

CITIZENS' BOND OVERSIGHT COMMITTEE MEETING

El Rancho Unified School District

6:00 p.m.

**District Technology Room
9333 Loch Lomond Drive
Pico Rivera, CA 90660**

February 3, 2016

MINUTES

1. **CALL TO ORDER**

The meeting was called to order by Esther Mejia at 6:00 p.m.

ROLL CALL – Members of the Citizens' Bond Oversight Committee

Esther Mejia, Chairperson
Carolyn Castillo, Member
John Chavez, Member
Vincent Chavez, Member
Suzanne Rodarte, Member

DISTRICT ADMINISTRATION

Martin Galindo, Superintendent
Ruben P. Frutos, Assistant Superintendent Business Services
Carlos Jimenez, Director of Maintenance and Operations

2. **PLEDGE OF ALLEGIANCE**

Visitors – Register No. 6-2015/2016

Before continuing Ms. Mejia welcomed Carolyn Castillo, the newest member to the CBOC committee. Ms. Castillo has lived in Pico Rivera for about 25 years and has been a career person all of her life. Ms. Castillo has worked in industry for 35 years, mostly in aerospace retiring from Boeing a couple of years ago with experience in facility management and program management.

3. **ADOPTION OF AGENDA**

Recommendation is made that the agenda be adopted as submitted.

Motion: J. Chavez Second: S. Rodarte Vote: 5-0 PASSED

Vote: C. Castillo Yes

J. Chavez: Yes
 V. Chavez: Yes
 S. Rodarte: Yes
 E. Mejia: Yes

4. **PUBLIC COMMENTS**

Members of the public have an opportunity to address the committee.

None.

5. **ADOPTION OF MINUTES**

Recommendation is made that the minutes of November 4, 2015 and December 1, 2015 be adopted as submitted.

Motion: V. Chavez Second: J. Chavez Vote: 5-0 PASSED

Vote: C. Castillo Yes
 J. Chavez: Yes
 V. Chavez: Yes
 S. Rodarte: Yes
 E. Mejia: Yes

6. **INFORMATION ITEMS**

1. Update on Microsoft Office and the rollout for the District: as of 2/2/2016 the process is now complete and available to all students with email.
2. Legal change of composition of CBOC members: the Board has approved a new agreement with bond counsel and it appears there are possibilities to legally change the CBOC composition: once bond counsel is fully authorized, they will be providing written information.
3. Financing in partnership with the City of Pico Rivera: the District is currently working on a project with the City of Pico Rivera which is the development of a track at Pio Pico Elementary School; City funding will provide the track and District funding will maintain it.
4. Use of bond funds for projects such as the El Rancho Education Center: Although it was perfectly fine to use bond funds to bring the El Rancho Education Center back to code after discovering the building wasn't built up to fire code, the district found that the Adult Education program may have facilities funds that have not been used. Once this information is verified, fiscal services will perform an expenditure transfer to return the repair expenses back to the bond fund.
5. Mr. Ortiz provided a brief explanation of the "Bond Projects Financial Update" document created with the accountability software.

The first column includes the approved budget as approved by the board for each one of the projects. The second column includes encumbrances and percentage of budget encumbered. Encumbrances are the total amount of contracts that has been let for these individual projects (contracts include architects, program manager, hazardous material, consultants and any other contracts for services specific to those projects), next to it is the percentage of encumbrances versus the total budget.

The third column includes expenditures, percentage of budget spent and remaining against approved budget. Expenditures are how much has been spent per project, the expenditures should always be less than the encumbrances, because there should always be a contract prior to spending the money and the percentage against the approved budget and how much money is remaining in the budget when you subtract the expenditures. District staff is working in partnership with HPLE to track information.

This report is updated as soon as invoices are put into the system and created every month for the Board Facilities Presentation. This report shows actual amounts that have been budgeted, encumbered or spent. District staff is working in partnership with HPLE to track information.

Mr. Frutos stated that one project not listed on the report is the air conditioning project at El Rancho High School (equipment and installation). The project appears to be coming in below budget so if there are funds left over after final invoices have been paid, staff will go back to the board for direction with the remaining amount.

Ms. Castillo requested a sample report that would track expenditures segregating cost for design, construction and equipment.

7. **NEW BUSINESS – ACTION ITEMS**

None.

