

Minutes for the Bond Oversight Committee Meeting North

January 27, 2004

Aptos High School Career Center
100 Mariner Way
Aptos, CA 95003

5:00 PM – 7:00 PM

Attending Members:

Nancy Bensen/Tere Carrubba/Marc Kirby/Vic Marani/Jim Miller
Bruce Mathias/Barbara Palmer/Mary Reed/Michael Theriot

Absentee Members:

Michael Barsi/Fred Fischer/Kathy Ruiz-Goldenkranz

South/Central Bond Committee Liaison:

Rodney Brooks

Non-committee members attending:

Terry McHenry/Christine Quinn/Diane Burbank/Rhea DeHart/Sharon Gray
Sandra Nichols/Brian Rasmussen/Darlene Insley

Barbara Palmer began the meeting at 5:15 pm and had everyone introduce themselves to have a record of who was attending. Terry McHenry announced that we had a quorum and that the South/Central Sub Committee was having difficulty in obtaining a quorum at their meetings and would be sending out notices to the members and will most likely have to appoint new members. Barbara asked the Committee if they knew anyone that would be interested to please contact the Superintendent.

Barbara asked the committee to read through the minutes of September 16, 2003 meeting before approval.

The minutes have been duly noted and amended that Jim Miller did not attend the meeting of September 16, 2003. Let it be duly noted that Bruce Mathias and Vic Marani requested to amend the minutes to read per the Voter Information Pamphlet; regarding the \$24,036,000. "Implementation of the Master Plan for Aptos High School, including a new performing arts center classroom spaces. Gym, athletic fields and stadium upgrades, pool complex, facilities renovation, including the old

gym and multi-use cafeteria, and projects for the benefit of Aptos High School.” This was to insure that **some of the money would be spent on the old gymnasium.** Let it also be noted, that Bruce Mathias raised concern regarding the Theatre Arts Center creating a funding mandate. That this may present difficulties in the future for the Board to fund in regards to hiring staff. One might be compelled to hire Theatre Arts teachers or Drama teachers vs. English teachers or Science teachers. That it would create a funding mandate. So duly noted, the minutes have been seconded and approved.

Terry McHenry began an overview on Aptos High School indicating that the initial grading and facilities estimates are over the budget and we have to re-evaluate at this time. So far, no money has been spent on any construction. The intent at this time is to get reasonable bids and contracts.

Terry then turned the meeting over to Brian Rasmussen, Construction Manager of BMR, Inc. Brian explained that LPA provided us with 50% construction documents, in the first package or, Increment I. This is the moving of play fields, the parking, grading and all of the underground utilities.

On Increment II, will be the construction of the Theatre and Gym, the Pedestrian Mall the renovation of the cafeteria and of the existing Gym. This also includes the Swimming Pool, although we may place the pool as a separate bid, we have not made that decision at this time.

On the timing, LPA is trying to finalize the plans to get them to DSA by February. This is just a site bid and not a construction bid so is not as time consuming, which means we should have the bid at the April 28th. Board Meeting and the possibility of a contractor at work by the middle of May. This Increment or phase will last the rest of the year.

Increment II, will probably be bid in the fall with a January 1st. start, which will be about when the building pads will be in order. The pool may get delayed until the following summer and that’s why we may have the pool as a separate bid.

The basic dollar amount for these increments include Increment I \$4,000,000
Increment II \$15,000,000.

Brian was asked to address the water tanks. Brian explained he ran into several roadblocks regarding the tanks. That neither the Local Fire Marshal nor the DSA would accept the swimming pool as a primary water supply for fire. However, they would use it as a secondary source. We are still left with the need for the same quantity of water storage or needing to bring a full 10” fire main from Freedom Blvd., *all the way up to the site* which was estimated at \$650,000.

Replacing the tanks would be cheaper. We would only need to replace the smallest one, which is 250,000 gallons. The smallest one made now is 300,000 gallon tank which would be about \$180,000. We most likely will not be able to do anything

about these tanks this year since this work has to occur when the students are not here, there was a discussion regarding pump maintenance and water flow, cost of larger tank and what we could do instead of water storage.

Terry briefly explained about a few changes to the projects, nothing major just modifying the designs to make them work. Question asked: Can you give us the top three changes you had to make and will we notice them and do we expect something?

Increment I in the September budget, we saved approximately \$200,000. by modifying 7 tennis courts down to 6 and basically grouping them into pairs. With the base bid with 6 courts and 7th court as an added alternate, if we have the budget.

Right Turn on Mariner Way has been shortened 120 feet.

Modified Bus Loop in the parking lot to save cost and minimized all of the planters in the parking lot.

A short discussion began regarding the snack bar, the dugout, tennis courts, sports teams and not having bleachers next year

Next on the Agenda was the Annual Financial Report, prepared by **Vavrinek, Trine, Day & Company, Inc (VTD)** The law requires the Oversight Committees to receive two end of year reports. One Financial Audit and the other called a Performance Audit. The District closed our books on June 30th. 2003 so this is the point of the fiscal report. The revenue includes the sale of Bonds and the interest on the funds received after the Bonds were put in the Treasury. We sold \$40 million in bonds which is intended to pay back the COPs and to fund the initial projects. Funds were also raised with the bond premium which covers the cost of issuance and the first payment to the Tax Collector.

A question was asked about Certificates of Participation (COP's) and whether they been paid? Terry showed the committee where the \$11 million in COP's were paid by the District as required in the bond.

More questions were asked of Terry.

Q. How many Bonds have we sold?

A. \$40 million.

Q. Is the reason we didn't sell all of the Bonds because we didn't want to pay interest on them?

A. That's one reason, but we estimated the current need for if you sell Bonds and do not use 80% of them within 3 years, there is a financial penalty.

Q. I noticed you are using US Bank, are we deriving interest from them?

A. Yes, of course.

The next document presented was the "2002 Measure J General Obligation Bond Fund Procedures Report." June 30, 2003. This is the Performance Audit which was also prepared by, **VTD**. This audit is to assure that the bond money is spent on bond projects. There was a discussion regarding whether this was the way the committee wanted to have the audit set up. What did they want to see from a performance audit? Brian explained that he had to go through all of the invoices that pertained to all of the projects with the auditor. There was a discussion of whether they should keep the auditors or find new ones.

Mark Kirby made a motion to accept Financial Audit and Mike Theriot seconded and passed unanimously.

Bruce Mathias moved to accept the Procedures Report and Mary Reed seconded and passed unanimously.

It was decided that meeting twice a year to review the financial information for half a year at a time would be preferable, over trying to deal with an entire year of financial information. Our next meeting will be April 20, 2004 to review cost data from July 1 to Dec. 31. Our second meeting will be October 19, 2004 to review cost data from January 1 to July 30. The time will remain 5:00 pm to 7:00 pm.

All material will be e-mailed one week prior to meeting.

Barbara thanked everyone for attending.

The meeting was adjourned at 7:03pm.