MINUTES FOR THE MEETING OF THE BOND OVERSIGHT COMMITTEE
OCTOBER 5, 2010, 5:00 P.M.

The Bond Oversight Committee (BOC) of the Rosemead School District met on Tuesday, October 5, 2010 in the Board Room at the Rosemead School District Office, 3907 Rosemead Blvd., Rosemead, California at 5:00 p.m.

Dr. Enomoto-Perez, Superintendent, called the meeting to order. Mr. Bouzanquet led the pledge of allegiance to the flag of the United States of America. The following members of the Bond Oversight Committee were present: Mr. Bouzanquet, Mr. Dundas, Mrs. Dundas, Mrs. Harris, Mr. Matsdorf, Mr. Quintanilla, and Mr. Tran. .

Mrs. Romero, Facilities Consultant, Mrs. Mengel, Executive Assistant to the Superintendent, Miss Carreon, Sr. Director of Human Resources/Operations, Mrs. Wang, Director of Fiscal Services, and Mr. Bill Madison, Attorney, Jones Hall, were also in attendance.

Mr. Madison explained the framework for the bond measure as set forth in Prop. 39. In November 2008, the District was successful in obtaining authorization from the District's voters to issue up to $30,000,000 aggregate principal amount of the District's general obligation bonds, pursuant to a 55% vote. Pursuant to Section 15278 of the Education Code, the District is now obligated to establish the Oversight Committee to satisfy the accountability requirements of Prop. 39. Per Mr. Madison, the action item listed on the agenda regarding the Revised Citizens' Bond Oversight Committee Bylaws was not needed, and was stricken from the agenda.

Mr. Madison handed out the Citizens' Bond Oversight Committee Bylaws and explained each section in depth. He also explained the following:

- The BOC has the responsibility to inform the public concerning the District's expenditures of bond proceeds, and to make sure the work is being done. However, they do not have the same kinds of responsibilities as the Board of Trustees.
- The role of the BOC is to review information, attend meetings and ask questions, and when necessary, they can request to have site visits.
- The scope of the projects cannot be changed except by the voters.
- The committee is required on an annual basis to prepare a report and present it to the Board of Trustees.
- The District is already working on providing a place on the website where minutes of the meetings and the yearly reports will be posted.
- Regarding terms of the committee members; initially, everyone serves a two-year term. After the first two-year term, the Board of Trustees will appoint half of the committee to serve a new one-year term, and the other half to serve a new two-year term. Once all the bond money is spent or all the projects are completed, whichever comes first, the BOC will disband.

The following questions and answers were discussed:

- Mr. Tran questioned the scope of the projects. Mr. Madison stated the list of projects is set by the Board of Trustees. There are two mandatory audits that will be done, i.e., a performance audit and a financial audit. The committee's responsibility is to review the audits and approve for accuracy.

- Mr. Bouzanquet requested a list of the bond projects. Mr. Madison passed out the resolution, which included the projects, and shared them on PowerPoint with the committee.
- Mr. Quintanilla asked if there is an amount of time the District has to spend bond monies? Mr. Madison stated there is not a timeline, however, there is a limit on how much debt the District can have according to the property values. A few districts have had monies left over for 20-25 years. In Rosemead, nine million had been issued in December 2009 to the County Treasurer, and by May 2010, the money had not been touched. That payment so far is for relocatables for class size reduction.
- Mr. Bouzanquet asked about upgrading of drinking water and fountains. Mr. Madison stated "Yes, that is included."
- Mrs. Harris asked if there can be additional computers purchased? Mr. Madison said "Yes, under Prop 39, additional computers and furniture can be purchased for schools."
- Mr. Matsdorf asked the following: Are you correcting deficiencies only? How do you prioritize? Mrs. Romero said she would review more answers regarding priorities under a separate report to follow.
- Mrs. Harris asked if the City Fire Department can tell us to change? Mrs. Romero responded, "No, the Division of State Architects determines approval."

Mrs. Romero stated that most of the large projects are usually done during the summer months. Regarding technology upgrades, deficiencies need to be corrected and improved. Fire alarms were upgraded ten years ago with advanced systems, however, now just ten years later, many replacement parts are no longer available and some are already obsolete. At this time, the alarms are still working, and we will continue to use them until they no longer work. Schools are regulated at the state level by Division of State Architect, and we are okay if we comply with the state level.

Mrs. Romero presented slides and excel sheets to give an overall picture from 2000. Funding at that time was very minimal with great needs and very little money to work with. Measure RR was passed, but it would not be enough to fix everything because needs still exceeded resources. Setting priorities was very important. The five main categories under consideration were: (1) main infrastructure (those that cannot be seen from the outside); (2) Building infrastructure (power and pipes, fire alarms, common safety issues taken care of); (3) Basic architectural issues; (4) Architectural issues; (5) Other changes. It was estimated in 2000 that the amount needed to accomplish the above categories would be $70,000,000. Infrastructure issues were done at all sites. Restrooms for students were completed first, with the exception of the restrooms in the cafeterias. The district was proactive when Measure RR passed, and pursued funding from the state through QZAB, which is an interest free loan, lottery selection increased the funding for Measure RR, and E-rate (coordinated funding), a yearly program that provides the district with 90%, and the district pays the other 10%. Schedule changes for Measure O issuance were handed out along with the master estimated budget that was given to the Board of Trustees in March 2010.

Shade structures that were planned for lunch shade at the sites were not approved by DSA. DSA said it is considered a structure, even though they do not have sides, and they would only be approved if fire hydrants were brought onto each site. Air conditioning units were replaced over twenty years ago with Leroy Greene money, and they are now at the end of their life expectancy. This is a problem since they are all the same age and it can be a chain reaction effect when they start to break down. An allocation is put in the budget so that replacement can be staggered in the future.

All of this is covered in the bond language.

A date and time will be set for an upcoming tour of the sites.

ADJOURNMENT: The meeting adjourned at 7:15 p.m.