

**THESE MINUTES WILL NOT BE APPROVED UNTIL THE APRIL MEETING
CITIZENS' OVERSIGHT COMMITTEE MEETING for
Bakersfield City School District "Measure G"**

Thursday, January 15, 2009

Superintendent's Conference – Education Center – 1300 Baker Street

The ninth meeting of the Citizens' Oversight Committee was opened at 3:03 p.m. by Chairperson Stephanie Holladay.

Members Present: The following members were present:
Mr. Harry Chicklenis
Mrs. Stephanie Holladay
Mrs. Lori Hughes
Mr. Percy Robinson

Members Absent: The following members were absent:
Mr. Philip Field
Mr. Robert Palmbach
Mr. Brian Todd

District Staff Present: Mr. Steve McClain, Chief Business Official
Mr. Steve Gabbitas, Public Information & Communications Manager
(arrived later)
Mrs. Sherry Gladin, Fiscal Services Director
Mr. Ruben Solis, Facilities Director
Ms. Evelyn Goode, Recorder

Also Present: Mr. Bill McDougale, Member of the Bakersfield City School District Board of Education

Approval of Minutes: On a motion by Percy Robinson and seconded by Lori Hughes, it was ordered by the affirmative vote of the members present that the minutes of October 16, 2008, be approved.

Measure G Performance Audit: (included in packet) Steve McClain reported that the Performance Audit, conducted by Total School Solutions, was favorable and referred the Committee Members to Paragraph 2 on Page 5, which reads: "In our opinion, the Measure G funds are being expensed in accordance with Resolution No. XVIII passed by the Board of Education on July 25, 2006. It is also our opinion that, for the period ending June 30, 2008, the expenditures of the funds generated through Measure G bonds were only for the projects listed on the Bond Project List. We have also determined that the representations made to the public regarding the availability of State funds were true and reasonable and that management's estimates were reasonable and complied with the best practices in modernization and new construction of school facilities."

The Report also included several Commendations which can be found On Pages 16, 18, 30, 34, 38, 42, 50, and 53 of the Performance Audit.

The Report also included several Recommendations which can be found on Pages 34, 38, 42, 45, 51, and 53 of the Performance Audit.

The Report also included these findings in regard to bidding requirements which can be found on Page 51 of the Performance Audit.

Harry Chicklenis asked if this Audit was the first full-year audit?

Steve McClain responded that it was the first full-year audit.

Stephanie Holladay asked if Total School Solutions offers their services throughout the year in addition to preparing the Performance Audit?

Steve McClain responded that they do.

On a motion by Harry Chicklenis, seconded by Lori Hughes, it was ordered by the affirmative vote of the members present that the Measure G Performance Audit Period Ended June 30, 2008, be approved.

Proposition 39
General Obligation
Bonds Measure G
Financial Audit:
(included in packet)

Steve McClain reported that the Financial Audit provided by the certified public accounting firm of Brown Armstrong Accountancy Corporation was favorable. There were no issues. On Page 1 of the report, it states, in part:

“In our opinion, the financial statements referred to, present fairly, in all material respects, the financial position and results of operations for the Proposition 39 General Obligation Bonds Measure G of the Bakersfield City School District as of June 30, 2008, in conformity with accounting principles generally accepted in the United States of America.”

On a motion by Harry Chicklenis, seconded by Percy Robinson, it was ordered by the affirmative vote of the members present that the Measure G Financial Audit Period Ended June 30, 2008, be approved.

Stephanie Holladay asked if the Performance Audit and the Financial Audit will be presented to the Board of Education?

Steve McClain responded that both Audits will be on the January 27th Board agenda.

Annual Report for
2007-08:
(included in packet)

Steve McClain discussed the Committee’s “2007-08 Annual Report.” This Report will be presented to the Board at the January 27th Board meeting as part of the requirements of the Bond. Stephanie will be attending the Board meeting and Committee Members may attend if they wish to. Highlights from the Audit Reports included in the Annual Report are:

- the total amount expended for year ending June 30, 2008 was \$4,739,542
- the total amount expended cumulatively as of June 30, 2008 was \$5,062,277

Expenditures:

During the year ended June 30, 2008, 4 school modernization projects were under construction and 4 more were in planning stages. Eight security fencing projects were completed. Four security doors and 4 security camera projects were completed. Planning continues on modular classroom replacement projects and on new school site acquisitions.

