

GARDEN GROVE UNIFIED SCHOOL DISTRICT
 BOND OVERSIGHT COMMITTEE MEETING
 DISTRICT OFFICE
 10331 STANFORD AVENUE
 GARDEN GROVE, CALIFORNIA

January 26, 2016

| <u>Committee Members</u> | <u>Present</u> | <u>Absent</u> |
|--|----------------|---------------|
| Barbara C. Barker | _____ | X _____ |
| Kevin Condon | X _____ | _____ |
| Peter Florin | X _____ | _____ |
| Lila G. Held | 4:03 _____ | _____ |
| Joan Mildenstein | X _____ | _____ |
| Walter Muneton | X _____ | _____ |
| Lactan Nuygen | _____ | X _____ |
| Jennifer Sieve | X _____ | _____ |
| Ted L. Stevens, Jr. | _____ | X _____ |
| Jeffery S. Trader | _____ | X _____ |
| Robert Tucker | X _____ | _____ |
| <u>District Supporting Staff</u> | | |
| Sal Sanchez | X _____ | _____ |
| Margie Brown | X _____ | _____ |
| Jerry Hills | X _____ | _____ |
| Nancy Mefford | X _____ | _____ |
| Javier Rodriguez | X _____ | _____ |
| JoAnne Tran | X _____ | _____ |
| Alan Trudell | _____ | X _____ |
| Christy White, President, Christy White Assoc. | X _____ | _____ |

The meeting was called to order by Vice Chairperson Mildenstein at 3:55 p.m. followed by the Pledge of Allegiance and roll call. Call to Order

Hearing no comments or corrections, on motion of Member Kevin Condon, seconded by Member Peter Florin, and unanimously carried with the roll call vote noted below, the Minutes of the January 26, 2016, BOC Meeting were approved as submitted. Minutes – January 26, 2016

AYES: Condon, Florin, Held, Mildenstein, Muneton, Sieve, Tucker, ABSENT: Barker, Nuygen, Stevens, Trader **NOES: None** **Roll Call Vote – Minutes**

Christy White, President of Christy White Associates, presented the Measure A Bond Building Fund Financial and Performance Audit Reports for the fiscal year ending June 30, 2015, which show no findings and no recommendations, and that the district is in compliance with the requirements of Proposition 39. Public Presentation

On motion of Member Lila Held, seconded by Member Peter Florin, and unanimously carried with the roll call vote noted below, the BOC approved the performance and financial audit reports for Measure A prepared by Christy White Associates for the fiscal year ending June 30, 2015. Measure A Bond Building Fund Financial and Performance Audit Reports 2014-2015

AYES: Condon, Florin, Held, Mildenstein, Muneton, Sieve, Tucker, ABSENT: Barker, Nuygen, Stevens, Trader **NOES: None** **Roll Call Vote – Bond Audit Report**

A PowerPoint presentation by Margie Brown (director, Facilities) and Jerry Hills (assistant director, Facilities) was presented with the following facilities status updates of the Measure A modernization projects: Presentation - Facilities

- Projects completed include Group I underground utilities at eight schools; Group II modernization at six elementary and one intermediate school; Group III modernization at 14 elementary schools; Group IV modernization at 18 elementary schools; and Group V modernization at one intermediate school.
- Projects in progress: Group IV modernization at six elementary schools and one special needs school; Group V modernization at four intermediate schools, one secondary learning center, and four high schools.
- Projects which started December 2015 through June 2016: Group V modernization at four intermediate schools and Group IV modernization at two elementary schools.
- A few projects on the master schedule have been moved to accommodate unknown conditions such as the addition of air conditioning and fire damage repair.

Nancy Mefford presented financial reports which are located on the district's website, generated from the facilities accounting program for the members to review prior to the meeting (a link to the financial reports has been included in email messages to BOC members). The reports presented were Sources and Budgets, Budget Status (of active work encumbered), and Expenditure Worksheet (detailed report of checks that were written to vendors). Presentation – Financial Reports

On motion of Member Peter Florin, seconded by Member Kevin Condon, and unanimously carried with the roll call vote noted below, the BOC approved the Measure A Bond Oversight Committee Annual Report for the fiscal year ending June 30, 2015, and affirms the district is in compliance with Article XIII A, Section 1(b)(3) of the California Constitution.

BOC Annual Report

The Annual Bond Oversight Committee Report will be presented at the February 2, 2016, Board of Education meeting for approval.

**AYES: Condon, Florin, Held, Mildenstein, Muneton, Sieve, Tucker,
ABSENT: Barker, Nuygen, Stevens, Trader**

NOES: None

Roll Call Vote – Bond Annual Report

Starting February 10, 2016, BOC new member applications will be available on the district website and will be accepted through March 18, 2016. These applications are to fill two-year term vacant member positions beginning May 2016. New member selections will be made by April 2016 and approved at a Regular Meeting of the Board of Education that same month. The district will continue to seek out members to serve on the BOC in order to meet the requirements of Education Code Section 15282(a).

BOC New Member Applications

Lila Held and Lactan Nuygen positions will be vacated as they have completed their three consecutive terms.

Sal Sanchez introduced a new member of the district administrative team, Javier Rodriguez (director, Maintenance, Operations and Transportation) replacing Jeff Rosell, (director, Maintenance, Operations and Transportation) who retired December 30, 2015.

