

NATOMAS UNIFIED SCHOOL DISTRICT
Citizens' Bond Oversight Committee Meeting
Measure L

Location: Ed Center
1901 Arena Blvd.
Sacramento, CA 95834

Monday, April 29, 2019 - 6:30 p.m.
MEETING MINUTES

I. Roll Call

Present: Mariana Sabeniano, Sumiti Mehta, Stacy Scarborough, David Kawada, Scott Lipton, Kathleen Fullerton, Rebecca Bitter, Rachel Davis, Joseph Earl, Jayme Richards, Kristopher Lewis, Selah Schoech, Laura Zuniga, Moises Lopez, Margaret Mack

Absent: Erin Naudin, Majannie Akintinde

Staff Present: Javetta Cleveland, Lalanya Rothenberger, Jennifer Mellor

Guest: Brian Quint

Meeting called to order by Lalanya Rothenberger at 6:35 pm

II. Communications

A. Welcome/Introductions

Lalanya Rothenberger introduced herself, Executive Director of Facilities, Javetta Cleveland, Deputy Superintendent, Jen Mellor, Project Manager, Erica Sazo, Admin Secretary. Lalanya asked each member to introduce themselves and a reason the members joined the Measure L committee.

III. Public Comments

Presentations from the public are limited to two (two) minutes regarding any item that is within the Committee's subject matter jurisdiction. Please note that Government Code Section 54954.2(a) limits Committee Members responses to public comments.

IV. Information Items

A. Committee Membership

Lalanya shared with everyone that all applicants that applied to the Measure L Citizens Bond Oversight Committee were taken to the Board for approval of appointment. On March 13, 2019 the Board approved 17 members for the

Measure L Citizens' Bond Oversight Committee.

B. Form 700

Lalanya explained Form 700 needed to be completed upon assuming office. Members were asked to turn in the form at the meeting or to email it to Erica. Jen explained the purpose of the Form 700. She shared that the form needs to be completed when becoming a new member, when leaving the committee and annually in April. Jen went on to explain what interest of conflict is or would be considered.

C. Board of Trustees (Items from Board Meetings)

Lalanya shared Resolution 19-01 with the members and explained Measure L was passed by voters with 68% approval on November 6, 2018 and was Board approved on January 16, 2019.

The next item Lalanya shared was Resolution 19-02 making a determination to submit a waiver request to the California State Board of Education (SBE).

Lalanya explained the waiver is to increase the 2.5% assessed value of property to 3.0%. Javetta shared that we do not receive a \$172 million check upon passing of the Measure. This District has to sell bonds which are repaid by the taxpayers. The waiver allows NUSD to get money from our bonds sooner and to start projects. If we did not get SBE approval of the waiver, the first issuance would be only \$12 million. If the SBE waiver is approved that will increase to approximately \$59 million for the first issuance and \$48 million for the second. Brian Quint explained to the members this is very common practice. He stated he has never seen the SBE not allow it to be done and NUSD is not asking for that big of an increase. Brian explained sooner equals lower costs because of escalation. Javetta shared NUSD received a SBE waiver for Measure J and it was successful for funding Star Academy and other projects earlier.

Question from a committee member: How long does it take? Brian answered- We should know around May 8, 2019.

Lalanya shared Resolution 19-07 approving form Bylaws for Measure L. The Board approved the CBOC establishing Measure L and the Bylaws on March 13, 2019.

D. Presentation from Brian Quint from Quint and Thimmig, LLP (Roles and Responsibilities)

Brian Quint explained roles and responsibilities to the members. He explained members do not decide what NUSD spends the bond money on. The role of the CBOC members is to make sure the money is spent correctly and to ensure the Board is spending the funds. It is the Board's role is to decide where the money will be spent. Brian explained the project list attached to the packet is an estimate of what the money will be spent on. Brian added NUSD is a growing district and

there is a need for more schools. Brian explained Measure L is \$172 million. The first \$59 million issuance will be available in August and the Board will have the right to spend the money immediately. There will be a lot of projects done with Measure L and NUSD will assign standing subcommittees in a future CBOC meeting to review all of the projects. Once a project is complete NUSD will call members to come in and review the expenditure reports. Brian shared all committee members serve 2 year terms for no more than three consecutive terms. Brian asked members if they had any questions?

