

Minutes of the Measure I Citizens' Bond Oversight Committee
January 19, 2017 – 6:00 p.m. – 8:50 p.m.
Alameda Unified School District
2060 Challenger Drive, Alameda, CA
Ballena Bay Conference Room

PRESENT:

Committee members:

Don Sherratt, Member
Juelle-Ann Boyer, Vice-Chair
John C. Baum, Member
Michelle Pero, Member
Anne McKereghan, Member

Staff members:

Shariq Khan, Chief Business Officer
Robbie Lyng, Director - MOF
Brenda Parella, Bond Const. Project Mgr. - MOF
Stacy Moore, Bond Budget Analyst - MOF
Bernadette Gard, Staff Secretary II – MOF
April Dizon, Director – Fiscal Director
Priscilla Wong, Office Assistant

Absent members:

Kim Ondreck Carim

A. CALL TO ORDER

The meeting was called to order at 6:00 p.m. by Don Sherratt, Committee Chairperson.

A-1 Introductions

- Introductions of the committee members and district office staff were made around the room. There was a welcome to new member, Anne McKereghan, new tax payer representative. Anne has attended many board meetings, she has worked on bonds and parcel tax committees.

A-2 Adoption of Agenda

There was a motion to adopt the agenda as presented.

Motion: Member Boyer Motion seconded: Member Pero

The motion to adopt the agenda was passed.

A-3 Approval of Minutes from September, 22, 2016 meeting

- The minutes from the September 22, 2016 Board meeting were considered. There was a question regarding a Good of the Order topic regarding elections. It was clarified that the election would take place today and will be for the election of new officers, not new members. The minutes will be corrected to reflect that.
- There were a couple of typos that will be corrected.

There was a motion to approve the minutes.

Member Boyer made the motion and it was seconded.

The motion to approve the minutes was approved as amended.

A-4 Oral Communications

- No community members were present to address the committee.

B. GENERAL BUSINESS

B-1 Auditors Reports 2015-2016

- The auditor, Christy White from Christy White Associates, presented the audit report for the committee. She stated that Prop 39 has accountability requirements, which include the establishment of the bond oversight committee and one of the duties of the committee is to review the audit report.
- Christy stated that the audit report provides two opinions, one is on the financial statements of the bond measure and the second is a performance audit.
- The first opinion, on page 2, is stated “In our opinion the financial statements for Measure I is fairly presented in all material respects.” This is the best opinion you can receive. It is an unmodified opinion.
- On Page 15 is the other auditors report. This report is on compliance of governmental auditing standards, internal controls and compliance of laws and regulations. It stated that the auditors had no significant deficiencies in internal controls to report. This is excellent and we have a good track record of having good controls and audit reports. Also, there were no instances of non-compliance to report.
- Another opinion is the performance audit. This is a test that we are complying with the law, financial statements and have no risk for fraud. There were no findings. We show an unmodified opinion on financial statements, overall good job.
- There was also a site walk done to review that work was done. The site walks were done at Encinal High and Lum Elementary.
- The district’s bidding procedures were tested. 2 major contracts were tested and 1 change order. There were no exceptions found.
- The auditors also tested the establishment of the bond oversight committee. The test made sure that we are compliance with the requirement that there be representatives from different sectors of the community. There were no findings.
- There was a discussion about other district audits that are reviewed by the Board. There was a question asked about the cost of the audit and where it shows in the expenditures. Shariq confirms that he audit is paid for in the program costs. The cost of the audit was \$4800.
- There was a discussion about if it is a state law that the state bond funds be kept in the county treasury and if the funds can be invested by the county. Shariq explained that all district funds, whether they are bond or non-bond, are kept in the country treasury and managed by the county.

- It was stated that Michelle would like more time to look at the report.

There was a motion to accept the report.

Motion: Member Boyer Motion seconded: Member McKereghan

The motion to accept the report was passed.

B-2 Bond Oversight Committee Annual Board Report

The committee discussed the following:

- Shariq discussed last year's BOC report and how it was created and presented.
- Shariq suggested options on the way the committee can create the report for this year. The due date and the date it will be presented to the Board were discussed. The options were discussed by the committee.
- It was Don's opinion that they were not able to give all their changes tonight. The committee agreed that they would review, email edits and provide comments back via email to Shariq in 2 weeks. Shariq will send back the final for review by Don.
- Shariq reviewed the pages of the report and the committee reviewed the photographs to be included in the report. There was a question about the Otis site and that the committee would like to find a way to highlight that the building was built off-site.
- It was agreed that more explanation about the projects will help the general reader and the committee would like to include comments to clarify the projects.
- The committee agreed to show just the report at the Board Meeting and not present a separate power point presentation.
- The committee discussed how project photos are shown to the community. There was discussion about the possibility of hosting an open house at the main library or finding a way to showcase some of our construction photos at school site's lobby and at the district office lobby. Shariq will talk to Susan Davis about posting construction photos on social media and at the library.

