

Minutes of the Measure I Citizens' Bond Oversight Committee

October 28, 2015– 6:00 pm – 8:43 pm

Alameda Unified School District

2060 Challenger Drive, Alameda, CA 94501

Ballena Bay Conference Room

PRESENT:

Committee members:

Don Sherratt
Juelle-Ann Boyer
Michelle Pero
John C. Baum
Kim Ondreck-Carim

Staff members:

Shariq Khan, Chief Business Officer
David Casnocha, Bond Council
April Dizon, Comptroller
Robbie Lyng, Director - MOF
Brenda Parella, Bond Construction Project Mgr. - MOF
Jen Burns, Budget Analyst - MOF
Bernadette Gard, Staff Secretary II - MOF

Absent: Kevin Douglas Waite

A. CALL TO ORDER

The meeting was called to order at 6:03 pm. by Don Sherratt, Superintendent appointed chair.

A-1 Welcome, Background & Purpose (Shariq Khan, CBO)

- Shariq welcomed the committee and reviewed the background of the Bond. He stated that in November 2014 Alameda voters approved Measure I, a \$179.5M facilities bond for the Alameda Unified School District. The bond was based on the 2014 Facilities Master Plan which identified \$591M worth of renovations and modernizations.
- The purpose of the bond oversight committee is to monitor the expenditure of money for the construction and modernization. The bond oversight committee reports its findings to the Board annually.

A-2 Introductions

- Introductions of the committee members and district office staff were made around the room.

B. GENERAL BUSINESS

B-1 Brown Act (Shariq Khan, CBO)

- Shariq reviewed the presentation prepared by the district's General Council, Chad Pimentel, dated October 28, 2015.
- As noted on page one, "The Brown Act requires that all meetings of public agencies take place in public after sufficient notice has been given to the public of the matters to be discussed at the meeting." Shariq stated that the agenda was posted online and emailed out on Friday, October 23, 2015, 72 hours before the meeting.

- The committee was asked to review the presentation and pose any questions.
- Don asked and Shariq confirmed that minutes will be transcribed and sent out for approval and once approved they will be posted online.

B-2 Review of Bylaws, Roles and Responsibilities of Committee (David Casnocha, Bond Counsel)

- David reviewed the roles and responsibilities of the committee. He reviewed the history of facility bonds stating that many years ago public agencies were authorized to get voter approved general obligation bonds issued and districts throughout California utilized them to build their original schools.
- The 3 primary legislative objectives of Prop 39 are: Student safety, class size reduction and information technology.
- He reviewed that the district has a legal responsibility to create an oversight committee and empower the committee with duties. David asked the committee to read and review the bylaws as provided. In review, the committee is governed by The Brown Act. Three main points from The Brown Act are:
 1. The committee must meet in public, properly notice and publish the agenda. No closed sessions are allowed.
 2. No more than 2 members can meet at one time in any meeting.
 3. Discuss only matters on the agenda.
- Shariq talked about how non-bond funds may be used for construction. There may be projects where developer fees will be used for projects and those will primarily be new construction.
- Robbie Lyng talked about the 2014 Master Plan and that the cost noted in it was \$591M and the cost of the bond is \$179.5M. He stated that voters will not be receiving everything in the Master Plan and David explained that not everything in the Exhibit B project list will be done. It does not constitute a contract with the voters. The School Board establishes the priorities of the projects.
- Don asked a question about the School Board and their role in prioritizing projects. David explained that the School Board prioritizes, the staff presents the projects and reports to the bond oversight committee. The bond oversight committee should be able to explain why the Board chose to do one project over another. Some decisions are made due to funding. David explained the steps the bond oversight committee can take if they are not satisfied with the information they are receiving about how bond funds are spent.
- John Baum asked a question regarding the job and purpose of the bond oversight committee. He asked if the bond oversight committee should be questioning the priorities of projects. David confirmed that the committee should be informed and should be able to provide to community members information about how projects were planned and how the plan is being rolled out. The committee discussed their duties regarding informing the public.
- No bond proceeds can be used for teacher salaries or other operating expenses. Shariq explained how the district is showing salaries. He explained that the Board approved 3 FTE salaries dedicated to the Bond. These are the only positions paid out of the bond and will go away once

the bond goes away. They are the positions of: Construction Project Manager, Office Assistant and part-time Budget Analyst.

