

PLACENTIA-YORBA LINDA UNIFIED SCHOOL DISTRICT
Independent Citizens' Bond Oversight Committee
Tuesday, February 18, 2003
Meeting #2

FINAL MINUTES – Approved 5/6/03

The Independent Citizens' Bond Oversight Committee of the Placentia-Yorba Linda Unified School District was called to order by Mr. David Verdugo, Assistant Superintendent of Executive Services, at 6:05 p.m. on Tuesday, February 18, 2003, at the District Educational Center, 1301 East Orangethorpe Avenue, Placentia, California, in the Superintendent's Meeting Room.

1. **PLEDGE OF ALLEGIANCE:**

Mrs. Judy Johnson led the committee, staff and community members present in the Pledge of Allegiance.

2. **ROLL CALL**

Members Present:	Mr. Keith DeBrucky	Mr. Tom Lindsey
	Mr. Warren Hennagin	Mr. Art Moncrief
	Mr. Robert Hyde	Mr. Eric Padget
	Mrs. Judy Johnson	

Members Absent:	Mr. Owen Holmes	Mr. Bill Walls
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3. **APPROVAL OF MINUTES**

Keith DeBrucky moved to accept the minutes of the November 19, 2002 meeting. Robert Hyde seconded the motion. This motion was approved by a vote of 7-0.

4. **WELCOME AND INTRODUCTIONS**

Mr. David Verdugo, Assistant Superintendent of Executive Services, greeted the committee members and members of the community present. He acknowledged staff support personnel: Dr. Dennis Smith, Mr. Don Trigg, Mr. Mike Bailey, Mr. Ron Smiley, Mr. Mike Chafin. Mr. Mike Kairis, Mr. Steve Holt and introduced Ms. Cindy Minucci from 3D/International. Ms. Minucci will serve as Recorder for the oversight committee meetings.

The committee meeting will be recorded for purposes of accuracy.

5. **SUPERINTENDENT'S COMMENTS**

Mr. David Verdugo informed the members that Rosemary Gladden, Public Information Officer, will be posting their names to the website to identify the committee members for the community. There will be no personal information shared.

Dr. Dennis Smith, Superintendent, welcomed the members and thanked them for their participation and for their commitment to the committee. He let the committee know that the community recognizes and appreciates their time.

During a general discussion, Mr. Keith DeBrucky asked about the Santa Ana Unified School District's Bond oversight committee issues and stated he would like to know what went wrong so as not to repeat. Mrs. Judy Johnson expressed how confident she feels with Dr. Dennis Smith, Mr. David Verdugo, and Mr. Mike Bailey in representing the District. Dr. Smith and Mr. Verdugo will make inquiries and report back to the committee.

6. **PUBLIC COMMENT**

Mr. David Verdugo provided opportunity for public comment. No one responded from members of the community present.

7. **PREVIOUS COMMITTEE REQUEST**

Meeting Notifications - Mr. David Verdugo stated the law requires that notification of upcoming meetings must be posted in local newspapers 72 hours in advance of the meeting, so that interested public may attend.

Meetings will also be posted to the District's website at <http://www.pylusd.k12.ca.us/news/measureybond.asp>.

A reporter from a local newspaper requested that Mr. David Verdugo send information on this meeting due to his inability to attend the meeting this evening.

Clarification on Brown Act – Mr. David Verdugo spoke with Mr. Dave Larsen, legal counsel for the District, for clarification on Brown Act stipulations. Mr. Larsen indicated that meetings are to be open meetings that are pursuant to an agenda, invite the public to attend, and to hold meetings on a regular schedule. Any meetings or discussions outside of the committee meetings to discuss committee business are not allowed. Meetings will be held on a quarterly basis.

Duties of bond oversight committee Chair and Vice Chair - Mr. David Verdugo discussed the duties of the Chair and Vice Chair. The Chair will be responsible for facilitating and working directly with the District office staff, organizing future meetings, which would include preparation of the agenda and finalizing the meeting minutes, and coordinating the presentation to the Board of Education on information to the public. The Vice Chair duties will be to work with the Chair, step in to fill in for the Chair when the Chair was unable to attend a meeting or a duty, assist in organizing future meetings, and to assist in coordinating the presentation to the Board of Education on information to the public.

