

Citizens' Bond Oversight Committee Meeting Measure D

Education Center Board Room
1901 Arena Boulevard

Monday, August 22, 2016 - 6:30 – 7:15 p.m.

The Purpose of the Committee is to inform the public at least annually concerning the expenditure of bond proceeds approved by the voters by issuing a written report. (Bylaws Section 2)

AGENDA

I. ROLL CALL

II. COMMUNICATIONS

- a) Welcome/Introductions

III. PUBLIC COMMENTS

Presentations from the public are limited to two (two) minutes regarding any item that is within the Committee's subject matter jurisdiction. Please note that Government Code Section 54954.2(a) limits Committee Members responses to public comments.

IV. INFORMATION ITEMS

- a) Committee Membership
- b) Measure D Projects and Financial Update
- c) Standing Sub-Committees (Member Appointments)
- d) Standing Sub-Committees (Project review timelines)

V. ACTION ITEMS

- a) Approve April 25, 2016 Meeting Minutes

VI. NEW BUSINESS

VII. FUTURE AGENDA ITEMS (Next Meeting: October 24, 2016)

VIII. ADJOURNMENT

Note: Assistance for the Disabled: Please contact the Deputy 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.

Natomas Unified School District
General Obligation Bonds
Citizens' Bond Oversight Committee

MEASURE D

Board Approved May 11, 2016

Committee Members:					Parent of NUSD Student	Parent and PTO Member	Community Member At-Large	Appointment by Board of Trustees	Tax Measure Voting Rights
	Business Community	Senior Citizens	Taxpayers' Organization						
1 Allen, Hur-Khan					X	X	X	2013 June 12	D
2 Kawada, David					X		X	2013 June 12	D
3 Lopez, Anita					X		X	2014 Sept. 10	D
4 Mack, Margaret		X					X	2013 June 12	D
5 McDonagh, Tom					X		X	2011 April 11	M & D
6 Moreno, Robert			X				X	2016 May 11	D
7 Pelczar, Nathaniel							X	2014 Sept. 10	D
8 Slay, Jennifer					X		X	2010 April 13	M & D
9 Stern, Eric					X		X	2013 June 12	D

Terms - Expiration Dates

	FIRST	SECOND	THIRD
1 Allen, Hur-Khan	March 2015	March 2017	March 2019
2 Kawada, David	March 2015	March 2017	March 2019
3 Lopez, Anita	March 2016	March 2018	March 2020
4 Mack, Margaret	March 2015	March 2017	March 2019
5 McDonagh, Tom	March 2014	March 2016	March 2018
6 Moreno, Robert	March 2018	March 2020	March 2022
7 Pelczar, Nathaniel	March 2016	March 2018	March 2020
8 Slay, Jennifer	March 2013	March 2015	March 2017
9 Stern, Eric	March 2015	March 2017	March 2019

Citizen's Bond Oversight Committee 2006 Measure "D" Financial Report

Measure D Funding

Local Bond

Fund 21 Resource 9357

Data as of

6/30/2016

Starting Balance	
Issue#1	\$60,000,000.00
Issue#2	\$54,999,998.95
Future Issuance	\$30,500,000.00
	\$145,499,998.95
Reduced does not include	
issuance #3 interest	\$7,594,488.00
Total Projected Funding	\$153,094,486.95
Total Measure D Allocation October 14, 2015	\$150,168,316.27
Unallocated Project Fund Balance	\$2,926,170.68

