



**MEASURE V
CITIZENS' OVERSIGHT COMMITTEE**

September 8, 2005
M I N U T E S
Markham Elementary School, Staff Room

ESTABLISH QUORUM/CALL TO ORDER

Members Present:	Ted Beecher Bruce DuClair David Kenyon	Catherine Podkin Laura Peters Tom Phillippi (arrived 6:15, left 7:25)
Members Absent:	Al Banks John Jansen	Mitch Mitchum
Staff Members Present:	Leigh Coop	John Niederkorn
Other(s) Present:	Wally Browe, CPM Jay Davison, CPM Al Frangione, CPM	Dana LeSher, Harris & Associates Jay Yerkes, Board Member Kevin Sanders, Harris & Associates

Spokesperson David Kenyon called the meeting to order at 6:08 p.m.

AGENDA

Mr. Kenyon requested a change in the order of agenda items. Item #6, Performance Audit would be done prior to the tour. This was approved by voice consensus.

2002-03 AND 2003-04 MEASURE V PERFORMANCE AUDIT REPORT

Dr. John Niederkorn, Assistant Superintendent, Business and Administrative Services, introduced Mr. Steve Wescoatt of Perry-Smith, the VUSD auditing firm. Dr. Niederkorn gave a brief overview of Proposition 39 requirements. There are two Performance Audit reports: one for 2002/03 and one for 2003/04. Mr. Wescoatt explained further that general obligation bonds approved under Prop 39 requirements are subject to an annual financial and performance audit. His firm does financial audits for about 90 school districts in California. His firm also does Proposition 39 Performance Audits for about 20 districts. The financial audit is done as part of total district audit. Prop 39 left the performance audit with no clear definition. In accounting standards, a typical performance audit is really an overview of management practices, but this is different. This is an "Agreed-upon Procedures Report," which is often more detailed than an audit. In an audit, the auditor sets the scope, sample sizes, materiality. In agreed-upon procedures, the sample size was agreed upon by the two parties. The opinion is then left to whoever reads the report.

Mr. Wescoatt reviewed the 2002/03 Performance Audit report. Sixty expenditures were sampled totaling \$1,480,115 or 9% of the total expenditure value for that year.

2002-03 AND 2003-04 MEASURE V PERFORMANCE AUDIT REPORT (Continued)

Fifty-nine of the 60 sample expenditures were appropriate. There was an approximately \$69 expenditure for which no invoice or backup could be found, either by Perry-Smith or by the District.

Mr. Wescoatt went on to summarize the findings of the 2003/04 Performance Audit. This audit had a sample of 120 expenditures, totaling \$4,284,336 or 38% of the expenditures for that year. He stated that the good news was that there were no exceptions and all expenditures were appropriately spent.

Chairman Phillippi commented that \$69 was good in comparison to the \$5 million sampled. He asked about performance of the COC itself. Ms. Coop pointed out that in the COC's original purpose statement prepared by an original COC member, Mr. Eusebio Lumibao, there would be a self-review with criteria attached. Mr. Wescoatt responded that this report is what he does on other districts.

Mr. Phillippi commented that the COC has done a good job, but it would be nice to do a self-review of the COC. Mr. Wescoatt said that it might be an expensive process if an outside auditing firm did a management review of the COC performance.

Ms. Coop commented that this COC has been participating and involved in a lot more process than other school districts. Mr. Davison stated that the San Juan Unified School District COC met quarterly and had a lot less detail than VUSD's COC has always had. He reminded the COC that the COC was brought about due to legislative concerns that with the lowering of the voter approval requirement from 2/3 to 55%, there was a desire for more accountability. Ms. Podkin summarized the purpose guidelines sections regarding the COC self-review. Mr. Phillippi asked that this be agendized for next meeting.

Dr. Niederkorn also stated that for these two reports must be provided to the public. The Governing Board already had a copy of each report. Chair Phillippi suggested that Mr. Kenyon as spokesperson for the group, should do this. Ms. Podkin suggested that we write our own press release; Mr. Kenyon agreed to do this. It will also be on the website. Mr. Yerkes mentioned that the technology department was understaffed. Ms. Coop stated that it would be feasible to put the reports on the website in PDF form. Mr. DuClair suggested that Buckingham Charter School do the website it for extra credit, but there was discussion of labor rules on this.

2003-04 FINANCIAL AUDIT REPORT

Dr. John Niederkorn, Assistant Superintendent, Business and Administrative Services, presented the 2003/04 Financial Audit Report. The audit report takes all capital facilities funds and combines them in the report. As Mr. Wescoatt mentioned, one of the things that he does is make sure that the Performance Audit and the Financial Audit are "in synch" and are compatible and they are.

Dr. Niederkorn also explained that in July, the District did the third bond sale. Also, because of the advantageous interest rates and because of better-than-expected property rate assessment valuation, we were also able to refinance the first and second series of bonds. This will provide \$3 million in additional proceeds for construction and also shortens the payback period for taxpayers to approximately 27 years while staying within the legally-authorized tax rate limitation of \$60 per \$100,000 of assessed valuation.

2003-04 FINANCIAL AUDIT REPORT (Continued)

Ms. Podkin asked about the Findings and Recommendations and Ms. Coop explained that only excerpts that pertained to Measure V funds were included in the packet. There were no separate findings and conclusions for Measure V funds only. Ms. Podkin asked for a copy of the full report and Ms. Coop said that she would get that to her.

SIERRA VISTA RENOVATION PROJECT, INCREMENT 3, CHANGE ORDER #1, BOLLO CONSTRUCTION, INC.