Conclusion:

The Bakersfield City School District is in compliance with the requirements of Article XII A, Section 1 (b) (3) of the California Constitution.

The Bakersfield City School District website, www.bcsd.com/bond, provides information on Measure G, annual financial and performance audits, the Citizens' Oversight Committee and its activities.

Land Purchase:

Steve McClain reported that the District is in final negotiations to purchase 45 acres in the northeast. Currently the wording of the Purchase Contract is being finalized. The purchase price is \$4.5 million which will include costs to bring utilities to the site. The Purchase Contract will go to the January 27th Board meeting for approval. Once the Contract is approved, the appraisal is to be completed and there will be a "due diligence" of 150 days.

The location of the property is east of Stiern Middle School, off of Highway 184 – close to Chavez School, west of the location of the old Mesa Marin Speedway.

Lori Hughes asked what school will be built on the new property and how will the new school affect Chavez School?

Steve responded that there is room for an elementary and middle school. There will be, most likely, boundary changes made that could affect the attendance at Chavez School.

Stephanie Holladay asked if Thorner School could be affected?

Steve responded that if the boundaries are changed, it most likely would affect Thorner also.

Stephanie Holladay asked when ground breaking would take place.

Steve answered that escrow must close first and no ground breaking would take place until after the 150 days of due diligence.

Ruben Solis stated that once escrow closes, a sign will be posted announcing that the property is the site of a future school.

Lori Hughes asked if the current budget crisis will affect the building of the new school.

Steve McClain responded that there could be delays, but there is such a lengthy approval process before building can begin, so that by then the budget crisis should be improved.

Lori Hughes asked how soon the planning of the new school can begin.

Steve McClain responded that the Design Committee, which has already been established, would be brought back to continue their work.

Steve McClain also stated that once the new school process gets underway, evaluation of sites in the southeast, for a new elementary school, will begin.

Harry Chicklenis asked when the next installment of the Bonds might be issued.

Steve McClain responded that there is no set timeline. It is only as needed and \$66 Million is still there to be issued. Currently the market is not good to issue bonds.

Bill McDougle asked if plans for a new school go to the Division of the State Architect for approval.

Ruben Solis answered that yes, they do. In addition, the plans also go through the Office of Public School Construction and the State Department of Education. Between the planning, design and approval process, it can take a couple of years to get finished plans.

Financial Update:
(included in packet)

Sherry Gladin presented the unaudited Quarterly Expenditure Report for July 1 through December 31, 2008. The total dollar amount spent year-to-date through December 31, is \$2,488,727. The cumulative total of money spent-to-date is \$7,551,004. Work is on-going in all areas, especially security improvements.

Sherry also explained that a new page has been added to the Financial Update to report the District-approved change orders as requested by Phil Field at the last meeting.

Stephanie Holladay asked if there will be overages on accounts.

Sherry Gladin reported that there could be increases in the project budgets and those would come in the form of change orders.

Stephanie Holladay asked if the change orders are because of a contractor needing more money to complete a job.

Ruben Solis responded that a change order increase will only take place if an architect or contractor was unable to foresee a problem, and additional work is necessary, such as having to remove asbestos before renovation can begin. This would require a change order to cover the cost of the asbestos removal.

Harry Chicklenis asked if the Auditors ask questions regarding change orders?

Sherry Gladin responded that the Auditors look at everything, including change orders. All change orders must go to Board for approval.

Facilities Update:
(included in packet)

Ruben Solis presented the Facilities Update, “Status of Modernizations, DSA Buildings, and Security Projects.”

