

BOND OVERSIGHT COMMITTEE MEETING

Harbor High School Library

300 La Fonda Ave.

Santa Cruz, CA

Meeting of December 14, 2017

Minutes

Call to Order

Assistant Superintendent Patrick Gaffney 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

Absent:

Colleen Harrison – Business Community

Richard Wyrsh – At Large

Staff:

Kris Munro, Superintendent, SCCS

Patrick Gaffney, Assistant Superintendent, SCCS

Catherine Meyer-Johnson, Admin. Asst., Business Services, SCCS

Public Visitors:

Patricia Threet, Trustee

Welcome

Assistant Superintendent Gaffney welcomed Members to this first meeting of the Measures A & B Bond Oversight Committee (BOC). Bill Tysseling was asked to serve as Chair until Members formally elect a chair. He accepted.

Superintendent Munro expressed her gratitude for Members' willingness to serve on the BOC. Members were asked to introduce themselves.

Public Comment

None.

Agenda

The agenda was distributed and reviewed by Asst. Supt. Gaffney. Members were each provided with a binder containing meeting materials, including a Members Roster, the ballot language for Measures A and B, the BOC Bylaws for Measures A and B, Brown Act information, information on email accounts and a copy of the 2016 Facilities Master Plan.

Brown Act

Asst. Supt. Gaffney discussed the Brown Act information provided. The BOC's business must be conducted in public. A quorum exists if half plus one of the nine Members are in attendance (5 Members). Asst. Supt. Gaffney will meet separately with Members Colleen Harrison and Richard Wyrsh, who were not able to attend.

Chair Tysseling commented that the BOC's charge is to make a recommendation to the Board of Trustees to accept the financial statements regarding the bond projects. The elementary and secondary districts are separate. Per legal counsel, all Members may meet together to serve as representatives for both Measure A (secondary district) and Measure B (elementary district) oversight. All Members will vote on any actions for both Measures A and B.

The composition of the BOC is defined by law. A representative from a taxpayers association is still needed. Since there is no active taxpayers association in Santa Cruz County, the District sent an invitation to apply for membership to a taxpayer association in San Luis Obispo, but they did not respond. The position is still open and the District has fulfilled their obligation to do outreach.

Ballot Measures

The ballot measures define what the bond is for, detail on desired projects and sites where the projects will be done. Staff will provide reports and the District auditor will present an audit of expenditures. Members must refer to the ballot language to determine whether expenditures are appropriate. Information can also be found on the District's website (www.sccs.net). The Board of Trustees recently received the first Bond Budget Report. These reports will show any variance from the original budget. BOC Members will be notified when these budget reports are to be taken to the Board.

Bylaws

The BOC's main charge is to inform the public, to review expenditures and to provide an annual report stating whether bond expenditures are in compliance with law and summarizing the BOC's activities for the year.

Administrative salaries are not paid from bond funds. However, staff members whose duties are 100% dedicated to supporting the bond projects, can be paid from the bond. This would include contract administration, report administration, accounts payable and project management. Other funds, like regular and deferred maintenance, fall outside the BOC's purview. Bond funds and other funds can augment each other's projects. The question was raised whether bond budgets are set by site or activity. It varies – some budgeted work affects more than one site.

The District's auditors will attend a BOC meeting in January, 2018, and present their audit report. BOC Members will certify whether the expenditures align with ballot language. Members will not be asked to review the audit line by line. Summaries will be provided, as well as more detail as requested.

The Bylaws define the duties of the Board of Trustees and Superintendent regarding the bonds. The BOC is not responsible for the prioritization of projects. If the public asks Members about topics not the responsibility of the BOC, Members are asked to refer them to Supt. Munro or Asst. Supt. Gaffney. Members' authorized activities may include review of the bond audits, inspection of sites where bond money is spent, attendance at ribbon cutting ceremonies, review of costs saving measures implemented, and the sale of bonds.

Member terms are two years. Members can serve for three consecutive terms. Members are volunteers and are appointed by the Board.

Meetings may take place at least once per year and no more than quarterly per year. They must take place in the district, and be open to the public. Staff will provide support, copies of bond audits and information as requested. The BOC can report to the Board from time to time on their activities. The BOC will be terminated after the final audit.

Facilities Master Plan

Members received a bound copy of this document, which was compiled in August of 2016. The District conducted a thorough assessment of district facilities, held community meetings at school sites and obtained estimates of the cost of proposed projects. A Steering Committee helped to prioritize projects. The information obtained helped with the passage of the bonds. It contains details on the bond funds assigned by site, as well as other funds that are available to do projects. In May, 2016, the District's needs were assessed at \$286 million, which exceeds the funds available from the bonds. Construction costs have escalated since the Master Plan was compiled.

Questions:

- Cost of construction per square foot?
- Are estimates in 2016 dollars? If yes, they buy less today.
Lease/lease-back contractors give us a guaranteed maximum price per project. If we have to reprioritize, there will be a discussion.
- Will funds be added and/or subtracted from sites?
The District intends to preserve the funds allocated by site. There are more needs than can be covered by the bond funds. Another bond may be considered in the future.
- Are projects concurrent or consecutive?
Concurrent. Members will be sent information on start dates and ribbon cutting ceremonies.

The Facilities Master Plan may be a resource if Members are asked (as community members) particular projects. As BOC Members, the responsibility is solely to evaluate whether the expenses are in accordance with the ballot measures.

Declining enrollment has been factored into plans. The District has contracted with a consultant for demographic studies. Their projects have been 99% correct for the last two years. There is no identified need to expand elementary district facilities. It remains to be seen whether this is a trend or an anomaly.

Final Remarks and Adjournment

The purpose of this meeting is to define the role of BOC members.

Members requested information on the District email accounts. At the next meeting, District auditors will present the bond audits. A doodle poll will be sent out to find a date that works for most.

There being no further business, the meeting was adjourned at 7:07.

Respectfully submitted,

Patrick Gaffney
Assistant Superintendent
Business Services

Catherine Meyer-Johnson
Administrative Assistant
Business Services