

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

Thursday, January 10, 2008
Nichols Elementary School – 3401 Renegade Avenue

The fifth meeting of the Citizens' Oversight Committee was opened at 3:15 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: Mrs. Schallock, Chief Business Official
 Mr. Steve Gabbitas, Public Information & Communications Manager
 Mr. Steve McClain, Fiscal Services Director
 Mr. Ruben Solis, Facilities Director
 Ms. Evelyn Goode, Recorder

Also Present: Mrs. Debra Craig, Principal, Nichols School

Approval of Minutes: On a motion by Lori Hughes, seconded by Percy Robinson, it was ordered by the affirmative vote of the members present that the minutes of October 25, 2007, be approved.

Land Purchase Update: Teri Schallock reported that the District is currently in negotiations with landowners for the purchase of land for an elementary school and a middle school. Their attorneys and ours have been busy reviewing/discussing the purchase contract language and prices. The architectural firm has been asked to review the sites as to acreages and land features.

The land for the elementary school site is actually two pieces of property belonging to 2 sellers. One piece is a 10 acre parcel and the other piece is an adjoining 5 acres. If one seller agrees to sell 1 section of property and the other seller does not, the deal will be void.

The middle school land site is located south of Highway 178. Many developers in the area have their projects on hold, which includes roads in and around the area. If the roads are not built by the developers, this means the District would be responsible for the building of the roads.

Mr. Robinson asked if there was a time limit for the District to use the Bond money for the purchase of property?

Mrs. Schallock responded that the District has 36 months to utilize/spend the Series A bond funds. If the 36 months have passed, we can still spend the money; however other requirements come into play. A sizable amount of the funds will be utilized for the purchase of land. In addition, the Board of Education is interested in the purchase of land for a future 3rd school site and currently our realtor is looking for land.

Mrs. Schallock referred to Handout #1-“School Site Acreages.” This is for the Members’ information as to the various District schools and their acreages.

Annual Report for
2006-07
(a handout in packet)

Mrs. Holladay discussed the Committee’s “Annual Report Summary”- Handout #2. This Report includes an Introduction, the Requirements of the Oversight Committee, the Committee and District Support Staff Memberships, information pertaining to the required audits, highlights from the audit reports, and expenditure information. Mrs. Holladay will be attending the District’s Board meeting on Tuesday, January 22, 2008, at 6:30 p.m. Committee Members may attend if they wish to do so. An in-depth power point will be presented at that time–copies were distributed to Members in attendance. Information contained within include:

- the purpose of the Committee
- Committee membership
- District support staff
- when the Resolution was adopted calling for the bond measure
- election results
- when the Oversight Committee began to meet
- information pertaining to the first issue of Measure G Bonds
- list of projects underway
- pictures of these projects
- the duties of the Committee

Mr. Chicklenis expressed his satisfaction with the report saying that it is well done and very informative.

Mr. Robinson asked if the Board members will be receiving copies of the audit reports?

Mrs. Schallock replied that they would be receiving copies in their Board packets. Steve McClain reported that the audits will be on the District’s website on the Bond Oversight Committee’s webpage.

Measure G
Performance Audit

Steve McClain reported that the Performance Audit was favorable and referred the Committee Members to paragraph 2 on page 3, 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, 2007, 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 or school facilities."

The Report gave several commendations, two of which can be found on page 15 of the Report, which read:

-“The District is commended for taking initiative to establish a Citizens’ Bond Oversight Committee in advance of the Measure G election to ensure it met the constitutional requirements to have a committee in place within 60 days.”

-“The Citizens’ Bond Oversight Committee and the District are commended for maintaining their respective websites with current meeting and project information.”

Only one Finding was reported, which can be found on page 13 of the Report, which reads:

“The District’s Board policies and administrative regulations do not reflect recent state statutes and regulations related to school district facilities programs within the State of California.”

