

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

January 24, 2017

<u>Committee Members</u>	<u>Present</u>	<u>Absent</u>
Kevin Condon	_____	X _____
Peter Florin	X _____	_____
Joan Mildenstein	X _____	_____
Jennifer Sieve	X _____	_____
Ted L. Stevens, Jr.	X _____	_____
Jeffery S. Trader	_____	X _____
<u>District Supporting Staff</u>		
Sal Sanchez	X _____	_____
Jennell Sympson	X _____	_____
Margie Brown	X _____	_____
Jerry Hills	X _____	_____
Javier Rodriguez	X _____	_____
Abby Milone	X _____	_____
Norma Granados	X _____	_____
Christy White, President, Christy White Assoc.	X _____	_____

- The meeting was called to order by Vice Chairperson Mildenstein at 3:43 p.m. followed by the Pledge of Allegiance and roll call. Call to Order
- Hearing no comments or corrections, on motion of Member Ted Stevens, Jr., seconded by Member Peter Florin, and unanimously carried with the roll call vote noted below, the Minutes of the September 27, 2016, BOC Meeting were approved as submitted. Minutes – September 27, 2016
- AYES: Mildenstein, Florin, Sieve, Stevens NOES: None ABSENT: Condon, Trader** **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, 2016, 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 Peter Florin, seconded by Member Jennifer Sieve, 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, 2016. Measure A Bond Building Fund
Financial and Performance Audit
Reports 2015-2016
- AYES: Mildenstein, Florin, Sieve, Stevens NOES: None ABSENT: Condon, Trader** **Roll Call Vote – Bond Audit Report**
- A PowerPoint presentation by Jerry Hills (assistant director, Facilities) was presented with updates on the status of Measure A modernization, current HVAC modernization of nine schools, seismic replacement, and future HVAC projects. A handout of the PowerPoint presentation was given to the committee and will be posted on the district website. Presentation - Facilities
- Margie Brown (director, Facilities) informed the members that the financial reports can be found on the district website and hard copies are kept in the office of Sal Sanchez (director, Business Services). If there are any questions, please call or email Sal. Presentation – Financial Reports
- Starting February 15, 2017, new BOC member applications will be available on the district website and will be accepted through March 10, 2017. These applications are to fill two-year term vacant member positions beginning May 2017. New member selections will be made by April 2017 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 committee in order to meet the requirements of Education Code Section 15282(a). BOC New Member Applications
- The positions of Ted Stevens, Jr. and Jeffery Trader will be vacated as they have completed their three consecutive terms. The position of Chairperson Barbara Barker, who was absent for most of the year due to illness and her passing, is still currently vacant.* Information Items
- Sal Sanchez will soon be advertising for new BOC members. He will be contacting bond counsel to inquire if current BOC committee members may oversee both Measure A and P Bond Measure projects and if the two members whose three year terms are ending would be eligible to serve as committee members on Measure P projects only.
- Sal Sanchez will email Form 700 - Statement of Economic Interests to committee members with a returned deadline date of March 1, 2017. Form 700 will also be available on the district website for committee members to access, and hard copies will be also available in the business office. Form 700 – Statement of Economic Interests
- A BOC member asked if the earned interest on incoming revenue from bond money is held in the county treasurer's account. Does the earned interest have the same restrictions as the regular Measure A bond money and does that money need to stay in the modernization funds or can the school district use it in the general fund. Discussion – Committee Members

Christy White responded that the interest earned has the same restrictions. Margie Brown also responded that the interest earned from state funds stays with the project funds.

Discussion – Committee Members
(cont.)

A BOC member asked if all of the projects discussed in the earlier presentation are covered under Measure P or just the heating, ventilation and air conditioning (HVAC) projects.

Margie Brown responded the HVAC projects are covered under Measure P along with additional items such as putting in drop ceilings, double pane windows, and insulation.

A BOC member asked if the funds from Measure A and P could be intermingled.

Margie Brown responded that the money spent is tracked per project and can have multiple funding sources per school.

A BOC member asked what is meant by everything being ahead of schedule at Stanley.

Jerry Hills responded that all modernization projects at Stanley are complete, with the exception of asphalt work to a section of the field that will be used to add another student drop off lane.

A BOC member asked for an explanation of a “switch back ramp”.