Measure D: Open Projects

Project Number	Description	10-14-15 Board Approved Allocation	Year to Date Spending	Total Project Expenditures	Project Balance
aa	Annual Independent Audit	\$233,780.00		\$123,765.00	\$110,015.00
bb	Cost of Issuance	\$1,328,536.05	\$23,415.99	\$1,351,162.32	-\$22,626.27
cc	Bannon Creek Conversion	\$7,755,431.05	\$442,621.76	\$6,528,052.81	\$1,227,378.24
dd	Playground Improvements	\$1,764,441.50		\$764,441.50	\$1,000,000.00
ee	Project Management	\$896,650.00	\$0.00	\$42,805.08	\$853,844.92
ff	West Lakeside Site Acquisition	\$1,479,115.10	\$0.00	\$918,949.05	\$560,166.05
hhh	West Lake Charter K-8 Campus	\$1,557,500.00	\$1,054,987.00	\$1,557,500.07	-\$0.07
jjj	Star Academy new Campus	\$1,100,000.00	\$149,129.07	\$1,100,000.00	\$0.00
ggg	Security Systems	\$4,378,907.00		\$1,014,927.36	\$3,363,979.64
207D	Security Cameras		\$61.94	\$61.94	
	Security Fencing			\$0.00	
203	Fencing Phase I		\$152,115.00	\$152,115.00	
204	Fencing Phase II		\$152,539.24	\$152,539.24	
205	Fencing Phase III		\$214,539.12	\$214,539.12	
206	Fencing Phase IV			\$0.00	
210	Safety Lighting Moved to Measure J				
gg	NHS Alarm Systems	\$327,290.00	\$66,779.50	\$283,627.14	\$43,662.86
hh	Tech Refresh-computer/support infrastructure	\$6,039,874.00	\$406,410.67	\$6,046,284.52	-\$6,410.52
mm	Buses and Service Vehicles	\$250,000.00			\$250,000.00
	Total Open Projects	\$27,111,524.70	\$2,662,599.29	\$20,250,770.15	\$7,380,009.85

Measure D: Future Projects

Project Number	Location	10-14-15 Board Approved Allocation	Year to Date Spending	Total Project Expenditures	Project Balance
ii	Yearly Independent Audit	\$24,000.00		\$0.00	\$24,000.00
	Cost of Issuance and Yearly FA Fees	\$900,000.00		\$0.00	\$900,000.00
kk	Preschool Facilities	\$3,994,761.47		\$0.00	\$3,994,761.47
ll	School Conversions	\$21,914,568.95		\$0.00	\$21,914,568.95
mm	Buses and Service Vehicles	\$250,000.00		\$0.00	\$250,000.00
	Total Future Projects	\$27,083,330.42	\$0.00	\$0.00	\$27,083,330.42

Measure D: Completed Projects

Project Number	Location	10-14-15 Board Approved Allocation	Year to Date Spending	Total Project Expenditures	Project Balance
a	Heron K-8 Conversion	\$1,638,009.63		\$1,638,009.63	\$0.00
b	H Allen Hight ES	\$8,723,172.35		\$8,723,172.35	\$0.00
c	H Allen Hight MS	\$11,181,968.36		\$11,181,968.36	\$0.00
d	Natomas Charter School Gym	\$2,469,891.70		\$2,469,891.70	\$0.00
e	Westlake Charter Site Relocation	\$1,769,895.16		\$1,769,895.16	\$0.00
f	2005 COP	\$62,915,193.76		\$62,915,193.76	\$0.00
g	NHS Athletic Field and Track	\$2,898,359.02		\$2,898,359.02	\$0.00
h	IHS Athletic	\$2,785,559.09		\$2,785,559.09	\$0.00
i	Shade Structures	\$62,251.63		\$62,251.63	\$0.00
j	District Wide Wireless	\$396,329.92		\$396,329.92	\$0.00
k	Natomas Charter School Theater	\$328,735.00		\$328,735.00	\$0.00
l	Natomas Charter Portables	\$25,000.00		\$25,000.00	\$0.00
m	Safe Routes to School	\$764,750.00	\$12,030.80	\$714,749.57	\$50,000.43
n	Preschool Facilities	\$5,238.53		\$5,238.53	\$0.00
o	Northborough II	\$9,107.00		\$9,107.00	\$0.00
	Total Closed Projects	\$95,973,461.15	\$12,030.80	\$95,923,461	\$50,000
Grand Totals		\$150,168,316.27	\$2,674,630.09	\$116,174,231	\$34,513,341

Notes: 1) City of Sacramento refunded funds for this project

NATOMAS UNIFIED SCHOOL DISTRICT
Citizens' Bond Oversight Committee – Measure D

Education Center, Board Room
1901 Arena Boulevard, Sacramento

Monday, April 25, 2016 – 6:30 PM

MINUTES - draft

I. ROLL CALL

Present

Committee Members

Staff

David Kawada	Margaret Mack
Anita Lopez	H.K. Allen
Nathanial Pelczar	Eric Stern

William C. Young
Mark Covington
Brenda Monson
Jennifer Mellor
Paul Anderson

Absent:	Tom McDonagh	Manpreet Narwal
	Jennifer Slay	

Meeting called to order by Vice Chair, Eric Stern at 6:32 p.m. with 6 members in attendance.