Along with this Finding, the Report gives a “Recommendation,” which reads: “It is recommended that the District utilize model policy and regulation documents developed by the California School Boards Association (CSBA), the Association of California School Administrators (ACSA), the California Association of School Business Officials (CASBO), or policies and regulations developed by other school districts to develop and update facilities program policies and regulations. In developing District policies and regulations, the District should place an emphasis on local District conditions and needs within the larger state context and regulatory environment.”

Mr. Robinson asked who would be responsible for answering any questions the Board members might have regarding the Performance Audit?

Stephanie Holladay responded that Total School Solutions, who prepared the Report, will have a representative at the meeting to answer any questions.

On a motion by Lori Hughes, seconded by Harry Chicklenis, it was ordered by the affirmative vote of the members present that the Measure G Performance Audit Period Ended June 30, 2007, be approved.

Proposition 39
General Obligation
Bonds Measure G
Financial Audit

Steve McClain reported that the Financial Audit provided by the certified public accounting firm of Brown Armstrong was favorable. 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, 2007, in conformity with accounting principles generally accepted in the United States of America.”

On a motion by Percy Robinson, seconded by Lori Hughes, it was ordered by the affirmative vote of the members present that the Proposition 39 General Obligation Bonds Measure G Financial Audit – Fiscal Year Ended June 30, 2007, be approved.

State of California
Five-Year Plan
Deferred
Maintenance
Program
(a handout in packet)

Teri Schallock reviewed Handout #5, the “State of California Five-Year Deferred Maintenance Program” which is a required document of the State Allocation Board.

Mr. Robinson asked what happens when asbestos removal is not completed by the third year of the Deferred Maintenance Plan?

Ruben Solis responded that if asbestos removal is not completed by the 3rd year, it gets carried over.

Financial Update
(a handout in packet)

Steve McClain reviewed Handout #6-Quarterly Financial Report (unaudited) for July 1, 2007 through December 31, 2007.

Security Improvements (@ 10 schools)	\$276,509
Modernizations (@ 4 schools)	\$343,664
New School Environmental Study (this Study was on the previous land)	\$ 3,348
General Expenses	<u>\$ 9,000</u>
Total Bond Expenditures	\$632,521
Total Bond Expenditures 2006/2007	<u>\$322,735</u>
Total Bond Expenditures (Cumulative)	\$955,256

Mr. Robinson asked what costs are included in the “General Expenses” category?

Steve McClain responded that this category includes the elections costs, audit expenses and the costs of the modernization “billboards.”

Mr. Robinson asked if Steve’s Financial Report will match the official Financial Report prepared by Brown Armstrong?

Steve McClain answered that the Brown Armstrong report ends at June 30, 2007 and his Financial Report is up-to-date through December 31, 2007.

Direct Connection
(a handout in packet)

Steve Gabbitas reviewed Handout #7-*Direction Connection* which is scheduled to go out to all students and staff next week. The cover of this issue is on the Measure G Bond Update. In addition to the Direct Connection, an e-mail newsletter is scheduled to go out which also features the Measure G Bond Update.

Next Meeting

Discussion was held and the next meeting of the Oversight Committee will take place on [Thursday, April 24, 2008, at 3 p.m., in the Superintendent’s Conference at the Ed. Center.](#)

Notices will be sent to the Committee members.

Mrs. Schallock shared that at the April meeting, the Committee will have to discuss the terms for the Oversight Committee. Phil Field, Stephanie Holladay and Percy Robinson have 1 year terms that will have expired. Mr. Robinson stated that he would be happy to serve another year on the Committee.

Tour of Nichols School Modernization Before leading the Committee and District Staff members on a tour of the modernizations taking place at Nichols School, Ruben Solis, distributed pictures of modernization projects taking place at Chipman, Eissler, and Nichols schools. The tour was of a classroom being completely renovated. There will be five classrooms modernized at Nichols School.

Public Comments There were no comments from the public.

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

The meeting adjourned at 4:14 p.m.