It was moved by Keith DeBrucky to set a term limit of one (1) year for each position as Chair and Vice Chair. Judy Johnson seconded the motion. The motion was approved by a vote of 7 – 0.

Nominations for Chair - Mr. Keith DeBrucky nominated Mr. Warren Hennagin to the position of Chair. Mr. Eric Padget seconded the motion. The motion was approved by a vote of 7 – 0.

Nominations for Vice Chair - Mr. Robert Hyde nominated Keith DeBrucky to the position of Vice Chair. Mr. Eric Padget seconded the motion. The motion was approved by a vote of 7 – 0.

Mr. Warren Hennagin, Chair, and Mr. Keith DeBrucky, Vice Chair, will preside at the next meeting.

8. PERFORMANCE AUDIT SELECTION PROCESS

Mr. Don Trigg, Assistant Superintendent of Administrative Services, reported on the Performance Audit interviews held in January. He discussed with the committee the interviews held with PricewaterhouseCoopers and Vavrinek, Trine, Day & Co., LLP. Mr. Trigg recommended that Vavrinek, Trine, Day & Co., LLP's proposal be forwarded to the Board of Education for approval. The committee voiced their concern about using the same firm for financial and performance audits. Committee Members requested that the District obtain additional interviews with other companies. Mr. Ron Smiley, Director of Fiscal Services, stated the original proposal was sent to eight (8) firms and only two (2) responded. Due to time constraints with the upcoming audit period, Mr. Trigg stated that interviewing other firms may not be possible at this time.

Mr. Trigg will investigate performance audit procedures with other Districts in the area. Members will be kept apprised.

9. FINANCIAL AUDIT 2002

Mr. Trigg introduced Mr. Greg Cook, Vavrinek, Trine, Day & Co., LLP. Mr. Cook handed out the Accountants' Report on Applying Agreed – Upon Procedures Report dated June 30, 2002 and reviewed the report with the committee. He reported that the financial audit performed complies with Prop 39. He stated the District is doing everything as expected. Mr. Trigg stated Vavrinek, Trine, Day & Co., LLP is also the District's auditing firm. Committee members were provided opportunity to ask questions regarding the information presented.

10. PRESENTATION OF FACILITIES PROGRAM – STATUS OF PROJECTS

Mr. Mike Bailey, Director of Facilities and Planning, presented an overview of the Measure Y Capital Improvement Program. He handed out a packet that provided the approved modernizations by school site with details on the modernizations to take place under the Measure Y Bond.

Mr. Mike Chafin, 3D/International, presented an overview of the Quarterly Status Report detailing the reporting systems and budget overview.

11. **LABOR COMPLIANCE PROGRAM**

Mr. Mike Bailey discussed the requirements of AB1506 Labor Compliance Program with the committee. He advised the committee of the cost impacts relative to AB1506. Early predictions have estimated the impact to increase administrative costs by 3%. AB1506 states the funding to be from the Per Pupil Grant. However, the District has not heard at what level this will be.

12. **PROJECT ACCOUNTING**

Mr. Ron Smiley, Director of Fiscal Services, provided a handout outlining the documentation required to support payment to vendors.

13. **FUTURE MEETING**

Tuesday, May 6, 2003

6:00 p.m.

Members will be contacted as to the location of the meeting.

14. **REQUESTS / INFORMATIONAL ITEMS**

Mr. Verdugo facilitated specific requests and informational items from the committee:

- Follow up information on Item 8 regarding using the same financial auditor and performance auditor.
- Information shall be delivered in a timely manner. Drafted minutes to be e-mailed out and hard copy to be sent via mail to members.

15. **ADJOURNMENT**

It was moved by Keith DeBrucky to adjourn the meeting. Mr. Tom Lindsey seconded the motion. The motion was approved by a vote of 7 – 0.

The meeting was adjourned at 8:10 p.m.

Dr. Smith excused himself at 7:15 p.m. due to a prior scheduled engagement.

The foregoing conveys our understanding of items discussed and decisions reached during this meeting. We assume our understanding to be correct unless notice to the contrary is brought to our attention.

Submitted by,
Mr. David Verdugo