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Facilities Services Department
Serving to Support Educational Excellence

MERCED CITY SCHOOL DISTRICT
MINUTES OF THE CITIZENS' BOND OVERSIGHT COMMITTEE
Board Room - Thursday, March 5, 2020 - 4:00 PM

CALL TO ORDER: The Citizens' Bond Oversight Committee (CBOC) meeting was called to order at 4:05 p.m.

MCSD STAFF PRESENT: Associate Superintendent, Doug Collins, Director of Facilities, Dr. Ken Testa, Chief Fiscal Officer, Linda Parker, Fiscal Analyst, Julio Rodriguez-Rivera, Public Information/District Development Officer, Joey Horta.

MEMBERS PRESENT: Present: Chairperson, Birdi Olivarez-Kidwell, Debbie Furtado, Steve Bottjer, Michelle Symes-Thiara, Robert Garcia, and Kelly Phillips.

PLEDGE OF ALLEGIANCE: Birdi Olivarez-Kidwell led the pledge.

APPROVAL OF AGENDA – Meeting of March 5, 2020

- Motion – Michelle Symes-Thiara 2nd – Steve Bottjer Vote: Ayes - All Nays - None

APPROVE OF MINUTES – Meeting of November 19, 2019

- Motion – Michelle Symes-Thiara 2nd – Debbie Furtado Vote: Ayes - All Nays - None

INTRODUCTIONS/OPENING REMARKS:

Dr. Ken Testa welcomed the committee members and thanked District staff for attending. Ken introduced and thanked Associate Superintendent of Administrative Services Doug Collins for attending the meeting. Ken Testa also introduced and thanked Chief Fiscal Officer, Linda Parker, Julio Rodriguez-Rivera who will be reporting the financials, as well as Joey Horta the District's Public Information and District Development Officer. Ken announced that Sherry Munday has left MCSD by accepting a promotional opportunity in the Facilities Department for the Merced County Office of Education. Ken announced that Angelica Failing was just appointed as the new Facilities Services Department Secretary and will be moving from her current position as Office Manager at Charles Wright Elementary School. Ken also welcomed Debbie Furtado to her first official member as a Committee member.

BOND AND CURRENT PROJECTS UPDATE:

Ken presented a Power Point to provide perspective of projects underway, including classrooms, mention of the District's recent acquisition of a 16.3 acre future school site in the North West region of the District at Cardella Road and Kansas Avenue. Ken mentioned the hard work of the Fiscal Services Department, current projects underway such as the John Muir Irrigation, landscape, and grading upgrades, the District's update of the Facility Master Plan, and the Governing Board's approval of four summer roofing projects. The District's M/O department is coordinating projects to upgrade school ingress and egress safety. Preventative maintenance of the solar arrays at ten District sites has occurred. Specifically, Ken shared the requirement of the Committee to review and consider approval of the annual required Bond program performance and fiscal audits, which is an agenda item. Images of the Moraga Development underway were shared to orient the

Committee of development underway in the North East portion of the District as well as mention of site work underway in the Bellevue Ranch region. Doug Collins mentioned that while permits are being pulled for development, it doesn't necessarily reflect a direct correlation to additional students. Ken mentioned that the process is underway to utilize architectural firm to facilitate the District's Facility Master Plan and the Board's consideration of community polling effort regarding District needs, facilities, and potential of future bond measure. The District has received \$6.7M in State facility fund reimbursements and anticipates additional funds for other projects completed with Measure M funds. Birdi Olivarez-Kidwell asked if the State Bond's not passing impact our Board's consideration. Doug Collins mentioned that a number of bond measures did not pass and the Board will be considering the topic at the upcoming Board meeting. Mr. Garcia asked if the Committee continues to meet if the State Bond doesn't pass. Birdi said the Committee will continue to meet so long as there are Measure M funds available and/or unsold.

ANNUAL AUDIT REPORTS – FISCAL YEAR 2018-2019:

Ken presented the annual audit reports for FY 2018-19 prepared by Eide Bailey, LLP for the Committee's review and consideration of approval, including the fiscal audit and the performance audit. Ken noted that the fiscal audit speaks to the expenditure of bond funds for projects approved by voters, and the performance audit speaks to the completion of projects as approved by voters.

Birdi led discussion to clarify how the Committee makes it's presentation to the Board of Education of their findings and recommendations from their review of the audits. The summary of the Committee's membership, bond program and project status, and the authority and requirements of the Committee is still in draft form. Birdi asked if the audit report is posted on the District web site. Ken said it will be, as past audits have been. Julio shared the fiscal audit clarifies the financial records of the District were correctly presented and as authorized by the voters.

Debbie Furtado made a motion to approve the annual fiscal and performance audits as presented.

- Motion – Kelly Phillips 2nd – Debbie Furtado Vote: Ayes - All Nays - None

Birdi will meet with Ken to prepare for the presentation to the Board on March 24, 2020. Birdi and Debbie remarked of the completeness and thoroughness of the audit report and that it reflected no findings in either the fiscal or the performance audit. Mr. Garcia asked if the annual audits are typically positive. Ken and Julio said they have been for the duration of the Measure S and Measure M bond programs.

QUARTERLY FINANCIAL REPORT:

The quarterly financial report information was presented by Julio Rodriguez-Rivera providing the latest update for the period from August 30, 2019 through October 12, 2019.

<u>Measure M spending report:</u>	Actual Expense as of 2/25/20	\$ 43,511.673.13
	Increase/adjustments	\$ 418,570.38
	Prior Expense as of 10/12/19	\$ 43,048,814.00
Estimated Fund Balance		<u>\$ 4,114,570.25</u>

A copy of the Expenditure Report will be sent out with the Draft minutes prior to the next meeting. Ken mentioned the \$6.7M the District has received so far in State fund reimbursements are not identified within the expenditure report, but will be ultimately identified for priority projects by the Board. Linda Parker mentioned she has reached out to the MCOE to clarify the tracking of such resources and will follow-up with the District auditors as well, especially in light of the nature of the new State audit requirements.

MEMBERSHIP:

Birdi mentioned that since she has fulfilled her tenure as Chairperson, the Committee needs to consider a new Chairperson appointment. (Note: Committee membership term-limits are established to a maximum of three (3) consecutive, two (2) year terms). Debbie Furtado shared to the Committee that while she is a new member of the Committee, she is willing to serve if no other member is willing to serve as Chairperson. After a brief discussion, a motion to approve Debbie Furtado as Chairperson was made by Michelle Symes-Thiara.

- Motion – Michelle Symes-Thiara 2nd – Debbie Furtado Vote: Ayes - All Nays - None

Ken thanked the members for their efforts to collaboratively determine member role, thanked Debbie for her willingness to serve as Chairperson, as well as Robert Garcia is Vice Chair.

OPEN DISCUSSION/QUESTIONS:

Discussion about how and who will represent the Committee to make the presentation of the Annual Audit Report to the Board of Education is made took place. After discussion, Birdi said she would be willing to make the presentation. Debbie said she would attend the meeting. A motion was made for Birdi to present the Audit Report to the Board.

- Motion – Birdi Olivarez-Kidwell 2nd – Debbie Furtado Vote: Ayes – All Nays – None

NEXT MEETING:

Tuesday, May 19, 2020 at 4PM – District Board Room

ADJORNMENT:

A motion was made to adjourn the meeting at 5:21 p.m.

- Motion – Birdi Olivarez-Kidwell 2nd – Debbie Furtado Vote: Ayes – All Nays - None