

NATOMAS UNIFIED SCHOOL DISTRICT

Citizens' Bond Oversight Committee - Measure D

**Location: Natomas Park Elementary School
4700 Crest Drive (2nd Floor Collaboration Room)**

Monday, August 28, 2017 - 6:30 p.m.

MEETING 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) Westlake Charter School Grand Opening
- c) School Bond Facility Highlights (Community Communications)
- d) Board of Trustees (Items from Board Meetings)
- e) Measure D Projects and Financial Update

V. ACTION ITEMS

- a) Approve April 24, 2017 Meeting Minutes
Moved by: _____ Seconded by: _____ Roll Call Vote: _____
- b) Approve Sub-Committee Audit Report - Tech Refresh Project (hh) by: David Kawada,
Margaret Mack and Eric Stern
Moved by: _____ Seconded by: _____ Roll Call Vote: _____
- c) Assign Members to Standing Sub-Committees
Moved by: _____ Seconded by: _____ Roll Call Vote: _____

VI. NEW BUSINESS

VII. FUTURE AGENDA ITEMS

Project Audits: gg NHS Alarms; 204 Fencing Phase II

VIII. ADJOURNMENT

Next Meeting: October 23, 2017
Location TBD

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.

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

MEASURE D

Board Approved March 8, 2017

| Committee Members: | Business Community | Senior Citizens | Taxpayers' Organization | Parent of NUSD Student | Parent and PTO Member | Community Member At-Large | Appointment by Board of Trustees | Tax Measure Voting Rights |
|----------------------|-----------------------|--------------------|----------------------------|---------------------------------|--------------------------------|---------------------------------|-------------------------------------|------------------------------------|
| 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 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 Stern, Eric | March 2015 | March 2017 | March 2019 |

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

Data as of 6/30/2017

Measure D Funding

Fund 21 Resource 9357

| March 22, 2017 Allocation | |
|---|-------------------------|
| Starting Balance | |
| Issue#1 | \$60,000,000.00 |
| Issue#2 | \$54,999,998.95 |
| Future Issuance | \$30,500,000.00 |
| | \$145,499,998.95 |
| Interest-Reduced does not include issuance #3 | \$7,594,488.00 |
| Total Projected Funding | \$153,094,486.95 |

| | |
|--|-------------------------|
| Total Measure D Allocation March 22, 2017 | \$148,177,817.37 |
| Unallocated Project Fund Balance | \$4,916,669.58 |

| August 23, 2017 Allocation | |
|---|-------------------------|
| Starting Balance | |
| Issue#1 | \$60,000,000.00 |
| Issue#2 | \$54,999,998.95 |
| Future Issuance | \$30,500,000.00 |
| | \$145,499,998.95 |
| Interest-Reduced does not include issuance #3 | \$7,594,488.00 |
| Total Projected Funding | \$153,094,486.95 |

| | |
|---|-------------------------|
| August 23, 2017 Board Approved | \$149,677,817.37 |
| Unallocated Project Fund Balance | \$3,416,669.58 |
| This amount is the balance of Issuance #3 if sold | |

Measure D: Open Projects

| Project Number | Description | March 22, 2017 Board Approved | August 23, 2017 Board Approved | Difference |
|----------------------------|--|----------------------------------|-----------------------------------|-----------------------|
| aa | Annual Independent Audit | \$233,780.00 | \$233,780.00 | \$0.00 |
| bb | Cost of Issuance | \$1,355,068.41 | \$1,355,068.41 | \$0.00 |
| cc | Bannon Creek Conversion | \$7,325,652.49 | \$10,175,652.49 | \$2,850,000.00 |
| 232 | Play Ground Improvements | \$1,504,665.50 | \$1,154,665.50 | -\$350,000.00 |
| 230 | Project Management Measure D | \$1,161,091.50 | \$1,161,091.50 | \$0.00 |
| ggg | Security Systems | \$2,309,811.26 | \$1,309,811.26 | -\$1,000,000.00 |
| 216 | Paso Verde Site Prep | \$1,479,115.10 | \$1,479,115.10 | \$0.00 |
| hhh | Westlake Charter K-8 Campus | \$1,817,276.07 | \$1,817,276.07 | \$0.00 |
| jjj | Star Academy new Campus | \$1,100,000.00 | \$1,100,000.00 | \$0.00 |
| hh | Tech Refresh-computer/support infrastructure | \$6,046,284.52 | \$6,046,284.52 | \$0.00 |
| 225 | Buses and service Vehicles | \$250,000.00 | \$250,000.00 | \$0.00 |
| Total Open Projects | | \$24,582,744.85 | \$26,082,744.85 | \$1,500,000.00 |