B-3 Outstanding Business from last meeting (Shariq Khan)

The committee discussed the following:

- There was a question asked about the salaries that are paid out of bond funds. Shariq provided a response to the question.
- There was discussion about the bullet point regarding salaries in the report. It was decided that the statement regarding salaries would be taken out of the report to the Board to avoid confusion. Instead, a bullet point will be added to the report stating that the committee has ongoing communications with bond counsel confirming compliance.

B-4 Construction Projects Update (Robbie Lyng)

The committee discussed the following:

- AUSD Project Procedures

- There was a request to provide bond projects procedures. There was discussion regarding the procedures we follow for bond projects. Robbie reviewed the points in the document.
 - State funding for Historic Alameda High School was recently approved by the state. Robbie explained the bidding process for Historic Alameda High School.
 - The committee discussed the status of Proposition 51 regarding state funding. Currently the Governor has not approved it. The committee discussed the possibility of sending a letter to the state regarding funding under Proposition 51. Robbie will look into a form letter and information through CASH.

B-4-1 Progress Report

- Robbie presented the project update report. He reviewed the project schedule and provided current status of projects at Lum School, Otis Elementary, Maya Lin, Paden, Edison Elementary, Lincoln MS, Historic Alameda High School and Encinal High School.
 - The fencing projects and standards were discussed by the committee.
 - Encinal High School project is discussed. The original Master Plan was done in 2014. The demographics, site changes and classroom needs created a need to revisit the master plan.
 - There was a discussion regarding the old Miller School on Alameda Point. There are liability issues regarding the sewer.
 - Robbie stated that the Safety and Security Standards are on the website and provided an update on the Technology Standards.

B-4-2 Project Expenditures

- Stacy provided the updated expenditures statements by project and by site.
- There was a question regarding the next bond series issuance. Shariq explained the timing coordination and stated that the district is thinking of going out for the next issuance in July/August of 2017.

There was a motion to accept the reports.

Motion: Member Boyer Motion seconded: Member McKereghan

The motion to accept the reports was passed.

B-5 Election for Committee Chairperson and Vice Chairperson

The committee discussed the following:

- The Bylaws, the process and the committee reviewed the terms of the members. It was stated that John and Don were reappointed and Anne was the newly appointed member. It was confirmed that John and Don are new one year appointees and that the business member is still open.

- Don Sherratt confirmed that if he was nominated as Chairperson he would be willing to serve for one more year.

There was a motion to nominate Don Sherratt to serve as Chairperson for one more year.

Motion: Member Boyer Motion seconded: Member Baum

All were in favor. The motion to appoint Don Sherratt as Chairperson was passed.

- There was a discussion regarding the Vice Chairperson and Juelle-Ann Boyer stated that she is willing to vice chair.

There was a motion to nominate Juelle-Ann Boyer to serve as Vice Chairperson.

Motion: Member Pero Motion seconded: Member Sherratt

All were in favor. The motion to appoint Juelle-Ann Boyer was passed.

B-6 Good of the Order

The committee discussed the following:

- A March date to work on the presentation to the board was discussed. Shariq confirmed that if the plan works to email comments to him and he returns edits, there will not be a need for a March meeting. It was confirmed that no meeting prior to board meeting will be needed. The comments will be sent to Shariq and the committee will review and approve report.
- A change in the meeting start time to 6:30 p.m. and it was agreed upon.
- The Project Labor Agreement (PLA) and how it affected the projects was discussed. Robbie confirmed that we keep the budget as approved by the board in the implementation plan. There was a suggestion to add the PLA discussion to a future meeting agenda. Shariq confirms that the job of the oversight committee is to make sure that we follow the Board's guidance. It was discussed that if the committee had questions or comments regarding the PLA, the committee could address the Board in a special report.
- The Bylaws state that the committee can look into cost saving methods. There was a question regarding if bond counsel can be available at a future meeting to provide guidance regarding the PLA. It was decided we would add the item to a future meeting agenda. Currently, the guidance from the Board is to issue all contracts under PLA. The district will continue until the Board directs otherwise.

B-7 Next Meeting

The committee discussed the following:

- The next meeting dates were discussed. The committee confirmed to keep with the agreed upon meeting schedule. The meetings are scheduled for May, September and January.

- The next meeting is set for May 25 at 6:30 p.m. The September meeting date was not yet set but there is a possibility to meet at the new building at Otis.

ADJOURNMENT

- The meeting was adjourned at 8:50 p.m.