

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

Thursday, January 26, 2012
Superintendent's Conference Room – 1300 Baker Street

The meeting of the Citizens' Bond Oversight Committee was opened at 3:05 p.m. by Chairperson Edgar Pankey.

Members Present: The following members were present:
Mr. Edgar Pankey
Mr. Matt Michael
Mrs. Sherri Ostly
Mr. Michael Turnipseed

Members Absent: The following members were absent:
Mrs. Amanda Pitts
Mr. Jarrell Epp
Mr. Robert Cortez

District Staff Present: Mr. Steve McClain, Chief Business Official
Mr. Steve Gabbitas, Public Information & Communications Manager
Mrs. Sherry Gladin, Fiscal Services Director
Mr. Ruben Solis, Facilities Director

Approval of Minutes: On a motion by Matt Michael and seconded by Sherri Ostly, it was ordered by the affirmative vote of the members present that the *corrected* Minutes of October 20, 2011, be approved.

Introductions: Steve McClain announced that Robert Cortez has replaced Heather Garcia. Mrs. Garcia could no longer serve on the Committee as she recently became an employee of the Bakersfield City School District.

Measure G Performance Audit: (included in packet) Steve McClain reviewed the Performance Audit, which is required by law. The audit was conducted by Total School Solutions (TSS). The Audit will be presented to the Board of Education on February 21, 2012.

Mr. McClain reviewed highlights of the Performance Audit and pointed out to the Committee that at the end of each section of the Audit, TSS has provided their "Observation," their "Findings," their "Conclusion," and their "Recommendation."

Mr. Pankey asked if the District has a plan for issuing a second bond?

Mr. McClain responded that the District is considering issuing bonds in the spring. He also stated that the District passed a Resolution in November which will allow the District to expend District funds in order to continue on projects and then reimburse the District out of the proceeds of the Qualified School Construction Bonds.

Pages 13-18, discussed the Compliance with State Law, Guidelines, and District Policy. Mr. McClain noted that the Observation stated: "As reported in prior audit reports, the District has made significant progress in updating its Series 800 (Facilities) policies and regulations. While no revisions have been made to policies since June 24, 2008, the District has subscribed to the California School Boards Association's policy update service. Since keeping policies current is an ongoing process, periodic reviews and revisions constitute best practices." Mr. McClain stated that the District will be updating more policies.

While reviewing the Payment Procedures of the Performance Audit, discussion was held on the procedures for handling scrap metal. Mr. McClain outlined how the District is now handling this matter.

Mr. Turnipseed asked that he be sent an electronic copy of the Performance Audit and the Financial Audit.

Measure G
Performance Audit
Approval:

On a motion by Michael Turnipseed and seconded by Edgar Pankey, it was ordered by the affirmative vote of the members present that the Measure G Performance Audit be approved.

Measure G
Financial Audit:
(included in packet)

Sherry Gladin reported that the Financial Audit, prepared by the certified public accounting firm of Brown Armstrong Accountancy Corporation was favorable and was approved by the Board of Education on January 24, 2012. Mrs. Gladin read aloud the following statement from the Independent Auditor's Report: "In our opinion, the financial statements referred to above 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, 2011, in conformity with accounting principles generally accepted in the United States of America."

Mrs. Gladin also noted that under "Current Year Findings" on Page 10 of the Audit Report, "there were no findings and questioned costs related to the financial audit of the Proposition 39 General Obligation Bonds Measure G for the fiscal year ended June 30, 2011."

Mr. Turnipseed wanted to know why the Financial Audit was presented to the Bakersfield City School District Board for approval before the

Oversight Committee had a chance to review it. Mr. Pankey agreed with Mr. Turnipseed and recommended that the Performance Audit and Financial Audit be presented to the Oversight Committee first before going to the Board of Education.

Mr. McClain responded that in the past the audits were presented to the Committee first but this year there was a delay in the Committee meeting date.

Measure G
Financial Audit
Approval:

On a motion by Michael Turnipseed and seconded by Matt Michael, it was ordered by the affirmative vote of the members present that the Measure G Financial Audit be approved.

Annual Report
For 2010-11:
(included in packet)

Steve McClain discussed the Committee's "2010-11 Annual Report." This Report will be presented to the Board of Education at the February 21 Board meeting. Committee members are welcome to attend the Board Meeting which will begin at 6:30 p.m. in the Board Room of the Education Center.