Measure D: Completed Projects

| Project Number | Location | March 22, 2017 Board Approved | August 23, 2017 Board Approved | Difference |
|----------------|----------------------------------|----------------------------------|-----------------------------------|------------|
| 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 |
| | Security Fencing | \$0.00 | \$0.00 | \$0.00 |
| 203 | Fencing Phase I | \$152,115.00 | \$152,115.00 | \$0.00 |
| 204 | Fencing Phase II | \$152,539.24 | \$152,539.24 | \$0.00 |
| gg | NHS Alarm Systems | \$283,627.14 | \$283,627.14 | \$0.00 |
| m | Safe Routes to School | \$714,749.57 | \$714,749.57 | \$0.00 |
| 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 | \$96,511,742 | \$96,511,742 | \$0 |

Measure D: Future Projects

| Project Number | Location | March 22, 2017 Board Approved | August 23, 2017 Board Approved | Difference |
|---------------------|-------------------------------------|----------------------------------|-----------------------------------|--------------------|
| ii | Yearly Independent Audit | \$24,000.00 | \$24,000.00 | \$0.00 |
| jj | Cost of Issuance and Yearly FA Fees | \$900,000.00 | \$900,000.00 | \$0.00 |
| kk | Preschool Facilities | \$3,994,761.47 | \$3,994,761.47 | \$0.00 |
| ll | School Conversions | \$21,914,568.95 | \$21,914,568.95 | \$0.00 |
| mm | Buses and Service Vehicles | \$250,000.00 | \$250,000.00 | \$0.00 |
| | | | | |
| | Total Future Projects | \$27,083,330.42 | \$27,083,330.42 | \$0.00 |
| Grand Totals | | \$148,177,817 | \$149,677,817 | \$1,500,000 |

Draft

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

Location: Two Rivers Elementary School
301 W. River Drive (Library)

Monday, April 24, 2017 - 6:30 p.m.

MEETING MINUTES

I. ROLL CALL

Present: David Kawada, Anita Lopez, Margaret Mack, Tom McDonagh, Nate Pelczar, Eric Stern

Absent: HK Allen, Bob Moreno

Staff Present: Bill Young, Brenda Monson, Jen Mellor, Paul Anderson

Staff Absent: Vina Guzman, Doug Orr

Guest: Jennifer Slay

Meeting called to order by Chairman Eric Stern at 6:34 pm and established a quorum with 6 members in attendance.

II. COMMUNICATIONS

a) Welcome/Introductions - None

III. PUBLIC COMMENTS - None

IV. INFORMATION ITEMS

a) Committee Membership

- Deputy Superintendent Bill Young welcomed members and announced that Jennifer Slay's 3rd (2-yr) term serving on Measure D officially ended last month. He thanked her for her valuable support and noted many accomplishments during her 6 year tenure. Jennifer Slay said she will continue to help recruit new members and was happy she will continue the next 4 years serving on Measure J.

b) Form 700

- Completed Form 700's were collected and instructions to submit completed forms to Bill Young's office for those who did not turn them in tonight.

c) Board of Trustees (Items from Board Meetings)

- Bill Young reported that copies of recent Board Items relating to Measure D are included in the packet. On March 8, 2017 the Board approved re-appointments to serve a third two-year term for: HK Allen, David Kawada, Margaret Mack and Eric Stern. On March 22, 2017, the Board approved Measure D and Measure J fund reallocations as shown in the Bond Allocation Presentation also included in the packet. The projects receiving reallocations were discussed. Bill Young explained that the Bannon Creek Conversion project came in under budget and the remaining funds will return to the Measure D fund to be reallocated. He indicated that a combination of facilities management and fewer change orders were factors in coming in under budget.
- The Board approved reallocating \$24,582,745 for Measure D (detail shown on page 7 of the Presentation). Responding to a question from Tom McDonagh, Bill explained that we avoid arbitrage by using bond funds to tackle projects sooner rather than later. As Measure D projects are completed, realignment of the remaining funds is necessary to fund other projects as needs come up. One example being considered for Measure D are repairs to the significant playground cracks at Jefferson. The District is looking at soils and the liquefaction causing cracks throughout the District. Repairs could be funded through Measure D if it meets the criteria of voter language.

- The pie chart on page 6 shows \$96.5 Million has been spent; Board action adjusted \$24.5 Million; \$1.5 Million is future contingency and \$30.5 Million is still available (in about 1 ½ years). With a \$350 Million Facilities Master Plan, there is still a lot of work to do.
- d) Measure D Projects and Financial Update
- Paul Anderson walked through the standard CBOC project report showing spending to date, movement of projects from open to complete and future projects.
 - Tech Refresh (project hh) has \$6,000 in additional spending since the July 2015 audit and can be scheduled for a project audit. (\$406,410 was audited in 15/16.)
 - Jennifer Slay explained that the majority of the Measure D expenses for the Star Academy project were audited and another audit is not needed. Committee agreed that it's appropriate for Measure J to take over for future Star Academy project audits.
 - Paul explained that if more money was allocated in the future to Tech Refresh a new project number would be set up because it's considered completed at this time.
 - NHS Alarms (project gg) and Fencing Phase II (project 204) will be ready for project audits soon.

