

CITIZENS' BOND OVERSIGHT COMMITTEE MEETING

El Rancho Unified School District

Meeting of the Measure "EE" Citizens' Bond Oversight Committee

6:00 p.m.

District Technology Room
9333 Loch Lomond Drive
Pico Rivera, CA 90660

March 4, 2015

MINUTES

1. **CALL TO ORDER**

The meeting was called to order by Esther Mejia at 6:01 p.m.

ROLL CALL – Members of the Citizens' Bond Oversight Committee

Esther Mejia, Chairperson
Dr. Teresa Merino, Vice Chairperson
John Chavez, Member (Absent)
Vincent Chavez, Member
Javier Pacheco, Member
Suzanne Rodarte, Member

DISTRICT ADMINISTRATION

Martin Galindo, Superintendent
Ruben P. Frutos, Assistant Superintendent Business Services
Carlos Jimenez, Director of Maintenance and Operations

2. **PLEDGE OF ALLEGIANCE**

The pledge of allegiance was led by Esther Mejia.

Visitors – Register No. 9-2014/2015

3. **ADOPTION OF AGENDA**

Recommendation is made that the agenda be adopted as submitted.

Motion: T. Merino Second: V. Chavez Vote: 5-0 PASSED

Vote: J. Chavez: Not Present
 V. Chavez: Yes
 T. Merino: Yes
 J. Pacheco: Yes
 S. Rodarte: Yes
 E. Mejia: Yes

4. **PUBLIC COMMENTS**

Members of the public have an opportunity to address the committee.

None.

5. **ADOPTION OF MINUTES**

Recommendation is made that the minutes of February 4, 2015 be adopted as submitted.

Motion: S. Rodarte Second: T. Merino Vote: 5-0 PASSED

Vote:	J. Chavez:	Not Present
	V. Chavez:	Yes
	T. Merino:	Yes
	J. Pacheco:	Yes
	S. Rodarte:	Yes
	E. Mejia:	Yes

6. **NEW BUSINESS – ACTION ITEMS**

None.

7. **DISCUSSION ITEMS**

7.1 **Report on Activities** – E. Mejia

Ms. Mejia and Dr. Merino attended the Board of Education Meeting on February 17, 2015; bond related items included the selection of the District’s Financial Advisor, Dale Scott and Company replacing Caldwell Flores Winters.

Ms. Mejia did not attend the Board of Education Meeting on March 3, 2015 but confirmed with Sandy Watkins, Superintendent’s Secretary that the Board selected two architect firms (Board Item 27.a) DC Architects and HMC Architects (Mr. Frutos will provide more information during his report).

Dr. Merino shared a comment by the Board of Education at the February 17th meeting; “that they (the Board) have never had a committee that is so committed and so involved in making sure that the expenditures are following protocol.” Dr. Merino believes the reason is the good work of the committee and the diligence of the committee chairperson.

Ms. Mejia reported that she spoke during public comments regarding the Rivera Elementary Relocatable Project (Board Item 25.b). Ms. Mejia questioned the item because she didn’t see the project start as a bond project. The project was approved on June 17, 2014, payable from general funds and developer fees; she asked if Mr. Frutos would elaborate more on this during his report.

Ms. Mejia passed out Mr. Pacheco’s “Memo Regarding Presentation of Audit Results and Financial statements to Board of Education (The Board) & Citizens’ Bond Oversight Committee (CBOC)”. Ms. Mejia will mail a copy of the Memo to Mr. John Chavez.

7.2 **Bond Expenditures Update** – *R. Frutos*

Mr. Frutos provide an amended copy of the Trial Balance as for December 31, 2014 (re-opening fees for the Burke MS shade structure were not listed on the original report).

Trial Balance Financial Report as of January 31, 2015: Measure A balance is \$11,265,372 and Measure EE balance is \$2,639,668.

Bond Measure A expenditures as of January 31, 2015 totaled \$10,260.00; Bond Measure EE expenditures as of January 31, 2015 totaled \$28,004.00.

In response to the question of having an attorney firm come and provide training; Mr. Frutos shared that the District uses multiple firms, all of which would charge a considerable amount to provide training. Mr. Frutos will look into securing one of the firms to provide over the phone training by which we would use a speaker phone to communicate, we would ask for them to provide detailed requirements of a bond oversight committee and they will be able to answer committee questions and the charge should be significantly less.

