

Measure Y Citizens Oversight Committee
MINUTES
February 8, 2018
Kazalunas Education Center Board Room
4:00 p.m. – 5:00 p.m.

Present: Paula Bailey, Chairperson; Connie Buge, Member; Russel Silva, Member; Mohammad Z. Islam, Associate Superintendent, Business Services; Iris Chu, Director, Facilities Planning, and Karen Smith, Administrative Secretary II, Business Services.

Absent: Sara Garcia, Member; Leroy Parker, Member

Guests Present: Doug Worrel, Neff Construction; Tina Henton, CPA, Principal, CliftonLarsonAllen, LLP

Call to Order:

The meeting was held in the Board Room of the Kazalunas Education Center and called to order by Paula Bailey at 4:07 p.m.

Introductions:

Ms. Bailey asked for everyone to introduce themselves as we had guests in attendance. Introductions were made of those present.

Quorum:

Ms. Bailey asked if we had enough members to continue the meeting. Mr. Islam reiterated the need for more members for the Citizens' Oversight Committee, per the General Obligation Bond's rules and regulations. Ms. Bailey asked again about inviting someone who is a member of the City Council, if that would be a conflict. Mr. Islam said that he would look into the legality of his role. Mr. Islam asked Karen Smith to re-send out the qualifications, requirements, and forms regarding the categories/titles of members (positions vacant) so that our existing members can actively recruit more members for the Citizens' Oversight Committee. Mr. Islam reminded them that this is not only a challenge, but an obligation we have according to Proposition 39. Ms. Bailey also suggested that we look for alternate members, as well.

Mohammad asked Ms. Henton, auditor, if she had any comments regarding this issue. Ms. Henton agreed with Mr. Islam that until all proceeds of the bond have been expended, it is required for the Citizens' Oversight Committee (COC) to meet. She stated that \$68.6 million of the \$98 million has been spent, and the District still has approximately another \$30 million to be issued as of June 30, 2017. The question was asked, "If a member of the COC had to be a resident of Rialto. Ms. Henton explained that most positions would require the member to be a resident of Rialto; however she believed that there could be an exception such as a parent on the committee could be a parent of a transfer student who does not reside in Rialto, but has a student attending a school within the District.

Proposition 39 Audit Report by CliftonLarsonAllen, LLP:

It was noted that Vicenti, Lloyd & Stutzman, LLP were the District's auditors last year. Since then, the firm has merged with CliftonLarsonAllen, LLP; they are the same firm, but now have the name of CliftonLarsonAllen, LLP. Article XIII A of the California Constitution requires the District to conduct an annual independent financial and performance audit of bond funds until all proceeds have been expended.

Ms. Tina Henton, CPA and Principal of CliftonLarsonAllen, LLP, presented the Independent Auditor's Financial and Performance Audit Report for the District's Proposition 39 General Obligation Bonds and Measure Y Bond Building Fund.

Ms. Henton explained that the audit consists of financial and performance audits.

Financial Audit:

Ms. Henton explained that the first part of the audit is Financial, and the amounts are representative of the Building Fund, Fund 21. She referred to the Balance Sheet, Page 4, which is a record of the activity of all of the proceeds of Fund 21. Ms. Henton reviewed the Statement of Revenues, Expenditures, and Changes in Fund Balances on Page 5 and explained that interfund transfers are typical transactions as the State is often slow in sending funds so when funds are received from the State, the funds are reimbursed to the District.

The auditors found that the amounts presented were fairly stated in accordance with generally accepted accounting principles and all required disclosures were included. There were no adjustments to the amounts reported and no findings.

Performance Audit:

Ms. Henton directed the Committee to Pages 13 and 14 of the Audit Report regarding the Performance Audit of Measure Y. She commented that this is about, "Did you do what you said you were going to do with the money?" This governs what the auditors look at for testing and completing the report. She continued to say that the auditors looked at all the expenses and then stratified by projects, selecting every project and account codes. The auditors sampled 33 transactions totaling \$6.6 million which was 78% of expenditures. Testing included verifying that no salaries of school administrators or other operating expenses were charged to bond funds. There were no findings, and the auditors found that the District complied in all significant respects with the requirements to expend Measure Y bond funds only for the specific projects developed by the Board of Education and approved by the voters.

Mr. Islam thanked Ms. Henton and her Team for reviewing our records and their report. Ms. Islam noted that the report will be posted on the District website following the Citizens' Oversight Committee meeting. Ms. Bailey will present a summary of the Proposition 39 General Obligation Bonds, Bond Building Fund for Measure Y Financial and Performance Audit Report at the February 28, 2018 Board of Education meeting. Mr. Islam also asked each member of the Citizens' Oversight Committee to be in attendance at the meeting on February 28, 2018 so that they can be introduced, recognized, and thanked for their service to the District in overseeing the District's Measure Y projects and its procedures and process. Karen Smith will send invites and reminders to the COC to attend the February 28, 2018 Board meeting.

Approval of Minutes of October 12, 2017:

Minutes of the October 12, 2017 meeting were distributed and read. A motion to accept the meeting Minutes of October 12, 2017 was made by Ms. Connie Buge and seconded by Mr. Russel Silva. The motion was passed.

