

LOS ALAMITOS UNIFIED SCHOOL DISTRICT

Citizens' Bond Oversight Committee

January 29, 2020

FINAL MINUTES – Approved April 1, 2020

A meeting of the independent Citizens' Bond Oversight Committee of the Los Alamitos Unified School District was held on Wednesday January 29, 2020 in the District Office Board Room located at 10293 Bloomfield Street, Los Alamitos, California.

I. CALL TO ORDER

The meeting was called to order at 6:30 p.m. by Chair Janet Murphy. A quorum of members was present and the meeting, having been duly convened, was ready to proceed with business.

II. PLEDGE OF ALLEGIANCE

Alexandra Ito led the committee and staff members in reciting the Pledge of Allegiance.

III. ATTENDANCE

Members Present

Craig Cartozian
Keith Crafton
Alexandra Ito
Trini Jimenez
Brett Lorber
Janet Murphy
Lorraine Navarro
Chad Stuart

Staff Present

Nancy Nien
C.J. Knowland
Elvia Galicia
Mayra Gonzalez
Shoshana Dornblaser
Brian Ruff, Eide Bailly

Members Absent

Jeff Barke
Brady Metcalfe
Marilynn Poe

IV. WELCOME/INTRODUCTIONS

Chair Janet Murphy welcomed the committee members and staff.

V. APPROVAL OF MINUTES

Trini Jimenez moved to approve the *October 16, 2019* meeting minutes and Brett Lorber seconded. Keith Crafton and Lorraine Navarro abstained from the vote as they were not in

attendance at the October 16, 2019 meeting. The committee unanimously adopted, and the motion was carried.

VI. COMMUNITY/STAFF PARTICIPATION ON NON-AGENDA ITEMS

None.

VII. FINANCIAL AUDIT REPORT

Brian Ruff of Eide Bailly presented the financial and performance audits for Measures K and G. No audit adjustments or audit findings were found in either fund. The performance audit is a regulatory requirement under Proposition 39 which involves a standard set of procedures including ensuring that the funds are being accounted for properly, that funds are deposited in a separate school district account and that funds are spent in accordance with the election and ballot materials.

VIII. DISCUSSION OF THE NEED FOR PERFORMANCE/AUDITING TRAINING

Brian Ruff suggested that formal training may not be necessary and that the committee should be able to evaluate the audit reports by asking questions of the auditors and the District. Mr. Ruff explained the audit process is ongoing throughout the year. The planning phase includes meeting with management and risk assessment based on areas that could be significant to the audit such as bond proceeds. The next phase would involve District debt summaries and working with management to ensure that disclosures are accurate. Once the Unaudited Actual is delivered, Eide Bailly performs the District audit and the performance audit simultaneously. Transactions are selected for review to determine the accuracy of payables, receivables, cash and county treasury. The goal is to determine if the numbers are accurate within the building fund as well as all other District funds.

Lorraine Navarro asked how the sample transactions are selected for the audit. Mr. Ruff explained that judgement is used focusing on material items such as large expenditures to one vendor, or small expenditures to a new vendor. Once an item is selected, the auditor reviews the purchase order and invoice ensuring that the purchase is in compliance with the ballot and election materials.

Keith Crafton asked how the audit firm was selected. Dr. Nien explained that Eide Bailly is one of the leading accounting firms in the state and is used by many school districts. Every three years the District solicits proposals. If the District retains the same firm, by law, every six years the partner assigned to the District must change. The bond audit process is a separate engagement from the regular District audit.

Brett Lorber asked if the CBOC will be notified if there is a finding during an audit. Mr. Ruff explained that if the District corrects the finding prior to the report being published, the committee will not be notified. The committee is able to ask the auditor for any findings that were not in the published report.

IX. DRAFT ANNUAL REPORT

Dr. Nien presented the proposed annual report. The financials can be based on data as of June 30 (end of the fiscal year) or as of the latest report available which currently is October 2019. The annual report will be presented to the Board of Education in April at which time financial data as of January 2020 will be available. The committee agreed to use fiscal year data for the report because these are the final audited numbers. The Board of Education receives regular, current updates on District financials and construction progress.

