

Minutes for the Bond Oversight Committee Meeting South/Central

April 26, 2004

**District Office Boardroom
292 Green Valley Road
Watsonville, CA 95076**

5:00 PM – 7:00 PM

Attending Members:

Tom Alejo/Rodney Brooks/Victor Kimura/Doug Mattos/Antonio Rivas/Peter Stoll

Absentee Members:

Roberto Garcia/Aurelio Gonzalez/Sonia Garcia/Aurelio Gonzalez/Blanca Mendoza
Jeff Swedlund

North Bond Committee Liaison:

Victor Marani

Non-Committee Members:

Terry McHenry, Associate Superintendent
Brian Rasmussen, BMR Construction
Rhea DeHart, Board of Trustees President
Sandra Nichols, Board of Trustee
Kathy Fuentes, Administrative Secretary

Victor Kimura called the meeting to order and had the members and non-members introduce themselves. He explained the document that had been passed out stating that this document or one of this nature would be going to the Board at this Wednesday's Board Meeting. It states that the South/Central Committee started out with thirteen members however, two members had resigned and three members had never shown up at the meetings, making it difficult to have a quorum. Therefore the committee is asking for the Board to either replace any or all of the members, or reduce the committee to the current level of eight active members were we can operate.

Vic Marani, the North Bond Liaison, said that there was a third option, which was to become one committee. He added that by law, it *is* actually one committee. Terry agreed that technically it is one committee. However, the way the Bond was structured it very specifically divided the areas by specifying that \$24 million had to be spent for the Aptos High and \$34 million for the Watsonville area. * That is why there were two sub committees formed, to oversee the individual areas. This was

decided at the first meeting between twenty or so committee members about this issue. The discussion continued with the members regarding combining the two committees. Vic Marani mentioned that maybe six of the most committed members from the North Sub-Committee and six from the Central/South Sub-Committee could serve as the committee. Vic Kimura felt it wasn't fair to ask that of North Sub-Committee. Brian Rasmussen added that we have to remember to make sure all of the elements are covered when the group is formed. (i.e.) One from a senior citizen's group, one taxpayer's organization, one business organization, etc.

Before Vic Marani left, he added that the North Zone voted to ask the District at the June 16, 2004 meeting, that in the future to use a separate entity to do the financial audit and the performance audit. Terry answered by saying this is on the agenda for tonight. The District strongly recommends someone other than the auditor do the Performance Audit and to vote on whether they want to have someone else do the finance audit.

Terry stated he was expected at another engagement and had to leave shortly and would like to go over the audit and began by explaining that auditors are very specific, that they audit on fiscal years, which begin on July 1 and end on June 30. The Bond Committee's was done by the District External Audit Company **Vavrinek, Trine, Day & Company, Inc. (VTD)** Since there wasn't a great deal of activity, the financial audit was fairly simple verifying what was spent and the remaining balance in the bond fund. However, the District would have liked more on the Performance Audit than a couple of lines verifying what the Bond money has been spent on and that it was spent on the right thing. The Committee is going to be asked to vote on what is wanted from outside financial and performance auditors.

There was discussion among the committee regarding the pros and cons of getting another outside auditor or using the External Auditor hired to audit the District. The question was asked on how much this service costs. Terry explained that the District has to pay for it and that it cannot come out of the Bond money. Last year's cost with the External Auditor was below \$2,000.

A motion was made to keep the External Auditor hired to audit the District for the financial audit and to get bids from outside Performance Auditors

Terry asked if it would help, he will bring in a proposal for the financial audit if someone else could get one from a Performance Auditor for the next meeting.

The motion was modified and approved.

Minutes from the last meeting were read and some discussion on whether Louis Alejo was in attendance for Tom Alejo or not, on the January 12, 2004 meeting. ** Vic asked that the minutes from the January 12, 2004 meeting be approved; they were moved, seconded and approved.

