

WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE

MINUTES

Meeting of February 10, 2020

A) OPENING PROCEDURES

B) CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mr. Gosney called the meeting to order at 6:15 pm.

C) ROLL CALL

Present: Sallie DeWitt, Guadalupe Enllana (arrived 6:18 pm), Don Gosney, Vanessa Hill, (arrived 6:26 pm), Anton Jungherr, Cameron Moore, Gregg Visineau

Absent: Lorraine Humes

8 members ~ 5 required for a quorum; a quorum was present.

Staff Present: Luis Freese, Julio Arroyo, Melissa Payne

Board Liaison: Absent

D) APPROVAL OF AGENDA

The agenda was approved with no objections.

E) PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

None.

F) TELEPHONE CONFERENCE CALL WITH MOSS ADAMS TO DISCUSS THE PERFORMANCE AUDIT SCHEDULE

Stephen Bacchetti and Lawrence Stepanik of Moss Adams joined the meeting via conference call. There was a discussion of the timing of the release of the draft 2019 performance audit. Melissa Payne and the representatives from Moss Adams confirmed the draft is scheduled to be released on March 4, to allow for inclusion in the agenda packet for the CBOC meeting on March 9. Mr. Visineau noted that this would allow members to submit written comments and questions on the draft for inclusion in the March 9 agenda packet. There was a discussion about District implementation of a staff timekeeping system to address previous audit findings regarding determining whether costs of staff that work on bond funded projects and non-bond funded activities are allocated in accordance with Prop 39 requirements. Moss Adams described how they would evaluate staff allocations. Ms. Payne indicated that the District had implemented a system as of June 3, 2019. Members sought assurance that the system would be reviewed within the 2019 performance audit and Moss Adams stated they would consult with the District to confirm this was possible. Ms. Hill asked whether historical staff allocations had been provided to the CBOC, and Ms. Payne stated that recently the District had provided this information to Mr. Jungherr in response to

WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE

a long-outstanding public records request, and that he could provide this information to other members.

D I S T R I C T R E P O R T S

G) BOND PROGRAM PROJECTS STATUS and FINANCIAL REPORTS (Luis Freese/Melissa Payne)

Mr. Freese presented the standard project status reports. Mr. Gosney asked whether it made sense to continue forward with the critical needs project for Stege Elementary in the near term considering the school was on the Measure R priority schools list for a more significant project if the measure passes. Mr. Freese indicated that the District was mindful of these potential issues, but that the Stege work related to demolition of certain facilities that needed to occur whether or not the larger project received funding under Measure R. In response to a question from Mr. Visineau, Mr. Freese indicated that negotiations with the contractor on proposed change orders for the PVHS campus reconstruction project were ongoing, with a goal of resolving and closing out the project within 45 days.

Ms. Payne presented the standard financial reports, noting several enhancements. She also reviewed a revised forecast of “central costs” and “other revenue” line items in Report 13, with back up for the revised forecasts in the agenda packet. The revised “other revenue” forecast resulted in a positive variance of \$3.3 million and revised “central cost” forecast a positive variance of \$2.0 million. She indicated that these forecasts would be updated quarterly going forward. In response to a question from Mr. Moore, she confirmed that the Nystrom litigation had been settled and that at the February 26, 2020 Board meeting the District will present a reconciliation and close-out of the Nystrom project and Olinda project, both of which were completed under budget and will return \$3.9 million of budget allocation to the bond fund for other projects.

In response to the financial report enhancements, Mr. Jungherr recommended that the CBOC pass a resolution indicating that the CBOC and the District had come to agreement on the form and frequency of financial reports in part to address two FAI recommendations (TC 16-4, FI 6-2). Mr. Gosney agreed to include this proposal on the agenda for the next meeting.

Ms. Payne provided a status update on PMP implementation. The Administrative section has been posted on the District website and is available for review and comment. The goal is to release the next two sections, Project Management and Fiscal, within February. The overall schedule to present the full plan for Board approval in June is still on track.

H) BOARD OF EDUCATION LIAISON REPORT (Consuelo Lara)

None.

D I S C U S S I O N O N L Y

C B O C R E P O R T S

CONSENT ITEMS

WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE

Consent items were approved with no objections.

- I) **ADOPTION OF MINUTES (Cameron Moore)**
12.10.19 CBOC Draft Minutes
- J) **CBOC MEMBER INFORMATION REQUEST LOG (Don Gosney)**
02.10.20 CBOC Member Information Requests Status Log
- K) **APPROVED RECOMMENDATIONS BY THE CBOC (Don Gosney)**
02.10.20 CBOC Approved Recommendations
- L) **INDEPENDENT LEGAL COUNSEL INVOICE (Don Gosney)**
01.31.20 Ferber ~ CBOC Invoice

C O M M I T T E E R E P O R T S

M) CHAIRPERSON (Don Gosney)

Mr. Gosney provided a summary of several reports made to the Board. One item of note is that he had attempted to present the interim 2019 annual report as a “special order of business” item at the Board meeting in accordance with the motion passed by the CBOC at its January 13, 2020 meeting, but that the District ultimately did not include this item on any of its subsequent agendas (Mr. Gosney did present a summary during his standing committee report at the January 29, 2020 Board meeting).

N) 2018 ANNUAL REPORT (Don Gosney)

Mr. Gosney noted that the revised 2018 Annual Report (revised photos) prepared by Sallie DeWitt has been posted to the website.

O) AN INDEPENDENT CBOC (Anton Jungherr)

Mr. Jungherr provided an overview of this discussion item to consider a resolution to enhance CBOC independence and best practices by urging the Board to support legislative changes recommended by the Little Hoover Commission for stronger independent bond oversight.

P) ATTENDANCE REVIEW (Don Gosney)

Mr. Moore referred to the attendance report in the agenda packet.

Q) BOARD POLICY 7214.2 UPDATE (Don Gosney)

Mr. Gosney provided an update on Board actions related to Policy 7214.2 update, essentially that the Board had tabled vote on the matter until at least after further discussion at the joint Board-CBOC meeting on March 25, 2020.

R) CALENDAR (Don Gosney)

WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE

No discussion.

S) FUTURE AGENDA TOPICS

No discussion.

T) ADJOURNMENT

Mr. Gosney adjourned the meeting at 9:23 pm.

Submitted by: Cameron M. Moore, Secretary
March 24, 2020