

PLACENTIA-YORBA LINDA UNIFIED SCHOOL DISTRICT
Independent Citizens' Bond Oversight Committee
Wednesday, May 13, 2009
Meeting # 4

FINAL MINUTES – Approved August 27, 2009

The Independent Citizens' Bond Oversight Committee of the Placentia-Yorba Linda Unified School District was called to order by Mr. Jim Resha, Chairman, at 5:08 p.m. on Wednesday, May 13, 2009, at the District Education Center, located at 1301 E. Orangethorpe Avenue, Placentia, California, in the Superintendent's Meeting Room.

1. **THE PLEDGE OF ALLEGIANCE**

Dr. Dennis Smith led The Pledge of Allegiance for committee and staff members present.

2. **ROLL CALL**

Members Present: Judy Johnson
Randy Kuroda
Melina Michaels
Ron Osajima
Jim Resha
Mila Thomas

Staff Present: Mike Bailey
Doug Domene
Rosemary Gladden
Bob Klempen
Connie Parker
Sheri Roussin
Dennis Smith

Members Absent: Rod Boaz
Don Lussier

Staff Absent: Rick Guaderrama
Shawna Millsap

3. **APPROVAL OF MINUTES**

Mrs. Mila Thomas moved to approve the minutes of March 18, 2009, with the correction of the spelling of Mr. Osajima's name. Mrs. Judy Johnson seconded the motion. The motion was approved by a vote of 6 – 0.

4. **PUBLIC COMMENT**

There were no public comments.

5. REVIEW OF MEASURE A PERFORMANCE AUDIT AS MODIFIED

After significant discussion at the last meeting, a revised Measure A Performance Audit was distributed for the committee's review as well as responses by the district and Total School Solutions to questions generated by a committee member. After review Mr. Kuroda asked for clarification on question number 5 regarding a \$46 million entry and if it represents only bond- funded expenditures. The entry did not match an entry on page 6 of the Performance Audit indicating \$8 million. Mr. Henry Petrino will research that item and have the information available for the committee at the next meeting.

Clarification was asked for an entry regarding the total for Woodsboro Elementary and the increase from \$410,390 to \$570,804. Mrs. Sheri Roussin explained that the state funds had not originally been identified on that particular entry. The Measure A portion was \$410,390, the \$160,414 difference is the state-funded portion and was not included in the original entry. It was suggested all funding categories be separate in future reports to make it easier to identify funding sources.

A question was raised regarding cost and payments located in the table on page 28 of the Measure A Performance audit. It was clarified that these cost are associated with five construction management firms and the amount of the contracts awarded to each firm. All of these contracts were awarded by June 30. They are not construction contracts. They are construction management contracts with each firm having multiple projects assigned.

Mr. Ron Osajima asked about the scope of the audit and ways to document the effectiveness of the bond funds spent on bond construction projects. Mr. Doug Domene suggested that the Performance Audit incorporate comments relative to these efforts.

Mr. Randy Kuroda asked for the criteria used when assigning construction costs to the bond funds or another funding source. Also it was asked how the determination is made on developing percentages for personnel costs on page 28. Mr. Jim Resha suggested this item be tabled while the committee completes training and learns about standard operating procedures so the information can be correctly interrupted. This could also be added to a committee study session.

Mr. Ron Osajima moved to accept the Measure A Performance Audit as revised. Mrs. Melina Michaels seconded. The motion passed by a vote of 6 – 0.

Mr. Jim Resha thanked staff for the time and effort that was required to produce this revised Performance Audit.

6. TRANSITION OF MEASURE Y RESPONSIBILITIES

Dr. Dennis Smith reported that the Measure Y committee met last week and expressed their appreciation of comments from the Measure A committee regarding the delineation of the Measure A and Measure Y monies. The Measure Y committee created a spreadsheet that outlines Measure Y projects that are still to be completed and the funding that has been allocated for those projects. Mr. Mike Bailey reported that \$5.2 million of Measure Y proceeds still remain and explained how these proceeds will be spent. Mr. Bailey also indicated the Woodsboro and Tynes Elementary project should

be completed this school year, Valadez Middle School Academy should be completed by the end of the year and Yorba Linda High School should be completed by the end of the year.

Also, Dr. Smith distributed a Memorandum of Understanding that the Measure Y committee developed. The MOU relinquishes the Measure Y Bond Oversight Committee from responsibilities of overseeing the expenditures of Measure Y bond proceeds and passes these responsibilities to the Measure A Bond Oversight Committee.

Mr. Randy Kuroda moved to authorize the Measure A committee's signing the Memorandum of Understanding. Mrs. Melina Michaels seconded the motion. The motion passed by a vote of 6 – 0.

7. BY-LAW MODIFICATIONS

Mr. Doug Domene distributed copies of the committee's by-laws with proposed changes highlighted for the committee's review. Mr. Domene added that these changes are in response to various comments by committee members. Mr. Jim Resha added that the terms of office will be a point of action on the next agenda.

Mr. Randy Kuroda moved to approve the changes to the Citizens' Bond Oversight Committee Bylaws. Mrs. Judy Johnson seconded. The motion carried by a vote of 6–0.

8. TERM LIMITS

Mr. Jim Resha asked that this item be tabled for the next meeting since two members are absent.

9. MONITORING OF PROJECT FUNDS

Mr. Henry Petrino distributed a monthly report and explained the document sections and how to track construction projects. Mr. Ron Osajima had a question on an item on page 9 regarding Bryant Ranch. It was discovered there was a typo and a "9" should have been a ")". The "(" should have been ")" and placed at the end of the number to indicate the number was a credit. Mr. Petrino shared with the committee how this document is used to track projects and funding and explained this should also be helpful in understanding next year's audit. Mr. Petrino explained that this document will show current projects each month and a cumulative report will be provided quarterly.

Mr. Randy Kuroda asked how a project is analyzed prior to its assignment to a bond funding category. Mr. Henry Petrino explained that projects are tied to an expenditure and that eligible components are considered based on knowledge of the projects before it evolves to a contract.

10. TRAINING OF COMMITTEE

Mr. Domene asked for discussion on the types of information the committee would like to ask the district to provide. Mr. Bob Klempen assisted by writing down ideas generated by the committee.

1. Fiscal Controls: What accounting procedures are in place that provides safeguards for bond proceeds?
2. Project Development: How does a project begin and develop into a completed bond project?
3. Construction Site Tours: What should bond oversight committee members look for when visiting a construction site?
4. Bond Eligible Projects: What mechanisms are in place to ensure that bond proceeds are only being spent on bond-eligible projects?
5. District administrative costs and appropriateness for bond funding: How does the district arrive at baseline criteria for assigning these costs and how does the district monitor these costs?
6. Smart Classrooms: What characterizes a "Smart Classroom?"
7. District Efforts to Maximize Bond Proceeds: What measures does the district use to maximize district proceeds? Reference the list provided in bylaw 4:1d

Mr. Doug Domene reminded committee members that the construction site tour dates are next week; May 19, 1 p.m. at Tynes Elementary and 3 p.m. at Yorba Linda High School; May 20, 8 a.m. at Woodsboro Elementary and 10 a.m. at Tuffree Middle School. Mr. Domene also reminded committee members that only three committee members can be on the same tour at the same time.

The next committee meeting will be held at Yorba Linda High School on August 20, 2009.

Mrs. Mila Thomas moved to adjourn. Mrs. Melina Michaels seconded. The motion was approved by a vote of 6-0. Meeting was adjourned at 7:23 p.m.