

*NATOMAS UNIFIED SCHOOL DISTRICT*  
**Citizens' Bond Oversight Committee Meeting**

Board Room  
Education Center  
1901 Arena Boulevard

Tuesday, January 31, 2012  
6:30 p.m.

**AGENDA**

- I. ROLL CALL
  
- II. COMMUNICATIONS
  - A. Welcome/Introduction
  - B. Senate Bill 423 Amendment
  
- III. INFORMATION ITEMS
  - A. 2010- 2011 Performance Audit Report (Total School Solutions)
  - B. Engage CBOC Public Interest & Awareness
  - C. Process and Scope concerning Performance Audit RFPs
  - D. Review CBOC Member Terms
  - E. Committee List of Missed Meetings
  - F. Measure D Projects Update
  
- IV. PUBLIC COMMENTS
  
- V. ACTION ITEMS
  - A. Approve November 1, 2011 Citizens' Bond Oversight Committee Meeting Minutes
  - B. Approve 2010-11 Performance Audit Report
  - C. Approve 2010-11 Annual Report
  - D. Approve Project Audit Sub-Committee Reports
    - Report D-2 (Computer & Support Infrastructure) – Dianne Mattar & Jennifer Slay
  
- VI. NEW BUSINESS
  - A. Measure D Projects Sub-Committee Assignments
  
- VII. FUTURE COMMITTEE AGENDA ITEMS
  - A. Future Meeting Date(s) – April 17, 2012
  
- VIII. ADJOURNMENT

*Note: Assistance for the Disabled: Please contact the Assistant Superintendent's Office at (916) 567-5457 at least 24 hours before the scheduled Citizens' Bond Oversight Committee meeting to request disability-related accommodations in order to participate in the public Citizens' Bond Oversight Committee meeting at the Education Center.*

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**Citizens' Bond Oversight Committee**

Education Center, Board Room  
1901 Arena Boulevard, Sacramento

**Tuesday, January 31, 2012 - 6:30 p.m.**

**MINUTES**

Scott Dosick, Committee Chair, called the meeting to order at 6:42 p.m.

**I. ROLL CALL**

Present:	<u>Committee Members</u>	<u>Staff</u>
	Scott Dosick	Douglas Crancer
	Dianne Mattar	Mike Cannon
	Jennifer Slay	Sherry Duschka
	William Stanglin	Brenda Monson
Absent:	Michael Bratman	
	Brett Hopkins	
	Ken Le	

**II. COMMUNICATIONS**

**A. Welcome - Quorum Established (3 members absent; 4 members present)**

Chairman Dosick introduced Solveig Monson from Total School Solutions.

**B. Senate Bill 423 Amendment**

Mr. Crancer explained that effective January 1, 2012; this bill has been amended to require that Proposition 39 Performance Audits must be submitted for review to the Citizens' Bond Oversight Committee by March 31 each year. Solveig Monson from Total School Solutions confirmed that this requirement applies to the June 30, 2011 Performance Audit and explained that many other districts were not having the Audit reviewed by their Oversight Committees before Board approval. She added that Natomas is (and have always been) in compliance. When Chairman Dosick presents the Annual Audit Report to the NUSD Board of Trustees, he will note that we are and have always met this requirement.

**III. INFORMATION ITEMS**

**A. 2010-2011 Performance Audit Report**

Solveig Monson from Total School Solutions (TSS) introduced herself & provided copies of the audit report to explaining that the independent audit report covers the 2010-11 school year voter approved Facilities projects funded by Measures M and D Bond monies.

- Ms. Monson explained that there was less Facilities building and limited activity due to the building moratorium. This allowed them to examine more than just a sampling of projects and procedures conducting field research, reviewing records and files in both the business office and the facilities office. Overall they were able to look at practically everything testing over 75% of the expenditures. TSS met with district staff, committee members and board members. They reviewed postings on the district website as well as board items; all of which contributed to the information contained in the report.
- She called attention to page 7 and noted that the records will show that Measure M was officially closed out during this audit period.
- Ms. Monson explained that any violations regarding compliance with Ballot Language would be shown on pages 6 and 7. She noted that NUSD (unlike many other districts) has never had any violations and applauded the efforts of the committee members and district staff.