- David explained the Ed. Code regarding informing the public about expenditures of bond proceeds. The committee will decide how information is communicated. One of the ways is to prepare an annual report. The staff can draft an annual report. The committee discussed when and how the annual reports would be prepared. Shariq discussed the two separate audits - Financial Audit and Performance Audit. April Dizon described the differences in the reports. The financial reports shows expenditures and revenues and the performance audit is a summary of all the projects done. The discussion of the annual report will be added to a future agenda.
- Section 5 of the bylaws was discussed regarding the membership terms.
- Section 6 of the bylaws was discussed regarding meetings. The law states that you have to meet at least annually but the bond oversight committee could meet up to 4 times a year. The schedule of quarterly meetings is the most common approach and was agreed upon.
- There was a discussion about the bond trustee. The paying agent is US Bank. The money is not held by a trustee, the Bond money is with the county treasurer's office.

Juelle-Ann Boyer arrived to the meeting at 6:15 and was introduced to the committee.

B-3 Elect Chairperson & Vice Chairperson

B-3-1 Multi-year Appointments (Shariq Khan, CBO)

The committee discussed the following:

- Per the bylaws, Superintendent McPhetridge had appointed Don Sherratt as Chair prior to the meeting. The committee shall elect the Vice Chair. A discussion was had about the term of the chairperson. The initial chair term is one year according to Section 9 of the bylaws.
- The committee decided to draw lots for the terms of the members first and then nominate for the Vice Chair after. One member was absent – Kevin Douglas Waite and it was decided that Don would act for the absent Kevin in the drawing.
- Terms drawn:
Don Sherratt drew for both himself and the absent Kevin Douglas Waite – they each have 1
Kim Carim - drew 2
John Baum - drew 1
Michelle Pero - drew 2
Juelle-Ann Boyer - drew 2
- Volunteer Vice Chair – Juelle-Ann Boyer volunteers for Vice Chair. She is willing to do it for the first year.

The committee made a motion to nominate Juelle-Ann as the Vice Chair of the bond oversight committee. There were no other nominations.

Motion: Member Boyer volunteered. There were no objections. It was so moved.

B-4 Construction Projects (Robbie Lyng, Director of Maintenance, Operations & Facilities)

B-4-1 Implementation Plan

Robbie Lyng discussed the Implementation Plan B and went through the presentation.

The following was discussed.

- The plan was approved by the School Board on June 10, 2015. There was discussion regarding the decision to move forward with two high schools.
- A demographic review will be updated within the next couple of months.
- The MOF department cannot spend any bond funds and also cannot change the schedule without Board approval.

B-4-2 Project Schedule

Robbie Lyng discussed the Project Schedule and the following:

- The AHS Historical Building project. The goal is to apply and take advantage of available state funding. The funding may be available and the money can go to overruns of projects. The District is pushing to get approval for seismic state funds.
- In the future the state will go out for a construction bond. The district may be able to get funding and benefit from those funds and use the money for projects. He stated that School Facility Consultants will be used to help us obtain state funding and that Quattrocchi Kwok & Associates are the architects to assist.
- Shariq discussed growth projects and the process of updating the demographic studies.
- There was a question raised and discussion about how many students are being serviced and what are the school populations. The committee would like to get information on the schools, the ages of the facilities and the population numbers. Some of the information is in the Master Plan which is available online on the AUSD website.
- There was a question and discussion about how projects were chosen and if there would be a breakdown of the projects. Robbie suggested that School Board meeting agendas would be a good place to see if any projects were going to the board. It was suggested if the committee members could receive an email of the board agendas.

B-5 Bond Proceeds and Cost of Issuance (Shariq Khan, CBO)

The committee discussed the bond proceeds and issuances:

- In the first issuance \$90M worth of bonds were sold. Shariq reviewed the bond issuance sheet.
- There was a discussion regarding the principal payments and the funds. All bond work is paid out of Fund 21 – a separate pool. The money goes straight to the County Office of Education for deposit and management.

B-6 2014-15 Project Expenditures (Jen Burns, Budget Analyst)

The committee discussed the following:

- Jen Burns reviewed and showed the committee 2 versions of the expenditure reports – one version lists by project and the other lists projects by site.
- The committee agreed that it was good to present the data both ways. Jen explained that the reports could be edited to the preferences of the committee. The committee would like to see one more level of detail in the reports.
- It was decided that at the next meeting Jen would show examples of the reports which would demonstrate the software and the level of detail that could be reported. The last suggestion was the possibility of tying the expenditure report to budgets.
- Signage at the school sites showing the community what work is being done at each site was requested by the bond oversight committee.

B-7 Meeting Frequencies

The committee discussed the following:

- The next bond oversight committee meeting date is tentatively scheduled for January 6, 2015.
- The bond oversight committee wanted to provide enough time to close quarterly district financial reports.
- The 2016 meetings were tentatively set for: Jan 2016, May 2016 and October 2016

ADJOURNMENT

The meeting was adjourned at 8:43 PM.