

MINUTES – CITIZENS’ BOND OVERSIGHT COMMITTEE

Fresno Unified School District November 8, 2017

The purpose of the citizens’ oversight committee shall be to inform the public concerning the expenditure of bond revenues. (California Education Code)

Citizens’ Bond Oversight Committee (CBOC), Fresno Unified School District, Bullard High School Courtroom, 5445 N. Palm Avenue, Fresno, CA 93704

Attendance

At a regular meeting of the CBOC held on November 8, 2017, present were CBOC members William Clark, Guillermo Moreno, Bruce O’Neal, Dominic Papagni and Barbara Steck (Chair). There was not a quorum.

Not present were CBOC members Michael Lopez, Jose Mejia, Jamee Moltini, Chuck Riojas and Dennis Zeuner.

Also present were Fresno Unified staff Debbi Dixon, Jason Duke, Mitch Gaasch, Kim Kelstrom, Leann Nowlin, Ruth Perez and Karin Temple.

There currently are CBOC vacancies available to be filled by Board Members Davis (two), De La Cerda (one), Johnson (two), and Mills (one).

1. CALL MEETING TO ORDER

Chair Steck convened the meeting at 8:48 a.m. Previous to the official start of the meeting, Bullard Principal Carlos Castillo spoke to the group regarding the impact on students and staff of improved facilities, and particularly facilities for career pathways and specialized class offerings.

2. WELCOME/INTRODUCTIONS/RECOGNITIONS

Leann Nowlin, new Fresno Unified Fiscal Services Director, was introduced

3. APPROVE DRAFT MEETING MINUTES FOR AUGUST 22, 2017 AND APRIL 25, 2017

Approved unanimously by CBOC members present

4. DISCUSS CHANGES TO MEETING SCHEDULE (from January/April/July/October to February/May/August/November)

Change to the months of CBOC quarterly meetings was recommended to better align to the availability of audit results. In addition, it was recommended that the meeting time be changed to noon and include lunch, to be more convenient for members and support higher meeting attendance. There was discussion about the lack of attendance by some members and it was requested that Board Members be informed about these concerns. Staff reported that the Board receives an update including attendance chart after every CBOC meeting. Chair Steck suggested CBOC members offer names of potential nominees to Board Members to fill vacancies. It was also suggested to provide the Board with the language from the CBOC Bylaws that states, “The Board may remove any member for cause, including failure to attend two consecutive committee members.” A December 8, 2017 Board Communication included this information along with a listing of vacancies to be filled.

Changes to the CBOC meeting time and months were approved for the third Thursday of February, May, August and November, starting at noon (lunch to be provided). For 2018 the scheduled meeting dates are February 15, May 17, August 16 and November 15.

5. PRESENT AND DISCUSS PROJECT UPDATES

- Bullard High School – Administration Building, Library/Career Center, Quad, Parking
- Edison and Roosevelt High Schools – Concrete Tennis Courts
- Adult Transitions Program – Modernization
- Exterior LED Lighting at Elementary Schools
- Elementary School Marquees
- Elementary School Play Equipment
- New Southeast Elementary School

6. DISCUSS AND APPROVE PROJECT/EXPENDITURE REPORTS FOR MEASURE Q AND MEASURE X dated August 2017

Measure Q

- Total Measure Q obligated to date: \$229 M
- Total value of projects to date (including state funding): \$273.2 M
- Total impact to Measure Q: increase of \$7.6 M

Measure X

- Total Measure X obligated to date: \$3.2 M
- Total value of projects to date (including state funding): \$3.2 M
- Total impact to Measure X: increase of \$2.2 M

Approved unanimously by CBOC members present.

7. DISCUSS AND APPROVE PROJECT/EXPENDITURE REPORTS FOR MEASURE Q AND MEASURE X dated November 2017

Measure Q

- Total Measure Q obligated to date: \$234.2 M
- Total value of projects to date (including state funding): \$278.4 M
- Total impact to Measure Q: increase of \$75.2 M

Measure X

- Total Measure X obligated to date: \$4.1 M
- Total value of projects to date (including state funding): \$4.1 M
- Total impact to Measure X: increase of \$1.9 M

Approved unanimously by CBOC members present.

8. DISCUSS AND APPROVE MEASURE Q QUARTERLY REPORT OF INDEPENDENT ACCOUNTANTS for the period April 1 – June 30, 2017

Included in Annual Performance Audit (agenda item #10).

9. DISCUSS AND APPROVE MEASURE Q QUARTERLY REPORT OF INDEPENDENT ACCOUNTANTS for the period July 1 – September 30, 2017

The report was presented by the district's independent accountant. It involved selecting a sample of 25 expenditures totaling \$2,097,995. The sample was selected to provide a representation across all construction projects, vendors and expenditure amounts. The sample represented approximately 4.5% of the total number of expenditures and 46% of the total expenditure value. Obtained purchase orders and invoices for each expenditure; verified that the expenditures were properly charged to the location indicated, were properly coded as to the nature of the expenditure and were made for the acquisition and construction of school facilities, including the furnishing and equipping of school facilities, and that funds were not spent for administrative salaries.

Accepted unanimously by CBOC members present (see #12 below regarding acceptance).

10. DISCUSS AND ACCEPT MEASURE Q ANNUAL PERFORMANCE AUDIT for the period July 1, 2016 – June 30, 2017

The report was presented by the district's independent accountant. It involved selecting a sample of 100 expenditures and 5 transfers totaling \$23,977,824. The sample was selected to provide a representation across specific construction projects, vendors and expenditure amounts. The sample represented approximately 2% of the number of expenditures and 61% of the total expenditure and transfers value. Verified that the expenditures were properly charged to the location indicated, were properly coded as to the nature of the expenditure and were made for the acquisition and construction of school facilities, including the furnishing and equipping of the school facilities, and that funds were not spent for administrative salaries. The report contains the following statement from the independent accountant: *The results of our tests indicated that, in all significant respects, Fresno Unified School District expended Measure Q General Obligation Bond funds for the year ended June 30, 2017 only for the specific projects developed by the District's Board of Education and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.*

Accepted unanimously by CBOC members present (see #12 below regarding acceptance).

11. DISCUSS AND APPROVE MEASURE Q ANNUAL FINANCIAL STATEMENTS AUDIT for the period July 1, 2016 – June 30, 2017

The report was presented by the district's independent accountant. The report contains the following statement from the independent accountant: *In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fresno Unified School District Measure Q General Obligation Bonds activity as of June 30, 2017 and the changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.*

Accepted unanimously by CBOC members present (see #12 below regarding acceptance).

12. DISCUSS AND APPROVE DRAFT 2016/2017 MEASURE Q AND MEASURE X ANNUAL REPORT

The draft Annual Report was presented and discussed.

Concern was expressed about the lack of a quorum to approve the audit reports which are the focus of the Annual Report. It was clarified by the independent accountant that the CBOC's role is to "accept" (versus "approve") audit reports, since they are prepared/presented by the district's external accounting professionals in accordance with generally accepted accounting principles and statutory requirements.

Approved unanimously by CBOC members present.

13. PRESENT AND DISCUSS CHAIR'S REPORT

None

14. PUBLIC COMMENT

CBOC member comments:

- William Clark – "It's great to see all the progress at all the school sites."
- Barbara Steck – "I'm very impressed with all the hard work from staff."

15. ADJORN 9:58 a.m. – Next meeting February 15, 2018, noon, at the Brawley Service Center.