

BOND OVERSIGHT COMMITTEE MEETING

**Harbor High School Library
300 La Fonda Ave.
Santa Cruz, CA
Meeting of January 11, 2018**

Minutes

Call to Order

Chair Bill Tysseling called the meeting to order at 6:05 p.m. in the Harbor High School Library.

Attendance at Meeting:

Maryanne Campbell – Elementary & Middle School Parent
Steve Houser – At Large
Steve Kingsley-Jones – Elementary & Middle School Parent
John McKelvey – At Large
Kurt Meeker – At Large
Thomas Parker – Senior Community
William Tysseling – At Large
Colleen Harrison – Business Community

Absent:

Richard Wyrsh – At Large

Staff:

Kris Munro, Superintendent, SCCS
Trevor Miller, Director, Facility Services, SCCS
Greg Torr, Director, Finance, SCCS
Catherine Meyer-Johnson, Admin. Asst., Business Services, SCCS

Public Visitors:

Jennifer Hall, Crowe Horwath

Welcome

Interim Chair Bill Tysseling welcomed Members to this meeting of the Measures A & B Bond Oversight Committee (BOC). He invited Members to introduce themselves.

Public Comment

None.

Agenda

The agenda was distributed and reviewed by Interim Chair Tysseling. There were no additions to the Agenda. Agenda materials included copies of the draft Minutes for the 12/14/17 BOC Meeting, the 2016-17 Financial Reports and Performance Audit for Measure A and 2016-17 Financial Reports and Performance Audit for Measure B.

Approval of Minutes for 12/14/17 Meeting

Members reviewed the draft Minutes for the first meeting of the BOC. The Minutes were approved (M/S/P, Houser/Kingsley-Jones/8-0).

Election of Officers

Superintendent Kris Munro invited Members to nominate themselves or other Members for the Chair and Vice Chair positions. The Chair will present the BOC's annual report to the Board in June. Bill Tysseling was nominated to serve as Chair, and the motion carried. (M/S/P: Kingsley-Jones/ Meeker/8-0). Tom Parker was

nominated as Vice Chair, and the motion carried. (M/S/P: Parker/Campbell/8-0).

Receive and Review Measures A and B Financial Statements and Performance Audits

Jennifer Hall of Crowe Horwath presented the Measure A General Obligation Bonds Financial Statements for the year ending June 30, 2017. She reviewed the auditor's report, the balance sheet, the statement of revenues, expenditures and change in fund balance, the notes to financial statements, including methodology, cash deposited with the County Treasury, audit terminology, purpose of the bonds, and issuance obligations, and the auditor's statement concerning their internal controls. \$56M has been issued so far. There were no findings.

Jennifer presented the Performance Audit for Measure A, which is required by Proposition 39. \$1.6M in expenditures were identified. Expenses are not tied to budget goals for the purpose of the audit. The audit concluded that the bond funds were spent in accordance with the ballot measure.

Jennifer presented the Measure B General Obligation Bonds Financial Statements for the year ending June 30, 2017, reviewing the same items as mentioned for the Measure A Financial Statements. \$27M has been issued so far. \$881,409 was spent, as of June 30, 2017. She then presented the Performance Audit for Measure B. There were no findings.

Bond funds are invested with the County Treasurer in a common investment pool. The County, not the District, directs how funds are invested. The County keeps track of District funds. The District reconciles accounts monthly. The District is currently developing a multi-year plan which will determine when the next series is issued. SCCS is currently working with architects on the planning phases, and will determine the sequencing.

Finance Director Greg Torr distributed Financial Activity Statements for Measures A and B which detailed expenditures to June 30, 2017 by site and projects. He stated that some bills were received after 6/30/17 and were paid. These reports show many architectural and engineering costs incurred, some to ensure compliance in areas like CEQA, ADA, Fire Code, City Utilities, all of which are reviewed by the Department of the State Architect.

A question was raised about how other districts have misused bond funds. Jennifer Hall explained that an improper use of bond funds would be for things not in the bond ballot language, such as vehicles, or salaries and related benefits for non-bond functions.

Kris Munro explained that the District is in the process of hiring two positions which will be funded in part from bond funds – the Program Coordinator and the Construction Project Manager. Facility Director Trevor Miller will also be funded partly by bond funds. Jennifer Hall shared that positions supporting the implementation of the bond are allowable.

Chair Tysseling requested a motion to formally accept the audits. It was made and approved unanimously. (M/S/P: McElvey/Kingsley-Jones/8-0).

Next Meeting

The BOC's annual statement must be presented to the Board by March 31. District staff will send out a Doodle poll to find a good date for the BOC to meet before then.

There being no further business, Chair Tysseling adjourned the meeting at 7:00 p.m.

Respectfully submitted,

Patrick Gaffney
Assistant Superintendent
Business Services

Catherine Meyer-Johnson
Administrative Assistant
Business Services