees construction funding; will be on the November State Board agenda.
- o Burnett concrete construction on hold (IRS seized assets of cement contractor); will have subcontractor do work.

5) Future Projects

- Demo old Dana School and construct fields; depends on status of Charter Schools (anticipated will outgrow site after 2 years)
- Move District Office to property on Utah
 - o Former tenant still occupying property (for a few more months)
 - o Plan to move District Office by next year, Charter Schools need current District Office building
- Build "Butler" building for maintenance / warehouse
 - o Replace old south wing of Dana School (want to demolish, built in 1942)
 - o Want to complete warehouse building by Feb 2010 (CW Driver gave good price on)
- Charter School enrollment next year may be limited due to available space
- Are keeping options open for Utah property
- Possible project: Solar power
 - o Chevron Energy Solutions made presentation, put in application for federal stimulus \$\$ (was not selected), estimate = \$9 million
 - o Chevron will make another presentation for a power purchase agreement, very complex, savings based on future energy savings
 - o Proposal to install solar panels over parking lot & playground rather than on roof (would need to retrofit, requires go through DSA)

6) 2009-10 Measure A Audit

- Cost estimate for audit = \$5,000 (will come out of Measure A fund)
- If don't do separate audit, will incorporate in Wiseburn School District audit
- Can negotiate lower price with auditor when bond activity down; Tom will ask if will do audit for \$4000 (same as last year)
- Roger recommends perform audit this year since there was \$10 million in activity (last year activity was \$11 million)

7) Discussion / Questions

- WSD website:
 - o Wendy is working with Rodney to update website
 - o Post ballot language, list of committee members & bio's, financial information, minutes, meeting dates
 - o Will talk with Rodney about posting what have (hold off on posting meeting minutes)
 - o Send bio to Russell within 1 week
 - o Roger will ask several people to donate website services
- Does construction manager provide assessment of risks? (for example, cement contractor, sinkhole); District has weekly meetings with CW Driver.

8) Schedule Bond Oversight Committee Meetings for 2010-11

- October 26, 2009 (walk through of Burnett project)
- January 25, 2010 (review audit report)
- April 26, 2010
- August 23, 2010

(Note: meetings subject to cancellation, depending on activity)

Formatted: Right
Formatted: Font: (Default) Arial, 10 pt

Approved as corrected 4/26/10

Meeting adjourned at 8:25pm.

Next meeting scheduled for January 25.

Minutes by: Cindy Parsons

Approved as corrected 4/26/10

Formatted: Right
Formatted: Font: (Default) Arial, 10 pt