The Citizens' Oversight Change Order Subcommittee reviewed and approved this item prior to the regular Governing Board meeting on August 18, 2005. The Governing Board approved this item at their August 18, 2005 regular meeting. The item is Change Order #1 for the Sierra Vista Renovation Project, Increment 3, Bollo Construction, Inc. in the amount of \$60,852.00. The original contract amount is \$1,506,561.00. This changes the contract to \$1,567,413.00, an increase of 4% of the original bid.

Ms. Podkin asked whether the items listed as architect/engineer errors were above the norm. Ms. Coop stated they were not. Mr. Beecher stated that the Change Order Subcommittee has discussions about this issue in detail. Mr. Browe, CPM, commented that the construction managers make sure that all changes are incorporated into the as-built drawings. Ms. Coop commented that change orders are inevitable on all projects, particularly renovation projects on existing old buildings. One item for example is clearly an item that should have been caught and we wish it had not occurred, but change orders do happen.

Mr. DuClair moved and Mr. Kenyon seconded that Change Order #1, Bollo Construction, Inc., in the amount of \$60,852.00, for the Sierra Vista Renovation Project, Increment 3, be approved as a valid Measure V expenditure, and it was voted 6-0 to approve this item.

WILL C. WOOD HIGH SCHOOL RENOVATION PROJECT: ARCHITECT/ENGINEERING SERVICES CONTRACT WITH MURRAY & DOWNS ARCHITECTS

This was presented by Ms. Coop. Mr. DuClair asked if there were any surprises at WCW that the architects were finding. Mr. Browe said that yes, there were things we were finding, such as buildings that were more inadequate than originally thought. Mr. LeSher also stated that there are code changes coming up that will force different plans.

It was moved by Ms. Podkin and seconded by Mr. Beecher and voted 6-0, that the contract with Murray & Downs for architectural/engineering services for the Will C. Wood High School Renovation Project in the amount of \$100,000 for phase I services, be approved as a valid Measure V expenditure.

BID AWARD: ASPHALT PROJECT AT JEPSON MIDDLE SCHOOL AND MARKHAM ELEMENTARY SCHOOL

Mr. Dana LeSher of Harris & Associates, Construction Manager for this project, explained the scope of this project. He stated that most of the work involves Jepson and there is about 25,000 square feet. There is seal coating and striping at the parking lots and bus area at Markham. There is overlay on three basketball courts and drainage work at Jepson.

The bid was awarded to Lister Construction, Inc. in the amount of \$139,999.00.

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BID AWARD: ASPHALT PROJECT AT JEPSON MIDDLE SCHOOL AND MARKHAM ELEMENTARY SCHOOL (Continued)

It was moved by Mr. DuClair and seconded by Mr. Kenyon that the bid award for the Jepson/Markham Asphalt Project be approved as a valid Measure V expenditure. It was carried by a 6-0 vote.

APPROVAL OF MINUTES OF JULY 21, 2005 MEETING

It was moved by Mr. DuClair and seconded by Chairman Phillippi to approve the minutes of the July 21, 2005 meeting. It was carried by a 5-0 vote, with Ms. Podkin abstaining (she was absent) to approve the minutes.

STAFF REPORTS

a) Ms. Coop discussed the potential timeline for selecting new COC members. Advertising will be done in The Reporter on Oct. 4 and 11; flyers will be posted at various locations; application deadline will be November 4; paper screen of applications after that; oral interviews will be scheduled during one day in mid-November. David Kenyon, Ted Beecher and Bruce DuClair volunteered to be on the selection committee. Ms. Coop thanked them for volunteering and will email to them the details of the timeline.

b) Ms. Coop reported that the required audit done by the California Office of Public School Construction (OPSC) has completed the Alamo Renovation Project audit and the findings were all positive in that no ineligible expenditures were found. Ms. Coop thanked the members of Dr. Niederkorn's Business Department, including Jawaid Ijaz, Pat Hori, and Victoria Johannes, as well as Sandi Yount, Jay Davison and Cecile Nunley at CPM and Louise Hampton in the Facilities Department for a job well done. This should be publicized and Mr. Kenyon and Ms. Coop will include this in the upcoming press release.

c) Ms. Coop discussed the upcoming events and meetings to take place regarding the community discussions on the future direction of Measure V and the new high school. She invited the COC to attend a joint COC/Bond Campaign Committee meeting to be held on September 29 in the evening, time and location to be determined. Various members commented that this will be a very important issue to discuss and be involved with. Ms. Coop will provide the COC with the timeline of all meetings.

TOUR OF MARKHAM ELEMENTARY SCHOOL

Mr. Dana LeSher and Mr. Kevin Sanders of Harris & Associates led the COC and staff on a tour of the completed Markham Renovation Project.

CHAIRMAN'S REPORT

Mr. David Kenyon, Spokesperson mentioned that the Annual Report was presented to the Governing Board by himself last month. He also reminded the COC that selection of new members would be done soon and that new officers also needed to be appointed. Ms. Coop stated that the January, 2006 COC meeting would be the first meeting of the new members and new officers. Mr. Kenyon also requested that the Budget/Expenditure Report item be carried over to next meeting. Mr. Davison explained that there was very light activity in this report. This was agreed upon by voice consensus.

COMMITTEE MEMBERS' DISCUSSION

No items.

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FUTURE BUSINESS

Mr. Kenyon reminded everyone of the busy schedule in the next few months regarding the joint meeting and the public forums regarding Measure V and the future high school. The next regular meeting will be on November 10, 2005 at the new Facilities Department Conference Room, 343 Brown Street, Vacaville, 95688.

ADJOURNMENT

Mr. DuClair moved and Mr. Beecher seconded that the meeting be adjourned. Members voted 5-0 to adjourn the meeting at 7:48 p.m.