II. COMMUNICATIONS

a) Welcome/Introductions

Bill Young welcomed members and announced that Committee Chair Jennifer Slay was unable to attend tonight.

III. PUBLIC COMMENTS - none

IV. INFORMATION ITEMS

a) Committee Membership

Bill Young reported that the District continues to advertise to fill vacancies and 1 recent application to serve on Measure D representing the Tax Payer Organization is pending additional information and approval from the Board of Trustees. He anticipates that following Board appointment, the new member will join the committee starting in August.

b) 2015-16 Performance Audit RFP

Bill Young explained that the Request For Proposal (RFP) was sent to 27 audit firms and 3 firms responded. Both Bond Committees were contacted seeking a member interest to participate on the RFP review team and interview panel. Carol Fieldhouse, from the Measure J CBOC served on the panel and has experience in the area of performance audits. The matrix with information on the 3 firms was reviewed and Mr. Young reported that 2 of the 3 firms fulfilled the RFP requirements and were interviewed by a committee consisting of District Directors and Carol Fieldhouse from Measure J. The recommendation is to award the contract to Gilbert & Associates. Mark Covington, member of the interview panel, added that Gilbert & Associates and James Marta & Company would

both do a good job. He indicated the knowledge of Natomas and the District history having worked with NUSD in the past was favorable and contributed to the recommendation of Gilbert & Associates. In addition to their reputation, part of the scope includes working with facilities staff to evaluate current practices; and make recommendations in setting up financial accounting practices and general ledger strings that will reduce chances for error. Bill Young explained that as shown on the matrix, the proposal from Vargas & Company was not complete. Gilbert & Associates contract for services is \$10,000 per year and James Marta & Company is \$7,500 per year. Price variables were expected and shifting from services with Crowe Horwath, who also does the District audit, to another audit firm was the recommendation.

Responding to question from Eric Stern, Mr. Young reported that Gilbert & Associates would present their final report to the Committee, but meeting with the CBOC throughout the year seeking feedback was not incorporated into the RFP. He added that the contract is for 3 years. Mr. Young explained that all movement in Measure D will be looked as part of the audit and anticipates the audit will be more extensive than in previous year. He clarified that the project activity being audited is that which occurred in 2015-16 and testing will be done on vendor fees, payments will be reviewed as well as vendor files and accounts payable files. Responding to the last question from the committee, he said that the recommendation will be to award the contract to Gilbert & Associates for both Measure D and Measure J.

c) Measure D Projects and Financial Update

Mark Covington gave an overview of the Measure D project activity with the following highlights:

- Bannan Creek – Site work and building have both been approved by DSA
- Westlake Charter – Approved by DSA and bids will be opened this week
- Natomas Charter STAR Academy – On schedule to turn over Administration building in June, Classrooms in July and Multi-purpose building in August
- Fencing Projects Phase I and II are complete, Phase III is summer work
- Lighting Upgrades moving forward
- Exterior Lighting (LED lights) - NHS, DHS, NGMS and Jefferson will bring significant savings and better nighttime lighting for safety & security (Paul Anderson noted that the financial report reflects activity through March.) Bill Young added that these projects are going through the environmental support program as part of the evaluation of expenditures for energy costs. Mark Covington reported that part of the program includes posting gas and water usage information on the website (found under Facilities & Strategic Planning link). (NOTE: Lighting upgrades were discussed, but the funding is only from Measure J.)
- School Bus – Bill Young clarified in response to questions that the need for new busses is monitored and the current fleet is sufficient; adding that the \$250,000 would most likely cover 2 large capacity busses and 1 small bus.