In response to the discussion of why a project migrates from another fund to bond funds. Mr. Frutos explained that initially the Board has the ability to shift funds (and they do this every month) as long as they have a majority. Mr. Frutos explained that when the process of a project begins, there might not be enough information to do anything else but initiate the contract from general funds; once the project begins and the direction from the Board is clearer, at that point because the project falls within the language of the bond and it is appropriate for the Board, if they decide, to transfer the expenditures to bond funds. The Board is the body that has the ability to say yes or no. Migrating projects from other funds to bond funds should not continue to happen since the board approved a list of prioritized projects.

Mr. Pacheco offered his opinion of getting someone, such as an attorney that can render an opinion of the bond language and cite case law. Mr. Pacheco also suggested a financial workshop so the committee could have a better understanding of their responsibility when overseeing bond funds; this information could be added to the handbook as a reference for current and new CBOC members.

Ms. Rodarte expressed her concern for the Rivera Relocatable Project migrating from general funds and developer fees to bond funds. Although she understands the project was needed for the students, she felt it should have been closely monitored and brought to the attention of CBOC and also to the board earlier.

Ms. Mejia asked about the Microsoft Voucher Program and why those funds were not used since these funds could possibly maximize the bond funds. Mr. Frutos responded that he doesn't know why those funds weren't utilized in the past but the District is quickly exhausting the Microsoft now before the program goes away. The Microsoft Voucher Program is a reimbursement program where the District has to make a purchase and submit receipts for review and reimbursement.

The Board approved a new professional services approval process which includes sending invitations to as many firms as possible; there is a subcommittee which consist of two board members (currently Dr. Villon and Mr. Renteria), administration (Mr. Galindo and Mr.

Frutos) who reviews all the proposals; four firms are then interviewed before a final selection is made. Dale Scott and Company was selected as the District's financial advisor, they will analyze all the bond issuances and provide a board presentation in a few months. For Architects the District received great responses and 1 decline, the Board selected 4 firms to interview and two were selected (DC Architects and HMC Architects). The District's goal is to implement a unified contract for architectural services.

Mr. Pacheco asked what criteria was used for selecting professional services; Mr. Frutos responded, with the following criteria:

- Present your firm (tell us who you are and how you are going to serve El Rancho).
- Introduce us to your principal.
- Show us project experience with districts similar to ERUSD.
- Disclose if you are in litigation with anyone.
- What technology will you be using?
- What is your insurance, are you able to insure us, can you provide liability?
- What are your fees?
- Will you negotiate a unified contract?
- Why should we select you?

Contracts for all professional services will go back to the Board for approval.

Ms. Mejia asked for an update on the Audit by Vasquez & Company. Mr. Frutos responded that the audit is not finished yet but as soon as the District receives the audit, a copy will be emailed to the committee. There is a regulatory deadline for the general audit; there is no regulatory deadline for the bond audit. Ms. Mejia requested a copy of the 2013-14 warrants list for Measure A and Measure EE and a copy of the Second Interim Report presentation.

7.3 **Bond Projects Update** - *Carlos Jimenez*

- El Rancho High School Locker Room/Pool "Legacy" Project – Project is still in review at DSA.
- El Rancho High School Culinary Arts "Legacy" Project – Project is still in review at DSA.

District Technology Projects – *R. Frutos*

No change from last month.

Facilities Master Plan "Board Reviewed Projects" – *R. Frutos*

We now have a formal list of projects; the list should be available on the District website.

Ms. Rodarte asked about the facilities master plan and whether it included the District Offices. Mr. Frutos responded that his meeting with Mr. Ortiz is scheduled for Monday, March 9, 2015 therefore he should have a report by the next CBOC meeting.

7.4 **Recruitment of CBOC Member** – *R. Frutos*

Business Services reached out to a possible candidate but received no response. The recruitment notice will be published in the Pico Rivera Profile (there is no charge for

publishing). Mr. Frutos shared that the member representing a bona fide taxpayer organization is the most difficult member to find.

Ms. Mejia did reach out to Dr. Villon and Mr. Galindo regarding a certificate of recognition for Dr. Vargas.

Mr. Pacheco repeated what he said earlier; the financial training workshop, getting a legal opinion by an attorney citing case law and adding it as part of the CBOC handbook. Ms. Mejia acknowledged that this item will be placed on the agenda for the next CBOC meeting.

8. **ADJOURNMENT**

The meeting was adjourned at 7:21 p.m.

Motion: J. Pacheco Second: S. Rodarte Vote: 5-0 PASSED

Vote:	J. Chavez:	Not Present
	V. Chavez:	Yes
	T. Merino:	Yes
	J. Pacheco:	Yes
	S. Rodarte:	Yes
	E. Mejia:	Yes