- She continued to highlight observations, conclusions and recommendations in each section of the report and noted there were only 19 transactions for the year. She pointed out the comments on page 46 relating to the District's independent audit report for the material weakness in internal controls (which did not relate to any Measure M or D expenditures). Douglas Crancer explained that it was a matter of reporting of interest expense in the correct period (same year) as it is accrued; and added that it has been taken care of. Ms. Monson added that Crowe's (Crowe Horwath, LLP, independent auditor) internal control and compliance reports documented the instance of material weakness based on their limited purpose review of internal controls over financial reporting and disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. TSS was satisfied after extensive testing and conversations with Crowe Horwath, LLP that it has been taken care of.
- In response to a recommendation for establishing a desk manual at the Facilities Accountant desk, Sherry Duschka noted she does have a desk manual. She noted that she instituted a new policy this year and that it has not yet been added to the desk manual section suggested this might have been a miscommunication with TSS. Douglas Crancer will follow up with TSS about revising this section of the report based on confirmation of the desk manual.
- While there were no complaints from the community regarding any Bond Program projects, CBOC members indicated there is some community confusion regarding the cause and cost of the identified issues at Leroy Greene Middle School. TSS recommends the district provide the necessary resources for providing timely and consistent information to the community to reduce opportunities for community confusion regarding source and acceptable use of Bond revenues during challenging fiscal times for the District. Committee discussion followed with suggestions that included articles in PTA newsletters, communications to staff and placing articles in the Natomas Buzz. Chairman Dosick noted that with the staff reductions at the District Office and loss of the Public Information Officer, avenues for communicating information to the community (stake holders) are limited; but stressed the importance of informing the public that we have been good stewards of the monies entrusted to the district through the bonds.
- Chairman Dosick asked Ms. Monson to confirm the listing of board member names and titles as shown. She indicated that the titles and board member names reflect what they were for the year of the activity so the board member information listed is correct.
- Douglas Crancer and Chairman Dosick thanked Solveig Monson for the high quality report and expressed their appreciation for TSS's willingness to negotiate and reduce the contract amount.

B. Engage CBOC interest and awareness

- Chairman Dosick noted that members of the community do not attend our meetings which are open to the public and emphasized the importance of teaching the community about the limits on spending bond funds. Committee discussion followed.
- With regard to the Leroy Greene school opening, it was suggested that staff take measures to clear up misconceptions on funding. Mike Cannon will follow up with Principal Herrera about providing information on the Leroy Greene website.
- Chairman Dosick offered to assist staff with drafting an article for the Natomas Buzz on the same subject as well as highlighting the recent Extron project and its interactive technology in the classroom.
- Chairman Dosick thanked the committee for the suggestions and encouraged members to take advantage of opportunities to talk about the good things happening in the CBOC.

C. Process and Scope concerning Performance Audit RFP

- Chairman Dosick invited comments from the committee about defining the scope (level of service) for the upcoming RFP. He explained that he would be working with Douglas Crancer to prepare the proposal packet and that the results of the RFP would be presented to the committee for discussion at the April meeting. Discussion followed.
- It was recognized that the amount of activity may be different in 3 years than next year depending upon when the building moratorium is lifted. Mike Cannon indicated that Sacramento County leadership is still speculating on a date (year) for the lifting of the moratorium. Mr. Cannon emphasized the importance of providing a comprehensive report to contractors and city officials who read these closely.
- Committee members collectively emphasized the importance of transparency and financial oversight when identifying the level of service (scope of work). Many also indicated a desire to continue with a more comprehensive performance audit with the understanding that the bids will reflect fewer projects but comparable quality of service. It was noted that the previous comprehensive audit reports included review of all projects regardless of what stage of completion and included projects whose funding comes from other non-operating district funds (in addition to Bond Funds).
- Chairman Dosick summarized the committee's recommendation as desiring to find a middle ground audit that meets the performance audit needs and also provides a comprehensive financial audit piece. It would also reflect the fluctuation in project activity in the coming years as dictated by the building moratorium.

D. Review CBOC Member Terms

- Discussion about whether it is necessary to have the Board of Trustees approve the committee members second term resulted in a review of the bylaws and May 2010 board item where the Board approved appointments for Bratman, Dosick, Hopkins and Stanglin. It was concluded that because the board item was accompanied by the designation table showing both consecutive terms and past practice did not include obtaining board approval for the second terms, it will not be necessary to obtain board approval for the second terms. Chairman Dosick directed Brenda Monson to send out an email to the 5 members whose first term is ending asking them to confirm their intent to serve a second term.

E. Committee List of Missed Meetings

- Packets included a list

F. Measure D Projects Update

- Mike Cannon gave an overview of the Extron Projection System. A complete update can be found on the district website under the December 21, 2011 board meeting link. Discussion followed about teacher training and announcements to the public about this use of bond funds for these technology improvements in the classroom.

IV. Public Comments

- Scott Dosick announced the Inderkum HS IB program fundraiser calendared for February 11, 2012.

V. ACTION ITEMS

A. Approve the November 1, 2011 CBOC Meeting Minutes.

*Bill Stanglin moved to approve the November 1, 2011 Citizen's Bond Oversight Committee Meeting Minutes. Motion seconded by Jennifer Slay. Motion passed 4 – 0.*

B. Approve 2010-11 Performance Audit Report

*Dianne Mattar moved to approve the 2010-11 Performance Audit Report acknowledging that a revision may occur to page 46. Motion seconded by Bill Stanglin. Motion passed 4-0.*

C. Approve 2010-11 Annual Report

*Jennifer Slay moved to approve the 2010-11 Annual Report as submitted. Motion seconded by Bill Stanglin. Motion passed 4-0.*

D. Project D-2 Computer & Support Infrastructure – Dianne Mattar & Jennifer Slay

*Bill Stanglin moved to approve the Project M-2 audit report as submitted. Motion seconded by Dianne Mattar. Motion passed 4-0.*

VI. NEW BUSINESS

A. Measure D Projects Sub-Committee Assignments - None

VII. FUTURE COMMITTEE AGENDA ITEMS

A. April 23, 2012

VIII. ADJOURNMENT

Chairman Dosick adjourned the meeting at 8:19 p.m.

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