

RIVERSIDE UNIFIED SCHOOL DISTRICT
MEASURE O CITIZENS' BOND OVERSIGHT COMMITTEE MEETING

Tuesday, February 13, 2024

5:00 P.M.

Call Meeting to Order:

The Measure O Citizens' Bond Oversight Committee meeting was called to order at 5:09PM.

Members Present:

Douglas Kroon, Chani Beeman, Dr. Keith Nelson, Art Alcaraz, Cheryl Tavaglione, Tina Grande-Field, Martin De Campos, Jessica Gomez

Member Absent:

Sandra Roy, Bob Garcia, Beiwei Tu, Lara E. Martin

Staff Present:

Belen Bobadilla, Ariana Arciniega, Orin Williams, Elsa Castillo, Nicki Hoff, Erin Power, Renee Castro, Eric Walker, Renee Hill

Consultants Present:

Tarana Alam & Alicia McHenry of KeyAnalytics, Martinez, Jennifer Bradlee from Best Best & Krieger; Jessica Berry from Nigro & Nigro

Community Members Present:

Richard Vandenberg,

Public Comment for Items Not on the Agenda:

Public Comment Instructions were read by Dr. Nelson and requested if there are any comments to be made, of which there were none.

Welcome and Introduction of Members

All present committee members introduced themselves, while absent members were noted.

Consent Calendar:

Approval of December 6, 2023, Committee Meeting Minutes

Dr. Nelson requested if there was any discussion on the minutes, to which there was none, Dr. Nelson then requested a motion to approve these minutes with grammatical corrections. A motion was made by Chani Beeman and seconded by Tina Grande-Field.

A vote was taken via roll call vote per the Brown Act. The vote was as follows: Douglas Kroon, Chani Beeman, Dr. Keith Nelson, Art Alcaraz, Cheryl Tavaglione, Tina Grande-Field, Martin De Campos, Jessica Gomez

The motion carried.

Staff Reports/Discussion Items:

1. District Staff Committee Member Updates.

Orin Williams provided committee member updates, he proceeded to read the term limits and expirations of members, presented a listing of applications submitted and their status', identified the proposed recommended candidates, identified current members renewal requests, and communicated that all information was presented to the Superintendent for consideration.

2. District Staff Measure O Projects Updates.

Belen Bobadilla presented the Measure O active project updates, their scope, changes that occurred, and progress, while presenting project pictures and details to highlight these updates.

3. Measure O Projects Financial Report.

Tarana Alam of KeyAnalytics presented the Measure O Financial Report for active projects, orating on how this information is obtained and tracked, as well as the expenditure activity that states the progress of projects since the previous meeting, and cumulative financials of all projects.

Agenda Change Order:

On suggestion to change the order of agenda items to present the Measure O Audit Report prior to the campus tour, in respect of guests' schedules. A motion was made by Cheryl Tavaglione to change the order of the agenda, seconded by Chani Beeman.

A vote was taken via roll call vote per the Brown Act. The vote was as follows: Douglas Kroon, Chani Beeman, Dr. Keith Nelson, Art Alcaraz, Cheryl Tavaglione, Tina Grande-Field, Martin De Campos, Jessica Gomez

The motion carried.

Action Item:

1. Review Measure O Audit Report

Jessica Berry, from Nigro & Nigro, introduced herself and explained the audit her firm performs for the district. Then proceeded to present the Measure O Audit Report to the committee. Jessica Berry first explained the process of how this firm audits the district's bond fund by the conducted phases. This begins in Spring or early Summer when the firm first visits the district to review transactions for various vendors, such as expenditures and contracts primarily as it relates to the bond. While pulling examples to trace back to their respective contracts to confirm proper bidding process protocols and payment approvals were followed and comply with the language of the bond. Jessica Berry explained Nigro & Nigro will conduct site visits to visually confirm construction work is being conducted that aligns with the transaction information the firm is reviewing. The firm then returns in Fall after year-end financials are closed to pull any additional expenditures deemed necessary for review and testing, spending a lot of focus on financial statements to confirm they tie back to all documentation. Jessica Berry then explained the layout of the Audit Report, of where specific details can be found, so the committee can review the performance audit.