V. ACTION ITEMS

- a) Approve January 23, 2017 Meeting Minutes
- Tom McDonagh moved to approve the January 23, 2017 minutes as corrected. Motion seconded by Nate Pelczar. Motion carried 6-0.
- b) Election of Officers: Chair (1-year term)
- Before nominations began, Eric Stern announced plans to find other bond audit templates, looking for more robust reports with less narrative.*
- Tom McDonagh moved to nominate and approve Eric Stern as Chair. Motion seconded by Margaret Mack. Motion carried 6-0.
- c) Election of Officers: Vice Chair (1-year term)
- Margaret Mack moved to nominate and approve David Kawada as Vice Chair. Motion seconded by Anita Lopez. Motion carried 6-0.
- d) Assign Members to Standing Sub-Committees
- Members volunteered to replace outgoing member Jennifer Slay on 2 Standing Sub-Committees. Tom McDonagh moved to approve David Kawada's assignment to Projects dd & mm (Playground & School Bus); and Tom's assignment to Projects hhh & jjj (Charter Schools). Motion seconded by Margaret Mack. Motion carried 6-0.
- e) Approve Meeting Dates for 2017-18
- David Kawada moved to approve the 2017-18 meeting dates: August 28, 2017, October 23, 2017, January 22, 2018, April 23, 2018. Motion seconded by Nate Pelczar. Motion carried 6-0. Meeting locations will continue to rotate to off-site project locations as selected by Bill Young and Eric Stern.

VI. NEW BUSINESS - None

VII. FUTURE AGENDA ITEMS

Project Audit Reports:

gg (NHS Alarms)

hh (Tech Refresh Computer Support Infrastructure)

204 (Security Fencing Phase II)

- Before adjourning the meeting, it was announced that the State Allocation Board(SAB) was taking action this evening to establish new criteria that includes an extensive list of ineligible expenditures. \$7 Billion is for K-12 schools. NUSD is in line for \$38 Million in matching funds. Staff is closely monitoring SAB actions.
- Bill Young pointed out the Two Rivers Library renovations that feature more 21st century learning style. Furniture is on wheels and layout can be adjusted quickly for flexible learning space or community events. There are Wi-Fi hotspots in the building and tables have plugs for charging electronics; the lighting is LED and the fans help with energy efficient cooling. Since this campus is relatively new, the renovations didn't involve renovations to the building structure.

VIII. ADJOURNMENT

- Committee Chair Eric Stern adjourned the meeting at 7:15 pm.
- Next Meeting: August 28, 2017 Staff will send notification about the meeting location.

Citizens' Bond Oversight Committee Report

Project: D-2, Computer and Support Infrastructure Project

Records Inspection: 8/15/2017

Project Summary: This initiative is a 10-year program designed to offer a way for the district to regularly upgrade computer equipment and infrastructure in an efficient and cost-effective manner district-wide, without the need for each individual school to include the costs on their budget. The School Board has allocated \$6,046,285 of Measure D funding for technology projects and has expended \$6,046,285 through June 30, 2016, closing out this project.

The scope of this report is to provide a progress update on various technology projects the district pursued with Measure D funds in fiscal year 2015-16. During fiscal year 2015-16, the district expended \$406,411 on a variety of technology projects.

Records Inspection: CBOC members David Kawada, Margaret Mack, and Eric Stern reviewed the financial documents for fiscal year 2015-16 with Jennifer Mellor, NUSD facilities and planning technician, at the school district administrative building. Purchase orders and invoices captured a wide variety of technology equipment, with the most significant expenditures reflecting an equipment upgrade of the district's network center, which is housed at Inderkum High School, and connection switches at schools, as part of a \$1.3 million connectivity upgrade. For this effort, Measure D funds were used in tandem with Measure J funds and other resources leveraged from the Federal Communication Commission's "E-Rate" program, which provides discounted telecommunications, Internet access, and internal connections to schools and libraries.

Comments: The technology expenditures reviewed by the CBOC were consistent with Measure D objectives. We note that the Financial Activity Report for this project also included several accounting transfers to and from other fund sources. We are not qualified to verify or reconcile this data, and would defer further review to the independent financial auditor.

Respectfully Submitted,

Margaret Mack

David Kawada

Eric Stern

Measure D Standing Sub-Committees

| Open Projects | Project No. | Member 1 | Member 2 | Member 3 |
|------------------------------|-------------------------------|--------------|---------------|---------------|
| Annual Report | | Nate Pelczar | Tom McDonagh | |
| Audit | aa | David Kawada | Nate Pelczar | Margaret Mack |
| Bannon Creek Conversion | cc | Nate Pelczar | HK Allen | Bob Moreno |
| Charter Schools | hhh jjj | Anita Lopez | Tom McDonagh | Bob Moreno |
| Finance | | Eric Stern | Anita Lopez | Bob Moreno |
| Lighting, Security & Fencing | 203, 204, 205, 206 207d | David Kawada | Margaret Mack | |
| Playground & School Bus | dd mm | HK Allen | David Kawada | |
| Technology | hh | David Kawada | Margaret Mack | Eric Stern |

24-Aug-17