- ☞ **Chipman School** has a total of 4 phases and the overall project is 60% completed.
- ☞ **Curran School** has a total of 7 phases and the overall project is 70% completed.
- ☞ **Eissler School** had a total of 5 phases and the overall project is 100% completed.
- ☞ **Nichols School** had a total of 5 phases and the overall project is 100% completed.

Upcoming modernizations for Compton Junior High School and Evergreen and Pauly elementary schools are currently underway. Architects are working on the plans for submittal to the Division of the State Architect (DSA) by February, 2009.

Plans for the trailer replacements at Evergreen, Pauly, Garza and Wayside schools are underway:

- The 12 buildings and 1 restroom at Evergreen are in the design phase.
- The plans for the 9 buildings and 1 restroom at Pauly School have been approved by the DSA and will now go out to bid.
- The architect is working on the plans for the 18 buildings at Garza School.
- The DSA has approved the plans for the 9 buildings and 1 restroom at Wayside School and the bid opening for the concrete and electrical work took place today.

Security Iron or Chain Link Fencing Projects have been completed at 12 schools: Eissler, Evergreen, Fremont, Garza, Harding, Harris, Hort, Jefferson, Longfellow, Wm.Penn, Sierra and Wayside. Design phases are taking place at Curran, Mt. Vernon, Thorner and Washington schools.

Security Hardware and Campus Access Control Projects have been completed at 4 schools: Longfellow, Wm. Penn, Sierra and Wayside. Five projects are currently underway at: Casa Loma, Jefferson, Mt. Vernon, Thorner and Washington schools.

Security Camera Projects have been completed at 12 schools: Emerson, Fremont, Hills, Longfellow, H.Mann, Nichols Johnson Children’s Center, Johnson Community Day School, Sequoia, Stiern, Washington, and Wayside. Three school sites are in progress:

- Chipman – design phase
- Curran – out to bid in January, 2009
- Eissler – design phase

Percy Robinson asked what happens to the temporary classrooms, once Phase III is completed and the students move back into regular classrooms. Are they continued to be leased? How are they paid for?

Bill McDougle asked if the temporary classrooms get used at another school site.

Ruben Solis responded that once students are returned to regular classrooms, the temporary classrooms are removed from that school site and utilized at another school site which is scheduled for modernization. The classrooms are paid for with Bond funds.

Percy Robinson asked when Chipman should be completed.

Ruben Solis responded that the school should be completed by June or July.

Stephanie Holladay asked if different architects are used for different projects?

Ruben Solis responded that in 2002, 3 different architectural firms were approved by the Board for various District projects.

Bill McDougle asked how fencing around schools is maintained. Does it get painted?

Ruben Solis answered that fencing gets repainted when needed.

Stephanie Holladay asked if the security systems are different at each school site.

Ruben Solis responded that the District is standardizing the security systems.

Steve Gabbitas addressed the pictures attached to the Facilities Report. There are pictures of security cameras at H.Mann, Nichols, and Fremont schools. Pictures also show the fencing at Fremont, Harris and Wm. Penn schools.

Bill McDougle asked how the security camera works at Fremont School.

Steve Gabbitas responded that the principal of the school can utilize the zoom feature and rotate the camera to see around.

Comments:

Harry Chicklenis commended District Staff for their detailed and informative reports.

Steve McClain stated that the District's website has more information posted than many other school districts with Bond Oversight Committees.

Steve McClain asked Steve Gabbitas when the next issue of Direct Connection would be coming out.

Steve Gabbitas reported that the next issue of Direct Connection is scheduled to go out as soon as more is known about the budget situation.

Next Meeting:

Discussion was held and the next meeting of the Oversight Committee will take place on *Thursday, April 30, at 3 p.m.* The location is still being determined.

Notices will be sent to the Committee members.

Public Comments: Bill McDougle reported that he has received praise from Curran School staff for the way their modernization project has turned out. Teachers are moving back into their classrooms.

Adjournment: On a motion by Percy Robinson, seconded by Harry Chicklenis, it was ordered by the affirmative vote of the members present that the meeting be adjourned.

The meeting adjourned at 3:53 p.m.