Brian Rasmussen of BMR Construction Management, Inc. began with the status of the bid on the Cafeteria for Pajaro Valley High School and that we are still waiting for Division of the State Architect (DSA) approval of our plan. He said that the DSA is

extremely backed, but we should be able to go out to bid within the next couple of weeks. Which means, construction would start sometime in the summer. A food service alternate is being looked at by Sue Brooks, Director of Food Services, as to how the food will be served to the students in the beginning of school, until the Cafeteria is completed.

Watsonville High School: Since a limited amount of portables can be removed off the campus due to opening PV High with only one grade level, it restricts the amount of space to start the new gymnasium. This makes it June of '05 when we can then move another batch of portables off when another grade level will be leaving WHS. Around the same time, we can put in the synthetic all-weather football field that the site has decided was affordable through the allotment from stadium upgrades. The intent is to start this job early enough to have it completed by June for graduation and for the start of football season.

Questions were asked regarding the time frame. Brian stated the Watsonville High School will begin around June 05 and will be completed by August 06. The subject of the synthetic football field allotment and how it worked was discussed.

The question was then asked about what was under the synthetic turf and what is the life span? Brian explained that there is sub-service drainage system under the system and that the fibers are very long and after they are put on the sub-system they do a sand fill to keep the fibers standing and give it more of an actual turf feeling. The life span is from 7 to 10 years before replacement is needed.

E.A. Hall and Mintie White: This is mostly a Mintie White project, which is the moving of the Relocatables to allow room for the new Multipurpose Room and these drawings are basically complete. Our appointment to get the plans checked is on May 18, 2004. We are on track to do our move of five Portables, plus getting the sixth one, (the Bond one) the library Relocatable and we have the purchase order in place. We are on schedule to start late this year and be finished at the start of the next school year, August 2005. We are bidding the E. A. Hall Gymnasium expansion and the Multipurpose Room as one construction package to save the money, since they are right across the street from each other. One person can easily manage this as one project. A saving in extra overhead.

Questions regarding the salamanders at Aptos were asked on what impact or effect it has taken on the school? Some discussion went on regarding the salamanders.

Financial Information: Financial information through March 31, 2004, was presented. This is everything to date, not just the fiscal year to date. The front page is the summery.

Aptos High School and the vendor totals. Brian went through all of the vendors and explained what each firm or consultant did on the job or what they had to do with the Aptos High School project and who received what amount out of the one million sixty seven spent to date.

Brief discussion regarding vendors and invoices.

E.A. Hall's financial data, Brian went through all of the vendors, consultant and firms with explanations of what they do and to date not quite thirty-one thousand dollars has been spent.

Mintie White has the same basic consultants as the same architect is doing Mintie white as E.A. Hall. More money has been spent on Mintie White because they are further along.

Pajaro Valley High School which is just the cafeteria portion has a Health Department fee plus regular architects, contractors, consultants' fees.

Questions about the mold came up. Will it delay the opening of the high school? How will you remove the mold? Did San Lorenzo have a similar problem?

Watsonville High School has comparable expenses, with aerial topography and site surveying work, consulting and the architects' fees to date.

The last Page is called Site 90, it is from the prior year.

The committee had a conversation regarding whether they should form a sub committee to review the financial audit more thoroughly, or whether the whole committee should review the financial and performance Audits and have the current External Auditor continue doing the audits.

The committee asked that the financial reports be total to date when they receive them.

A discussion on the merger of the committees was brought up and whether it should or shouldn't be considered at this point. The indication was not to merge, but to have one meeting a year as a group.

There was mention of a report being written by Barbara Palmer to be presented to the Board at the June 16th meeting and maybe Vic Kimura should prepare one when he goes to the Board about the Committee reduction.

A brief discussion regarding whether the committee has the proper members to form the committee took place. Rhea DeHart mentioned that it could actually be covered under the whole Bond Oversight Committee,

The next meeting will be October 25, 2004 to review cost data from January 1 to June 30. The meeting will be scheduled to be held in the District Office Boardroom from 5:00 pm to 7:00 pm.

Chair Member Vic Kimura adjourned the meeting.

* Measure J Exhibit B page B-1

** Note, no signature of Louis Alejo is on sign-in sheet.