Martin De Campos asked if there were any anomalies or red flags that the committee should be made aware of, to which Jessica Berry answered there was none, and this was an overall clean audit.

John W. North High School Campus Tour:

Rene Castro provided an overview of the improvements made to the school throughout the many phases of this project, and then led the committee on a tour of the campus.

Committee Questions:

1. District staff reported updates regarding Measure O funds approved for John W. North High School.

Orin Williams spoke on John W. North High Schools' approved budget from Measure O and scope of work conducted for this project, which includes new buildings, improvements to campus entry, paint, portables, HVAC/lighting upgrades, flooring, relocatable, fire alarm upgrades, among other work. Dr. Nelson stated that it is now understandable why the budget increased, after seeing all the work that is being done at the school.

2. District staff reported measures to reduce class size with Measure O projects.

Orin Williams explains the class size is stipulated by the Teacher's Association contract, and that the opportunity to reduce class size is not the main focus of Measure O, so there is currently no detail as to where the status of this effort might be, but most school districts in California are declining in enrolment, including Riverside, which is mostly due to birth rates.

3. District staff reported updates regarding the cost impact of CWA (PLA) on Measure O projects.

Orin Williams explains the differences between the approved CWA (Community Workforce Agreement) and similar common term, PLA (Project Labor Agreement). Then proceeds to explain that the district has exceeded the CWA goal of hiring local workforce; the Casa Blanca project current workforce state is at least 50% local based within a 20-mile radius, based on the last reporting period. Orin Williams further explains how this process impacts construction costs of projects, which depends on numerous factors. For example, labor groups have a certified apprentice program to produce a higher caliber workforce and higher quality of construction, which is a savings itself. It is explained that non-union contractors can qualify by paying union dues to staff on the project. Cost impacts also depend on the number of bidders, the district could pay a premium, as opposed to if more bidders are shown, which is out of the district's control.

4. Legal report regarding proceeds of property purchased with Measure O funds and subsequently sold.

Jennifer Bradlee explained for this hypothetical scenario, if proceeds of property purchased with Measure O funds were then sold, there are two bodies of law that could be involved, State law and Federal Tax law, since school bonds are issued on a tax-exempt basis. If sold taxable, then State law is involved, and the purchase price would roll back into Measure O projects; but if the district sees profits above purchase price, there is no legal restriction to force that amount to be put back into Measure O and could be put into the district's general fund for the district's use. Jennifer Bradlee then states that if any profits were seen the district would recommend putting this back into the Measure O fund. If issued bonds proceeds were used to purchase real estate, and the bond-financed property was then sold and bonds had been issued on a tax-exempt basis, then the rules become more complex. The purchase price would roll into Measure O funds and also have to be in qualifying use, which is an extra limitation, or this could be used to pay off bond, with the same process if profits were made.

Douglas Kroon inquired, in reference to a business near East Side Elementary School, if the district can be restricted from property due to property contamination safety reasons or restrict new business. To which Dr. Nelson disclosed it was a business owned by his brother and therefore knew the city would not allow the business to expand, and the only thing the business planned to expand is parking in the back since it is contaminated soil from a prior gas station's business on the property. Orin Williams states the district undertakes due diligence to blockade any projects that would be a safety hazard to schools, then added in regards to soil the district tests soil in areas nearby schools for contaminants. Orin Williams confirms testing and corrective actions for contaminated soil is a requirement that helps insure the safety of students of Eastside.

Action Items:

2. Committee considers Audit Report

Dr. Nelson stated that the Audit Report must be presented to the Board in two days, and as it has been reviewed by the committee, then asked if there were any comments or questions regarding this report, of which there were none.

Dr. Nelson then asked if a motion could be made to accept this report, and this was motioned by Chani Beeman, seconded by Jessica Gomez.

A vote was taken via roll call vote per the Brown Act. The vote was as follows: Douglas Kroon, Chani Beeman, Dr. Keith Nelson, Art Alcaraz, Cheryl Tavaglione, Tina Grande-Field, Martin De Campos, Jessica Gomez

The motion carried.