8. **DISCUSSION ITEMS**

8.1 **Report on Activities** – E. Mejia

On December 10, 2015, Ms. Mejia, John Chavez, Vincent Chavez and Mr. Frutos attended the site visits at El Rancho High School, North Park Middle School and Rio Vista Elementary School. At El Rancho High School the committee observed the new A/C units and met with happy teachers and students. After visiting the weight room (where bond funds were expended) there was a concern that the room was empty and not being utilized. At North Park Academy the committee visited a classroom and it was good to see the students and teachers there, it was nice to see activity. At Rio Vista the committee met with the principal in regards to the innovation lab. Ms. Mejia had a concern regarding the principal's response for scheduling the room (possibly first come/first serve) rather than equity.

Mr. John Chavez complimented the painting of the North Park Library but expressed concern for the condition of the culinary arts classroom at El Rancho High School. Mr. Chavez expressed the need to spend current bond funds to improve existing facilities rather than go after new bonds.

Mr. Vincent Chavez was disappointed with the weight room at El Rancho High School not being used because it is a nice room and hopes there are no other areas not being utilized not only at the high school but at other locations. Mr. Chavez was pleased to see the plans for the new facility at North Park, it gave him an idea of what is going to be there. At Rio Vista they were walked through what will be taking place with the innovation lab.

Ms. Mejia requested to schedule another site visit at three other locations: Valencia, Rivera Middle and North Ranchito Elementary.

Ms. Mejia had a one-on-one meeting with the auditor from Nigro & Nigro on January 27, 2016. From that meeting Ms. Mejia became aware that CBOC should be making recommendations in real time and not waiting for the annual report (although items will also be included in the report). Ms. Mejia presented the following questions:

- (1) What is the district doing to reduce the cost of design fees; what are we doing to actively reduce cost?
- (2) Should ERUSD2025.com be on the district website, since it is a third party website? The community should be able to go to the district website to see the progress and not a third party.

8.2 **Bond Expenditures Update** – R. Frutos

Trial Balance Financial Report as of December 31, 2015: Measure A net balance is \$10,739,546 and Measure EE net balance is \$2,548,276.

Bond Measure A expenditures as of October 31, 2015 totaled \$48,569.46; Bond Measure EE expenditures as of October 31, 2015 totaled \$11,429.11.

Bond Measure A expenditures as of November 30, 2015 totaled \$124,625.05; Bond Measure EE expenditures as of November 30, 2015 totaled \$20,842.20.

Bond Measure A expenditures as of December 31, 2015 totaled \$105,745.79; Bond Measure EE expenditures as of December 31, 2015 totaled \$25,688.69.

Ms. Mejia again questioned the expenditure for the Rivera Portable Projects out of bond funds, she noted that the project was originally board approved as developer fees and she also asked about the plan check refund from DSA. Ms. Mejia would like clarification from bond counsel regarding funding the facilities master plan and specific project list that are attached to each measure.

Ms. Suzanne Rodarte asked about what funds would be used to pay for the repair of the marquees if they should break down; Mr. Frutos responded that first they would look into the warranty or use general fund.

8.3 **Bond Audit Update** – R. Frutos

The District's audit was just completed; since the auditor has already met with Ms. Mejia it appears the bond audit report is close to being completed. Once the report is received it will be forwarded to Ms. Mejia immediately. Ms. Mejia requested the expenditure binder with the annual bond fund activity report.

8.4 **Bond Projects Update** – *R. Frutos/C. Jimenez/J. Ortiz*

Most of the project update was covered through the Bond Projects Financial Update. Mr. Ortiz reported that we are in design phase, the architects are advancing at a rapid pace. HPLE is starting to develop the request for proposals (RFP) for inspector of record, special inspection, material inspection and for temporary moving services.

8.5 **Recruitment of CBOC Members** – *R. Frutos*

We are in the process of receiving two applications. An advertisement is publishing in Whittier Daily News on February 2, and February 9, 2016. The District will continue to recruit through the website, the Pico Rivera Profile, local service groups until the vacant positions are filled.

9. **ADJOURNMENT**

The meeting was adjourned at 7:03 p.m.

Motion: J. Chavez Second: S. Rodarte Vote: 5-0 PASSED

Vote:	C. Castillo	Yes
	J. Chavez:	Yes
	V. Chavez:	Yes
	S. Rodarte:	Yes
	E. Mejia:	Yes