Responding to a question about the remaining balance showing on the financial report for the projects considered closed, Paul Anderson explained that the figures on the report come directly from the District accounting system (QCC) and even though the CBOC project audits have been completed and they are considered closed, small bills sometimes lag behind and once they are all received the project is closed out and any residual funds are rolled back into Measure D for use on other projects (as identified by the Board of Trustees).

d) Form 700

Eric Stern asked committee members to turn in their completed Form 700 (due April 1st - referencing an email from District staff with the appropriate attachments that each member received).

V. ACTION ITEMS

a) Approve Meeting Minutes for January 25, 2016: Anita Lopez moved to approve the minutes. Motion seconded by David Kawada. Motion passed 6-0.

b) Election of Officers (Chair & Vice Chair (1-Year Term)): Eric Stern reported that Jennifer Slay requested not to serve as Committee Chair next year. Bill Young added that she is happy to support the next Chair during the transition.

Committee Chair: Anita Lopez nominated Eric Stern for Chair, motion seconded by David Kawada. Motion Passed.

Committee Vice Chair: Anita Lopez nominated David Kawada for Vice Chair, motion seconded by Margaret Mack. Motion Passed.

c) Project Audit Report (NCS STAR Academy): Anita Lopez presented the report and indicated that she and Jennifer Slay conducted a thorough inspection of all financial records, found that everything was identified as appropriate expenditures; and thanked District staff for their assistance. Eric Stern moved to approve the report. Motion was seconded by Nate Pelczar. Motion passed.

d) Establishing New Sub-Committees and Assign Members: Eric Stern memorialized the steps taken to bring this motion before the committee that will establish new standing sub-committees (instead of existing ad hoc committees) that will move project reviews forward quickly keeping pace with the plans for spending down on Measure D funds. He added that while members will be asked to sign up to serve on the new standing sub-committees, there is no intent to require additional meetings or work product right now and understands that everyone time is valuable and is sensitive to that. He asked members to indicate which Sub-Committee(s) they prefer to serve on and tentatively assigned absent members (Jennifer Slay and Tom McDonagh) to projects as shown below.

Sub-Committee Assignments effective immediately:

Annual Report:	Nate Pelczar, Tom McDonagh
Audit:	David Kawada, Nate Pelczar, Margaret Mack
Bannon Creek:	Nate Pelczar, HK Allen
Charter Schools:	Anita Lopez, Jennifer Slay
Finance:	Eric Stern, Anita Lopez
Lighting & Security:	David Kawada, Margaret Mack
Playground & School Bus:	HK Allen, Jennifer Slay
Technology:	David Kawada, Margaret Mack, Eric Stern

Eric Stern clarified that this new procedure will provide more flexibility and has teams in place the moment the committee determines there is a need to investigate or conduct reviews, rather than waiting for the next quarterly meeting to take those actions. He noted that these Sub-Committee capture all remaining projects for Measure D and some might not have any activity for months out.

Bill Young indicated the next step is to make a motion (as shown on the agenda) and vote. David Kawada moved to approve establishing new sub-committees and assignment of members (as listed above). Motion seconded by Margaret Mack. Motion passed.

Future agendas will include a regular item for Sub-Committees for project activity assignments and member appointments.

e) Declare Vacant Seat by Member Dismissal: Bill Young reported that the Bylaws allow for removal of committee members for cause, including failure to attend 2 consecutive meetings. Manpreet Narwal has missed 7 meetings and staff has reached out regarding membership status. Margaret Mack moved to declare the seat vacant. Nate Pelczar seconded the motion. Motion passed.

f) 2016-17 Meeting Dates: Nate Pelczar moved to keep the 4th Monday in August, October, January and April as meeting dates for the 2016-17 school year. Motion seconded by Anita Lopez. Motion passed. **Meeting Dates: 8- 22-16, 11- 24-16, 1-23-17, and 4-24-17.**

VI. NEW BUSINESS –Eric Stern encouraged members to look at the California Association of Bond Oversight Committees website (calboc.org) and noted their upcoming annual meeting held May 31st from 9:30 am to 3:00 pm would be relatable to attend.

VII. FUTURE COMMITTEE AGENDA ITEMS

- a) Sub-Committees (project activity assignments)
- b) Sub-Committees (member appointments)

VIII. ADJOURNMENT

Meeting adjourned at 7:13 p.m.; next meeting is August 22, 2016.