C.J. Knowland reviewed the draft annual report and asked if the committee would like to have any additional information included in the report or if there were any changes they would like to the format. Dr. Nien asked the committee to give feedback to Janet Murphy. Changes can then be incorporated into the final version of the report.

X. CBOC INTERVIEWS

CBOC interviews were conducted to fill the five members' seats whose terms expired. In addition, Dr. Barke has resigned from the committee resulting in six openings. Recommendations will be made to the Board of Education at the next meeting on February 11, 2020.

XI. UPDATE ON MEASURE K AND MEASURE G PROJECTS

The District is currently working to procure the guaranteed maximum price for the multistory STEM building. Once the final soft bid is received, it will be taken to the Board for approval. The plans are also being reviewed by the Division of the State Architect and the District is meeting with the California Geological Survey who conducts the structural testing and sets the requirements.

Demolition of the existing building was completed over winter break. In the next couple of weeks, the hard bid will be submitted by our lease lease-back contractor. The District monitors and oversees the bid process to ensure that competitive bids are collected from all subcontractors. The first step is the earthwork as ten feet of excavation is needed and then the layout of the initial utility work. This project will use a rammed aggregate pier system with more than 200 rammed aggregate piers drilled and compacted throughout the site. The structural steel placement should begin in the Summer of 2020.

C.J. Knowland shared the classroom lab floor plan which includes a lab/lecture hybrid set up with permanent islands for collaborative work with a dual projector. Regular classrooms without islands will have flexible furniture.

The earthwork and concrete piers are nearly complete for the high school pool project. The concrete shell should be poured in the next week. The first change order for this project was received totaling \$5,000. Additionally, some work that was eliminated from the project will result in an \$18,500 credit. Currently the masonry walls are being installed for the pool equipment and classroom building. All fencing surrounding the pool will be enabled with wireless controls allowing for keycard or PIN access.

All bids for the Softball Scoreboard project were rejected as they were deemed to be excessive. Due to the small scope of the project, it was determined that the District could contract directly with the subcontractors for this project making it more cost effective.

The modular restroom buildings for Hopkinson and Los Alamitos Elementary schools require approval by the California Geological Survey which enables the District to apply for State matching funds in the future for these projects. Fabrication has begun and the restrooms are expected to be installed over the summer.

The asphalt layout for the Los Alamitos Elementary School parking lot is being developed to improve vehicle traffic flow for drop offs and pick ups.

The playgrounds at McGaugh are complete and the surrounding grass areas are being re-seeded. A question was asked if the playground layouts and costs are the same at all of the elementary schools. C.J. explained that by using a CMAS procurement process the District was able to avoid contracting directly with an architect and used a pre-approved playground structure. Additionally, using a CMAS process means the District does not have to take the project to DSA. The end result being substantial cost savings.

Keith Crafton asked if any neighbors near the high school complained about the demolition process on campus. There were no complaints. C.J. explained that prior to the start of the project, neighbors were notified via door hangers placed on every nearby home and were also given notice of a public hearing.

XII. FINANCIAL REPORT

An updated version of the financial report was distributed to the committee. The majority of this bond is allocated to the multistory STEM building. The district has allocated \$67 million to the STEM building with the building itself costing \$50 million and the balance being construction soft costs. Soft costs usually run about 20-30% of the total project cost.

The remaining Measure K funds are being used to pay for the aquatics center which is contracted with Hamel Construction at \$9.1 million. There is a 10% contingency budgeted for unforeseen expenses.

All playground replacements are wrapping up.

XIII. COMMITTEE COMMENTS

None.

XIV. PROPOSED FUTURE AGENDA ITEMS FROM COMMITTEE MEMBERS

None.

XV. ADJOURNMENT

A motion to adjourn the meeting was made by Keith Crafton with a second from Brett Lorber. The meeting was adjourned at 7:49 p.m. The next meeting will be held on Wednesday, April 1, 2020, at 6:30 p.m. in the District Office Board Room.