Measure Y, Series "C" Projects Update/Timeline

Mr. Doug Worrel from Neff Construction distributed handouts to the COC as follows:

- Eisenhower High School Change Order Budgets for Performing Arts Theatre, Stadium, and Heating, Ventilation, and Air-Conditioning (HVAC) Upgrades.

- Change Orders Details for each project

Performing Arts Theatre Project:

- Four contractors with Change Orders amounting to a total of \$71,237.41
- Estimated completion of August 2018

Mr. Worrel noted that the project was originally projected for completion in September 2018, but it looks like late August now. There was an issue with the Division of State Architect (DSA) with the front of the school regarding the structure that holds up the window in the front; this will be our third submission to the DSA. Large Heating, Ventilation, and Air-Conditioning (HVAC) units are to be installed in the next few days.

Ms. Bailey asked about a tentative date regarding the grand opening ceremony and dedication to Mr. Grande. Mr. Worrel mentioned that the courtyard will be the last item for completion. Mr. Islam asked the COC if they wanted to do the grand opening ceremony in one or two events which led to further discussion.

It was noted that the estimated completion of the Stadium is February 2018, as long as Edison gets the power completed. Mr. Worrel stated that as soon as we get power and get the testing done, we should be good; we are 99% done with the Stadium project. Arrangements are being made with Maintenance and Operations and Information Technology to do two tests that require complete power shutdowns; Mr. Worrel is hoping to possibly shutdown on February 17 and 19, 2018; however, final dates still need to be planned and coordinated.

There was a suggestion of the Grand Opening for the Stadium during the week of March 26, 2018. Mr. Islam stated that he will need to speak with Dr. Avila for approval of dates as soon as the Stadium is 100% complete. There was discussion of the stadium being used before the grand opening. Mr. Worrel stated that his experience is that the grand opening typically is held after the project has been occupied, and Mr. Islam agreed that we will not let students wait for access to the Stadium; they will be able to use it before the Grand Opening. Mr. Islam assured the Committee that they would continually be updated with plans and coordination of the Grand Opening event(s) and notification to Randy Lott (Stadium Dedication) and Charles Grande (Performing Arts Theatre Dedication) as he wants the COC to be part of the event(s) and the process.

Stadium Project:

- Seven contractors with Change Orders amounting to \$111,158.00
- Estimated completion of February 2018

Three-quarters of the sum of Change Orders was due to unforeseen issues, such as asbestos. Mr. Worrel commented that the change orders were nothing out of the ordinary for the size of this project. Ms. Chu stated that she had good news regarding the problem with the CMAS installation bid. The new bid did not cost the District any additional funds, as projected; when the project was re-bid, the original bidder was the only bidder, and they gave the District the same original price. Everyone was very pleased about the outcome.

Mr. Islam mentioned that the fence around the stadium is not in the scope of work to be replaced; he stated that the fence is not in bad shape and all it requires is a few slats to be replaced which can be done by Maintenance and Operations. The Committee agreed that the fence was adequate, and the next priority is the parking lot improvement at Eisenhower High School.

Ms. Bailey asked when the parking lot will be done. Ms. Chu informed the Committee that the parking lot will be done in June or July 2018, before completion of the Theatre. The parking lot has been restriped.

Ms. Buge asked about the timing of the Grand Opening for the Performing Arts Theatre, and Mr. Islam said that it could possibly be early or mid- October 2018. Mr. Worrel mentioned that the students will probably want to perform at the Grand Opening and will need to be familiar with the Theatre and all of its features and systems.

Heating, Ventilation, and Air-Conditioning (HVAC) Upgrade Project:

- Two contractors with Change Orders amounting to \$199,898.26
- Project is 100% complete

Ms. Bailey stated that we really need new classroom buildings at Eisenhower High School. Both Mr. Islam and Ms. Chu told the Committee that the next Committee's conversations will be about selling the remaining bond in 2020 and trying to reassess funds and priorities to get permanent classrooms at Eisenhower High School. Ms. Buge asked why permanent classrooms were not built before now, and Mr. Islam answered that, at the time, it was a funding issue as the District was not eligible for State funds due to our student population.

It was emphasized by Mr. Islam that funds will need to be prioritized. We have many old buildings, and our best option right now is to maintain what we have, prioritize projects, and, at the appropriate time, sell the additional bond and use the revenue for classrooms at Eisenhower High School.

Ms. Chu informed the Committee that one of the priorities is that we have extended the PE facilities at Eisenhower High School with the shade structures to cover the bleachers at the Girls' Softball Field, and there are plans to provide a restroom for the Girls' Softball area in the fall of 2018. We are also converting two rooms for PE use and rebuilding Building R.

Ms. Bailey inquired about the amount of funds we have left. Ms. Chu commented that after we finish the parking lot, we will know what funds are remaining. Ms. Chu and Mr. Islam both confirmed that there are enough funds for the parking lot project, and it will be done.

Ms. Islam thanked Mr. Worrel for the good report. Mr. Worrel commented that the new artificial turf on the field is very impressive, as the new technology of the synthetic material cools the ground by generally ten degrees.

The Committee planned the next Citizens' Oversight Committee for Thursday, May 10, 2018 at 4:00 p.m.

The meeting was adjourned at 5:15 p.m.

Respectfully submitted,

Karen Smith
Administrative Secretary II