Margie Brown explained that a switch back ramp is a ramp built on a gradual incline with a landing separating the next section of ramp for ease of access when entering or exiting a building.

A BOC member asked what is being demolished at Los Amigos.

Jerry Hills responded that Los Amigos is having their small classrooms reconfigured from 600 to 900 sq. ft.

A BOC member asked if Pacifica’s construction site had a similar flood problem as Los Amigos.

Jerry Hills responded that the construction area at Pacifica did not flood as bad as in the past.

A BOC member asked why the first completed modernized schools did not having their HVAC projects finalized.

Jerry Hills responded that the heat task force prioritized the hottest schools and recommended which schools be done first.

A BOC member asked if the trees that are being taken out at Bolsa will be replaced.

Jerry Hills responded that some of the larger trees have uprooted which was caused by the drought and are being replaced with smaller trees and planted in strategic locations away from buildings.

A BOC member asked if Carrillo has been completed.

Jerry Hills responded that modernization at Carrillo is almost done with final punch list items to complete. Some of the staff and students are still in portables but the modernization project is on schedule.

A BOC member asked if over the course of the last few years if there have been any late days in completing the projects.

Margie Brown responded there have not been any late days because contractors finished the jobs under the lease/leaseback contract.

A BOC member asked if the current contractors were going to bid on the Measure P work.

Jerry Hills responded that we are doing another prequalification list of new contractors because some of the current contractors have become too busy and are not bidding on our projects or have raised their prices.

A BOC member asked if all the contracts are bid out and if we will see a price increase.

Margie Brown responded that not all contracts have been bid out but prices have increased since December due to materials and labor code changes.

A BOC member asked what percentage rate of retention is held back on projects.

Margie Brown responded we do not have a retention. There are tenant improvement payments that we pay on lease/leaseback agreements.

A BOC member stated that the retention is going down to five percent.

Margie Brown responded that the law changed several years ago and the retention is now five percent unless the board takes action to declare the projects complex.

A BOC member asked if there is enough money to cover all that was planned to complete the Measure A and P projects.

Margie Brown responded that Measure P will help cover items that were not included in the original plans.

A BOC member asked if after reviewing the financial reports of completed schools with a reserved surplus of funds, this reserved money has been pulled to cover projects for other schools. Discussion – Committee Members (cont.)

Margie Brown responded yes, and it's noted as a zero balance on the first page of the balance reports for various schools.

A BOC member asked if Measure P will cover replacing Brookhurst's low windows as well as providing HVAC.

Margie Brown responded yes, it will cover both under Measure P along with replacing the roofs.

A BOC member asked if there was any damage to the completed first phase schools due to the recent rain.

Margie Brown responded that if any damage is seen when they go back to the first seven schools to install HVAC, it will be fixed.

A BOC member asked if Garden Park needs to be redone.

Jerry Hills responded we are not redoing the case work at Garden Park that was originally completed.

A BOC member asked if Mitchell is completed.

Jerry Hills responded that Mitchell is not finished. The modernization phase is done and partial buildings have air but not entire school. This will be covered under Measure P.

A BOC member asked if the members that are terming out of the Measure A committee could apply for just Measure P and stay on.

Margie Brown responded that both bond counsels have agreed that the same committee can do both to maintain continuity.

A BOC member asked who are the bond counsel and if there needs to be two separate meetings to ask if members can roll over.

Sal Sanchez responded that bond counsel (attorneys) for Measure A are Jones Hall and Orrick, Herrington & Sutcliffe LLP, are bond counsel for Measure P. We will have one meeting with counsel to advise if we can have termed out Measure A committee members become new committee members for Measure P.

A BOC member asked if when it says term year 2017, does that mean the end of May 2017. His is showing 2018 so does that mean at the end of May 2018.

Sal Sanchez responded that yes, it would end in May of your term year.

A BOC member asked if when Measure A bond money is spent and there is no more Measure A committee, is it possible to transfer to the Measure P BOC committee.

Margie Brown responded that she does not think so but will find out from bond counsel.

A BOC member asked if all of the bonds for Measure A have been sold.

Margie Brown responded we have sold all of Measure A bonds.

The next site visit is to Don Walsh Auditorium and Garden Grove stadium on Tuesday, March 14, 2017, 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 of the Bond Oversight Committee. Future Site Visits

The next BOC meeting will be Tuesday, May 9, 2017, 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 4:43 p.m. Adjournment