Question: Selah Schoech asked what if the members have a question about expenditures? Brian explained to her to bring the question to the CBOC meeting. Javetta shared there is a project report the member writes once he/she has completed a project audit, and the member can indicate in the report any concerns or that there were no findings noted.

Question: David DeLuz- Asked if a member or the committee can take a committee recommendation to the Board-Brian answered yes, members can do that.

Question: Moises Lopez asked about admin salaries-Brian and Javetta shared bond money can be spent on salaries that are directly a part of project planning and project construction. For example, my salary and Lalanya as Executive Director are not charged to bond funds. However, Jen Mellor, Project Manager, works directly with planning and construction, and therefore can be charged to the bond funds. Brian went on to explain why investors invest in Bond funds. Investors that buy the bonds will not need to pay income tax and as a result the interest rate is low.

Question: Joseph Earl- Are the roles of the Bond Oversight Committee going to include Section 4.1(c) of the Bylaws which states the committee's job is to review the Districts efforts to maximize bond proceeds in ways designed to reduce costs...incorporate efficiencies in school site design...encourage joint use of core facilities or invoice cost-effective and efficient reusable facility plans Brian Quint explained the Committee or any member is welcome to provide public comment or any letter of recommendation to the Board. However, Bylaws are standard form and the job of the committee is to review the project expenditures and to ensure that NUSD is using the funds for projects that align with Measure L ballot language.

Question: David DeLuz- asked about design principles and how we decide what we are constructing. Javetta referred David to the Facilities Master Plan (FMP) on the NUSD website.

Question: Rebecca Bitter- will the members violate the Brown Act by talking about what occurred during the CBOC meetings outside of the actual meeting?

Brian answered a violation only applies if several members are making a decision outside of the meeting by having discussions.

- E. 2018-19 Performance Audit (Audit Firm Recommendation-Selection)
Javetta shared Gilbert & Associates just concluded their 3-year commitment performing the Proposition 39 Performance Audits for Measure D and Measure J. They have now been selected as our District Independent Auditors and made it necessary for staff to seek services from a different audit firm for our Bond Measure Performance Audits.
Staff reviewed a proposal from the audit firm of James Marta & Company, LLC and conducted an interview. Javetta shared they had excellent references and have been in business since 1988. They have over 300 school district clients and perform 100 district audits per year. A contract with James Marta & Company, LLC will be taken to the Board Meeting for approval on June 5th. The contract will be for 3 years and rates are less than what we have paid in the past. Javetta reported our rates with Gilbert & Associates was \$10,000/per year. The new rates with James Marta & Company, LLC will be \$7,900 for the first year, \$8,200 for the second year, and \$8,500 for the third year..

V. Action Items

- A. Approve Meeting Dates and Time for 2019-2020
August 26, 2019
October 28, 2019
January 27, 2020
April 27, 2020
The time for the CBOC Measure L meetings to be held was decided to be at 6:30 pm. The dates on the agenda for August and October were incorrect and were corrected to be on the last Monday of the month.
Question from a committee member: A committee member asked will there be extra meetings for site walk throughs? Javetta explained there would be site visits at the beginning or the end of each meeting.

VII. Adjournment

Meeting adjourned at 7:23 pm

Note: Assistance for the Disabled: Please contact the Deputy Superintendent's Office at (916) 567-5457 at least 24 hours before the scheduled Citizens' Bond Oversight Committee meeting to request disability-related accommodations in order to participate in the public Citizens' Bond Oversight Committee meeting.