

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT  
MEASURE F CITIZENS OVERSIGHT COMMITTEE**

**MINUTES AND REPORT OF THE MEETING OF  
May 5, 2015**

The Citizens' Oversight Committee met on Thursday, January 30, 2014, at the Roderick H. MacMillian Board Room, Education Center, 2985 A Bear Street, Costa Mesa, CA 92626

**Members Present:**

Colleen Barney, Newport Harbor High School Zone  
Sean Boulton, Newport Mesa Administrators Association (NMAA)  
Cindy Brahs, Corona del Mar High School Zone  
Kimberly Claytor, Newport Mesa Federation of Teachers (N-MFT) Representative  
Sharon Comer, Board Appointee (Business Organization – active member)  
Shari Freidenrich, Orange County Treasurer  
Suzanne Gauntlett, Harbor Council Parent Teachers Association (HCPTA)  
Vanessa Hatch, Harbor Council Parent Teachers Association (HCPTA)  
Tony Premer, Corona del Mar High School Zone  
Randy Ranieri, Costa Mesa High School Zone  
Eleanor Rebard, Classified, California School Employees Association (CSEA)  
Tod Ridgeway, At-Large Representative (Business Organization – active member)

**Members Absent:**

Tristan Aley, At-Large Representative  
Scott Paulsen, Board Appointee (Senior Citizen Group)

**Also Present:**

Paul Reed, Deputy Superintendent and Chief Business Official  
Patty Dreher, Executive Assistant  
Tim Marsh, Administrative Director – Facilities Support Services

**Project Management Team:**

Sammi Shepherd, Project Manager

**Handouts:** Measure F Expenditures Report 01-01-15 through 03-31-15  
Measure F Budget Summary Report as of 3-31-2015  
Timeline graph for Corona del Mar High School, Costa Mesa High School and  
Newport Harbor High School Davidson Sports Facility Modernization

## **WELCOME AND INTRODUCTION**

Deputy Superintendent and Chief Business Official Paul Reed opened the meeting at 7:02 p.m. and welcomed the committee. Self-introductions were done for the benefit of new members in attendance.

## **ADOPTION OF THE AGENDA AND APPROVAL OF MINUTES**

Agenda for the May 5, 2015 meeting was adopted as presented.

## **APPROVAL OF MINUTES**

The minutes from the January 30, 2104 meeting were unanimously approved.

## **BUILDING FUND (MEASURE F) FINANCIAL AND PERFORMANCE AUDITS**

Mr. Reed stated that one of the legal requirements for the Citizens Oversight Committee is to have an annual performance and financial audit on the use of bond proceeds reported to the oversight committee. The performance audit checks the expenditures to ensure the voters that the funds are being spent appropriately and the financial audit checks the numbers for accuracy. Mr. Andrew Park from Vavrinek, Trine, Day & Co., LLP (VTD), third party independent auditors for the District, presented the June 30, 2014 Audit Report to the committee members for the General Obligation Bonds Election 2005, Series 2007 and 2011 on January 20, 2015. The audit was a clean audit which means there were no exceptions to the Measure F processes and all processes were in compliance.

Because a quorum is required for a Motion to Accept, the June 30, 2014 Annual Audit has been brought back to the agenda for a Motion to Accept.

### **Action:**

It was moved and seconded that the June 30, 2014 Financial Report be accepted.

## **DISTRICT REPORT**

Mr. Reed reported that the Measure F program documents state that the chairperson of the oversight committee should present a report once a year to the Board of Education, hence to the community, as to the progress of the Measure F program. The results of the audit become part of the chairperson's report to the Board. It is anticipated that Ms. Barney will present a report to the Board at the second board meeting in June.

Mr. Reed informed the committee that the theater and enclave projects at Corona del Mar High School and Costa Mesa High School were completed and housing students.

The sports facilities project, Davidson Field at Newport Harbor High School, is in DSA (Division of State Architects). This is the renovation of Davidson Field at Newport Harbor and the last of the Measure F projects from the bond money the District currently has available. The District does have another \$100 Million dollars of bond authorization available; however, because the Board pledged to the community not to raise the tax rate higher than the cap of \$18.87 per \$100,000 of assessed value, the District will not go out for another set of bonds for several years.

Mr. Reed went on to report that the District will be undertaking other projects this summer that are not part of Measure F. These projects include solar installation at all district sites by the end

of summer or soon after the start of the new school year. Mr. Reed further explained that the Board authorized the installation of air conditioning at district sites over the course of several years with the farthest north campuses being first. TeWinkle, California and Killybrooke will be the first three projects going to the Board for approval. The intent is that the District will be able to handle two to three school sites a year with funding through local resources. The District has also finalized the fencing projects at Andersen, Adams and Victoria elementary schools. Also included in these projects will be the remodel of the front offices for greater security and flow of parents and students through the campus.