Introduction of New Administrator

Sal Sanchez will email Form 700 - Statement of Economic Interests to committee members for completion with a March 1, 2016, deadline. Form 700 will also be available on the district website for committee members to access and hard copies are also available in the business office.

Form 700 – Statement of Economic Interests

A BOC member asked who the auditors are interviewing for the annual audit and if maintenance workers are included.

Discussion – Committee Members

Christy White responded that individuals in the facilities and accounting department, the superintendent, a board member, staff in management, and staff who perform modernization work are interviewed for the audit.

After reviewing page 14 of the Performance Audit, BOC members had questions as to why: 1) the expenditure amount for Monroe Elementary is so low in comparison to other schools; 2) Maintenance and Operations is listed with a small expenditure; and 3) why are there expenditures for Bell Intermediate when it was completed a while ago.

Margie Brown responded that Monroe Elementary was completed about two or three years ago and the expenditures were from Maintenance and Operations costs related to planning fees; Bell Intermediate costs are associated with special detail cleaning after hosting athletic teams at the school and other costs pertaining to removal of an old portable and installation of a new one.

A BOC member asked since the money is paid back to the bond holders through our property taxes, how are the bond holders reimbursed?

Christy White responded that the Orange County Assessor collects the taxes and submits these to Wells Fargo Bank to pay the bond holders. The district itself doesn't handle this accounting and have no way of knowing who the investors are.

A BOC member asked what the listed expenditures are for the Business Services department in the audit report.

Margie Brown responded that district Facilities have developed a master program account within the Business Services department on the audit expenditure list where invoices are received and then redistributed back to the site; also included is a settlement with an old consultant who was terminated. A summary of the Business Services department expenditures will be sent to members.

A BOC member asked for an explanation of books and supplies expenditures by object.

Nancy Mefford responded that supplies under \$15,000 which is not under a major construction contract is captured in the books and supplies category.

A BOC member asked if the Maintenance and Operations expenditure is for maintenance worker's salaries.

Jerry Hills responded these expenditures are from moving classrooms.

A BOC member asked about the outlets at the elementary schools bathrooms that were put in by the sinks and about the spout of the sink in the nurse's office which is too close to the edge of the sink making it hard to wash your hands.

Jerry Hills responded that the wiring to the existing outlets are not being changed out as the copper is fine, they are only putting in new outlets as needed and all are GFCI coded.

A BOC member asked if discoveries of mold are abated.

Jerry Hills replied that whenever mold and asbestos is discovered, professional teams are brought in to evaluate and abate.

Discussion – Committee Members (cont.)

A BOC member asked what percentage of schools will have workable air conditioning by the end of the bond in 2018.

Margie Brown responded that all but 25 elementary schools will have working air conditioning

A BOC member asked from which fund the new buildings at La Quinta and Pacifica will come.

Margie Brown responded those buildings are not funded by Measure A bond monies.

A BOC member asked why the cabinets in the Jordan Home Economics room were not put back.

Jerry Brown responded that this room was converted into a regular classroom and there was not a request from the site to reinstall.

A BOC member asked what is the process for hiring contractors to work on modernization projects and what percentage of workers live in the Garden Grove area.

Margie Brown responded that most of the contractors are from Los Angeles, Tustin, and Inland Empire areas and the general contractors must prequalify to work here in the district not only under the general contractor rules but also under the new state requirements. All sub-contractors must also prequalify, must be registered with industrial relations, and we require they have certain minimum thresholds in workers' compensation. Most contractors are selected on best value using the lease lease-back methodology. The district hard bids some of the work and use informal bids on other projects, but everyone must be prequalified as we're using state funds. They must have worked on schools, know how strict our timelines are, and understand the scope of the work. The manpower comes from all over southern California and the majority comes within 40 miles of the district. The district doesn't mandate where their workers live. During the summer we had a minimum of 1300 to 1500 contractors working at our sites each day.

A BOC member asked why Patton didn't go back to their campus during winter break.

Margie Brown responded that Facilities was ready to move the teachers back to their campus during winter break but they opted to move back on February 5, 2016, a non-student day instead.

A BOC member asked if anyone else will be moving to the Chapman site.

Javier Rodriguez responded that Maintenance and Operations will be moving to Chapman along with Facilities. Transportation and vehicle repair will stay at the Lampson site.

A BOC member asked if Facilities has been including the maintenance staff in meetings to update them and for their feedback on the status of the modernization construction projects.

Javier Rodriguez responded that Facilities has routine meetings to update each and every department as well as a communicating through a newsletter stating updates that is sent to each department.

A BOC member asked will there be trainings for the maintenance and custodial staff with the new equipment that's being installed.

Margie Brown responded that it is much easier to train with standardized equipment.

The next site visit is to Rancho Alamitos on Thursday, March 10, 2016, at 3:30 p.m. It is imperative to wear appropriate clothing when attending these site visits: long pants and closed toe shoes. A vest and hard hat will be provided. All committee members are encouraged to attend these site visits as this is a responsibility asked of the Bond Oversight Committee.

Future Site Visits

The next BOC meeting will be Tuesday, May 10, 2016, at the district office Board Room, 10331 Stanford Ave., Garden Grove starting at 3:30 p.m.

Future Meetings

There being no other business, the meeting was adjourned at 5:07 p.m.

Adjournment

Joan Mildenstein, Vice-Chair