3. Consider Items to be added to next Committee Annual Report:

Tina Grande-Field requested the acceptance of the Audit Report be added, with no findings. Tina Grande-Field suggested that the committee log that they received a CWA report for Measure O projects, as well as a bond-financed resold property report, and that they were both requested by the committee. Tina Grande-Field then suggested adding a note that the soil contamination testing process was shared by Orin Williams, as well as that they toured John W. North High School.

Dr. Nelson asked if a motion be made to accept these items be added, and this was motioned by Martin De Campos, seconded by Art Alcaraz.

A vote was taken via roll call vote per the Brown Act. The vote was as follows: Douglas Kroon, Chani Beeman, Dr. Keith Nelson, Art Alcaraz, Cheryl Tavaglione, Tina Grande-Field, Martin De Campos, Jessica Gomez

The motion carried.

4. Consider the Request to the District Board to amend and clarify Committee Bylaws regarding Vice-Chair to Chair succession plan.

Dr. Nelson read the committee's request that the Board amend and clarify the Bylaws, whereby the Vice-Chair will automatically become Chair upon vacancy of Chair's position in between December elections.

Jenifer Bradlee clarified that in December there will still need to be a vote, but in situations of vacancy outside of this election's timeframe, the Vice-Chair will automatically become Chair.

Tina Grande-Field asked what would happen if both Chair and Vice-Chair were to term out at the same time, to which Jennifer Bradlee answered that the committee would just take a vote.

Tina Grande-Field made a motion, seconded Jessica Gomez.

A vote was taken via roll call vote per the Brown Act. The vote was as follows: Douglas Kroon, Chani Beeman, Dr. Keith Nelson, Art Alcaraz, Cheryl Tavaglione, Tina Grande-Field, Martin De Campos, Jessica Gomez

The motion carried.

5. Conduct election for Committee Chair and Vice-Chair:

Dr. Nelson opened the floor for nominees, and Tina Grande-Field nominated Chani Beeman as Chair, which was seconded by Jessica Gomez, and Chani Beeman accepted.

A vote was taken via roll call vote per the Brown Act. The vote was as follows: Douglas Kroon, Chani Beeman, Dr. Keith Nelson, Art Alcaraz, Cheryl Tavaglione, Tina Grande-Field, Martin De Campos, Jessica Gomez

The motion carried.

Per protocol, Dr. Nelson handed over the agenda and notes to newly Chaired Chani Beeman, to oversee as Chair for the remainder of the meeting. Chani Beeman opened nominations for Vice-Chair, to which Art Alcaraz nominated Martin De Campos, who accepted.

A vote was taken via roll call vote per the Brown Act. The vote was as follows: Douglas Kroon, Chani Beeman, Dr. Keith Nelson, Art Alcaraz, Cheryl Tavaglione, Tina Grande-Field, Martin De Campos, Jessica Gomez

The motion carried.

6. Acknowledgement of Public Service: Dr. Keith Nelson

District staff and committee members exchanged their thoughts of appreciation and respect for Dr. Nelson's commendable and dedicated service for the committee.

Committee Member Agenda Requests

Art Alcaraz stated that for future meetings, it would be nice to come back to John W. North High School after Summer, to see the project progress, as well as individuals

involved in the support of this project. Tina Grande-Field requested another report on new committee members for progress updates on new members.

Next Meeting

Next meeting will be June 4th at University Heights Middle School.

Meeting adjourned at 6:46PM

Items for the Annual Report:

- Received and accepted from Nigro & Nigro the Audit report for Fiscal Year Ended June 30, 2023 - No Findings
- Received a report, as requested, from Orin Williams regarding the impact of CWA/PLA on Measure O projects.
- Received a report, as requested, from Jennifer Bradlee regarding the hypothetical situation of the District reselling properties originally purchased with Measure O funds.
- Orin Williams provided information about testing for soil contamination at the Eastside Elementary School site.
- Toured John W. North High School