Mr. Reed reported that because the State is in a drought and water restrictions are in place, the District is looking into the cost of using reclaimed water on the playing fields across the District. The cost of reclaimed water is no longer cheaper than potable water which means it is not necessarily as cost effective as in the past but there is an environmental effectiveness.

Committee member Ms. Freidenrich stated that as the Orange County Treasurer she is part of the bond financing team for all the school districts in the county. The oversight committee should be very proud of the District because most of the districts go up to a \$30 cap for elementary and a \$60 cap for unified districts. This District has been fiscally prudent with the dollars by not pushing the legal cap. Normally the County would see a 2% increase in CPI (consumer price index) but it will not go up as high as in previous years since inflation has been lowered.

For those properties under Prop 8 (property reassessment during the recession to offset the drop in property values) there could be an average of 3-5% increase in property taxes. Referred to as the “catch up increment”. Property value increases will help the District eventually go out for the next set of bonds.

Mr. Reed responded to the question regarding the \$100 Million authorization and how long it will take to go out for another set of bonds that the sale of another set of bonds is at least 5-10 years off, depending on how fast the property tax base grows. There will be a period in 2021-22 when the Measure A bonds will be paid off. The delay was caused by two factors:

- 1) The recession curtailed the growth of the tax base. Before the recession the District had seen average 6-8% increases on the tax base over a 15 year period of time. The District planned on a 4% increase to the tax base to size the Measure F program. During the recession tax growth went flat.
- 2) In 2011 the District maxed out the available cap in order to start the theaters and enclaves. In doing that the District pushed out the next sale of Measure F bonds about 10 years. The first set of Measure A bonds were 20-25 years. In 2020 they will start to come off the tax bills.

## **PROJECT MANAGER REPORT**

Ms. Shepherd reported on the numbers indicated on the Measure F Budget Summary Report. With many of the remaining projects in the final stages of DSA closeout, all paper work must be completed before a project is closed and certified. Included in this paperwork are the final costs of the project, final fees, lab reports or inspector documents that are required to be submitted to meet DSA’s satisfaction to close and certify the project. Ms. Shepherd is anticipating that by the end of 2015, the current Measure F projects will be closed.

Question regarding what happens to the funds remaining in a project once it is closed: once a project is closed out any remaining project funds are put back into program contingency to be used on the Davidson Field project within the Measure F program. Davidson Field will be approximately \$12 Million and will be partially funded with the remaining Measure F funds. The balance of the funds will come from the District Special Reserve Funds.

Question regarding the Corona del Mar enclave and foul balls from the baseball field that backs up to it, how is the District responding to this problem. The District is having a feasibility study done to determine the best way to alleviate problems occurring to the community.

Davidson Field, the next project for Measure F, is currently in DSA with a possible mid-June approval. Once DSA approves the project, the District will go out to bid for the construction.

There are three major items DSA looks at when they are finalizing approval of a project. Fire, life and safety accessibility bin checks occur before architects receive the documents back to address any comments/corrections regarding the project. Once the plans are DSA approved, the District then goes to bid on the project.

Mr. Marsh reported that before the theater and enclave projects at Corona del Mar were started the District moved tennis courts and parking lots because it was a constrained site. However, at Costa Mesa High School it was the other way around because there was a fair amount of room to build. The theater and enclaves were built but the demo of the two industrial arts buildings and paving of the parking lot will have to be completed before the theater project can be closed out by DSA. This work is projected to be completed by the end of summer 2015.

Mr. Marsh responded to the question of what type of turf the District will be using on the sports fields that artificial turf will be used at both Davidson Field and Costa Mesa High School. However, even using artificial turf, the field will need to be watered as it heats up and regular maintenance occurs to keep the fields clean. Mr. Marsh also stated that the use of Davidson Field is determined by the school. He also noted that some of the sports at Newport Harbor High School now using off site fields will be able to come back on site.

## **PEOPLE'S CHOICE**

It was discussed and decided by vote to move the time of the meetings to 6:30 p.m.

Next meeting will be Tuesday, October 6 at 6:30 p.m. in the Roderick H. MacMillian Board Room, Education Center, 2985-A Bear Street, Costa Mesa, CA 92626.

Committee requested that visuals of the projects before and after be presented at the meeting in October.

## **ADJOURNMENT**

Chair Barney adjourned the meeting at 7:35 p.m.

These minutes are distributed to the members of the Measure F Citizens Oversight Committee and the community organizations represented in the District.