Included in the Annual Report are highlights from the Audit Reports which include:

- The total amount expended for the year ended June 30, 2011 was \$9,667,193.
- The total amount expended cumulatively through June 30, 2011 was \$34,628,266.

Also included in the Annual Report are the Expenditures which included: "As of June 30, 2011, four school modernization projects have been completed, two projects were in progress and two more were in the planning stage. Twenty-seven security fencing projects have been completed and three more were in the planning stage. Fourteen security door projects have been completed and five more were in the planning stage. Twenty-eight security camera projects have been completed, two projects were in progress, and twelve were in the planning stage. Seventy-two trailer replacements have been completed, sixteen were in progress and fifty-three more were in the planning stage.

At the end of fiscal year 2010-11, the plans for the new elementary school and middle school were submitted to the Division of the State Architect for approval. Approval was received on January 20, 2012. The construction team anticipates breaking ground in early 2012."

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

Financial Update: Sherry Gladin presented the Unaudited Quarterly Expenditure Report for (included in packet) October 1, 2011 through December 31, 2011. The total amount spent during this quarter was \$198,857. The total amount spent year-to-date through December 31 is \$625,439. The cumulative total of money spent-to-date is \$35,253,706.

Sherry then presented the Change Orders for Modernization Projects and for the Permanent Modular Classrooms.

Facilities Update: Ruben Solis distributed pictures of completed projects at Evergreen and (included in packet) Pauly schools and then he presented the Facilities Update, "Status of Modernizations, DSA Buildings, and Security Projects" and reviewed this with the Committee:

MODERNIZATIONS:

Evergreen: is now 100% complete

Pauly: Phases I and II are completed and Phase III is in progress

Compton: Bid opening date to be determined

Voorhies: Bid opening date to be determined

COMPLETED SCHOOLS:

Chipman, Curran, Eissler and Nichols are all completed with some outstanding soft costs remaining.

PERMANENT MODULAR CLASSROOMS (PMCs):

McKinley: Sacramento DSA has approved the plans for 4 classrooms and 1 restroom

Pioneer: Sacramento DSA has approved the plans for 8 classrooms and 1 restroom

Sequoia Middle: is in Design Phase for 9 classrooms and 1 restroom

COMPLETED PMCs:

College Heights, Evergreen, Fremont, Garza, Hort, Munsey, Pauly, Wayside and Frank West schools are completed

SECURITY PROJECTS:

Fencing:

Chipman, McKinley and Voorhies remaining. Twenty-seven schools have been completed. Iron fencing was also installed at the S.E.A.L. Center, located at the Special Education Department

Campus Access Control:

Chipman, Compton, Curran, Voorhies and Williams need to be done
Fourteen schools have been completed

Buzzer Controls:

Chipman, Compton, Curran, Franklin and Voorhies need to be done

Thirty-three schools have been completed

Security Cameras:

Cameras are being installed at: Casa Loma, Franklin, Noble, William Penn and Roosevelt schools

Cameras still need to be installed at: Chavez, Evergreen, Harris, McKinley, Pauly, Thorner, Voorhies and Frank West schools

Twenty-Nine schools have been completed

Mr. Michael asked how many cameras are installed at a school.

Mr. Solis responded that each school site is different, but there are numerous cameras installed at each school.

Mr. Pankey asked how long data is stored on the cameras.

Mr. Gabbitas responded that the data are stored on hard drives here at the District office and they are kept for approximately one month.

Mr. Michael asked if cameras are placed on school buses.

Mr. McClain responded that some do have actual cameras while others have “dummy” cameras that are used as a deterrent - the cameras are rotated from bus-to-bus periodically and as needed.

New Schools Update:

Ruben Solis reported that the DSA (Department of State Architect) gave their approval for the new schools on January 20, 2012. He also reported that a contract to begin dirt work at the site went to Board on January 24, 2012 and was approved.

Mr. McClain announced that a ground breaking ceremony could take place in March. The families of the persons for whom the schools will be named will be invited to attend as well as all members of the Bond Oversight Committee, past and present.

Next Meeting:

Discussion was held and the next meeting will take place on Thursday, April 19, at 3 p.m. at a location still to be determined. Notices will be sent out.

Public Comments:

There were no comments from the public.

Adjournment:

On a motion by Edgar Pankey and seconded by Matt Michael, it was ordered by the affirmative vote of the members present that the meeting be adjourned.

The meeting adjourned at 4:18 p.m.