

ITEM IV. A.

Meeting Minutes

Measure J Citizens' (Bond) Oversight Committee

Monday, March 12, 2018

Suisun Valley K-8 School, Multipurpose Room

Members in attendance: Ms. Nicole Mallari, Mr. Harry Matte, Ms. Jana Modena, Ms. Barbara Pisching, Mr. Perry Polk, Ms. Sylvia Robertson, Ms. Claudia Wilde, Mr. Chuck Wood, Mr. Rick Wood.

Member(s) absent: Mr. Leroy Purvis

District Staff in attendance: Mark Covington, Executive Director of Facilities & Operations; Aaron J. Garcia, Secretary; Michelle Hensen, Assistant Superintendent of Business Services; Laneia Grindle, Director of Fiscal Services; Brittany Reeves, District Accountant; Mr. Jeff Jensen, Auditor from Crowe Horwath.

Public in attendance: John Takeuchi

I. School Site Tour

Committee toured Suisun Valley K-8 School parking lot at 5:00pm.

II. Opening

Mr. R. Wood called the meeting to order at 5:30pm.

III.A. Approval of Previous Meeting Minutes—January 22, 2018 Meeting

Mr. R. Wood opened discussion and asked if there were any amendments to the minutes. Ms. Pisching said that her request of a sample from one of the Measure C annual reports was omitted from the minutes. She also requested looking into the formation of a subcommittee to write their own annual report. Mr. R. Wood replied that the minutes can be amended to reflect her request. He further explained that District staff normally drafts the Citizens' Oversight Committee's annual reports with the Committee then approving the annual report.

Mr. Takeuchi, public attendee, recalled that when he was on the Measure C COC, the first few years the report was written by committee. Mr. Polk concurred and explained what Measure C did for their annual report. Ms. Pisching reiterated that the Measure J COC needs to write own report. Mr. R. Wood asked to agendize the procedure of the next annual report to form a subcommittee. Mr. Covington reiterated what Ms. Pisching asked for: a sample of the annual report and procedures to form a subcommittee to write the annual report. Ms. Modena asked to place Ms. Pisching's requests on the previous meeting minutes.

Ms. Modena motions to approve the January 22, 2018 minutes as amended by Ms. Pisching. Ms. Mallari seconded. All affirmed with the exception of an abstention by Mr. C. Wood; absent at the January 22, 2018 meeting.

Item III.B. Review and Potential Approval of Measure J Performance Audit

Mr. Jeff Jensen of Crowe Horwath, independent auditor, reviewed the Independent Auditor's Report of Measure J expenditures for the fiscal year ending June 2017. No findings were found in the report. Ms. Pisching asked if the financial report included the interest spent from the bonds. Mr. Jensen replied yes. Ms. Modena indicated that for all the work that has been done thus far, there has been little spending. Ms. Reeves replies that the Public Safety Academy expenditures were just starting at the time the report was completed. Mr. C. Wood motions to approve the auditor's report. Seconded by Mr. Polk. Approval is unanimous.

Mr. Jensen reports that the audit of financial statements had no findings. Ms. Pisching asks about the bond interest paid on the debt. The District will need to look into the bond financials. Ms. Grindle replies that the District has the statements and the interest is perhaps below 4%. Motion made by Ms. Modena approve the audit of the financial statements. Seconded by Mr. R. Wood. Approval is unanimous.

Item III.C. Review and Potential Approval of Committee's Annual Report

The Annual Report is a compilation of the meeting agendas during the year. Mr. R. Wood asks what is the deadline for the Governing Board to review. Mr. Covington remarks unsure but will find out. Mrs. Pisching notes that the Annual Report isn't a true representation of the Committee work. It is just a list made by staff. Mr. R. Wood asks to include the financial reports to the annual report. Ms. Pisching agrees that more information must be added. Mr. C. Wood explains that detail is not needed—all documentation and records are already public knowledge, perhaps an appendix. Mr. Matte agrees that an appendix is useful. Ms. Modena likes the spreadsheet summary—a one stop shop of all the numbers, a good quick snap shot for the public. Mr. R Wood asks to add the last two pages of the financial report to the annual report. Motioned by Ms. Wilde. Seconded by Ms. Mallari. Approval is unanimous.

Item IV. Public Comment

None

Item V.A. Information Items: Review Financial Reports

Mr. Covington reports as previously shared in January, a review of report after the Board meeting. The report went to the Facilities Subcommittee as well. Current report is as of December 2017. Ms. Reeves was present to answer questions.

Ms. Pisching pointed out that pages 34 and 35 do not have a bid day total. Mr. Covington replies that very little spent on the B. Gale Wilson project. The project is not underway, only surveys thus far. The Fairfield High School Track has no contingency since it is almost finished. Contingents are set once project is underway. Ms. Pisching asks what is escalation. Mr. Covington explains that escalation is the anticipated amount of increased construction costs due to market forces and reflects the increase in material costs and labor. Ms. Pisching asked how this amount is determined. Mr. Covington explains that estimates are determined by staff, professionals, from past experience to the project. Ms. Pisching then asked if it included contractor overhead? Mr. Covington replied yes. For example, having an inspector on project all the time. We have to include these amounts to the escalation costs of the project. Mr. R. Wood asked if the District rejected bids because too expensive? Mr. Covington replied yes, the District has rejected bids before.

Item V.B. Information Items: Staff Report

Mr. Covington reports that bids are coming in higher than expected. Lease-Leaseback (LLB) entities are already out soliciting bids from subcontractors in January and some bids are currently in the vetting out process. PSA is a great example of this—the project was estimated at \$22 million and negotiated down to \$19 million. The District can sit down with the LLB contractor to vet the numbers from subcontractors. This allows a negotiation in the guaranteed maximum price and saves the District and taxpayers money. The market is currently saturated, including labors and materials, and the District is starting to see increases in these projects. The market is creating a challenge, as reported by DSA.

Item V.D. Information Items: Innovations for the Upcoming Measure J Projects

Mr. Covington: Today's classrooms are much different now than in the past. Twenty-first century learning environments are composed of flexible seating and movable furniture and partitions, marker boards types, and polished concrete floors. A focus on being innovative yet keeping costs down. Outdoor learning environments are a part of this new learning environment.

Ms. Wilde expressed concerns for the Tolenas site of issues in the design not being addressed. Mr. Covington replied that Ms. Nancy Dunn, President of F-SUTA, is aware of the progress of this project and has not cited any issues at Tolenas.

Ms. Modena and Ms. Pisching asked about plans for solar and funding for solar in Measure J Projects. Mr. Covington replied that the costs for solar are currently prohibitive.

Item VI.A. Future Agenda Items/Meetings

The next scheduled Measure J COC meeting is May 14, 2018 in the Library of the Public Safety Academy.

Mr. Polk made the motion to adjourn the meeting at 6:35pm. Ms. Modena seconded.

Approved: _____

Ms. Jana Modena, Vice Chair

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