

San Luis Coastal Unified School District
Minutes of the Measure D Citizens' Bond Oversight Committee - Monday, June 1, 2015
District Conference Room (B3) - District Administration Complex
1500 Lizzie Street - San Luis Obispo, CA

These minutes were approved at the October 5, 2015 CBOC Meeting.

1. Open Session - The meeting was called to order at 10:05 a.m.

1.01 Roll Call and Establishment of Quorum

Members Present: Chris Delaney, Julie Dittmore, Christopher Lopez, Jeannie Potter, Ken SanFilippo, Royaa Silver, Jim Stanfill

Support Staff Present: Anthony Palazzo, SLCUSD Director of Facilities & Operations; Ryan Pinkerton, SLCUSD Asst. Supt./Business; Julie Avnit, Spectrum (Consultant);
Committee members and staff introduced themselves.

1.02 Public Comment

There were no requests to address the Committee.

2. Action/Discussion Items

2.01 Measure D-14 Bond Program Introduction

Mr. Pinkerton gave a general overview of the text of the bond measure, its inception, and the needs of the sites, especially at the comprehensive high schools. He walked the group through the Facility Master Plan, showing them the site plan and assessment data, explaining how they can access the information. Anthony Palazzo briefly reviewed the data page before Mr. Pinkerton explained the timeline of the bond conception, passage, and where the district currently stands as well as where it is going.

Mr. Stanfill asked about the seven-year projection adoption. Mr. Pinkerton answered that the Board has not adopted it but will do so after the study sessions are complete. He added some of the elementary schools have high priority projects as well based on needs assessment and the Facility Master Plan. In addition to bond funds, staff is looking into state funding eligibility. Mr. Pinkerton addressed questions about Developer Fees, explaining growth determination and the process through which fees were received.

In response to Mr. Stanfill's questions regarding Prop 39 funding, Mr. Pinkerton reported the district has an advisor assisting with it, using the funds to do the lighting and remote settings in all but the high schools. Mr. Palazzo added the funds would supplement Measure D funds.

2.02 Introduction to Roles and Responsibilities

Mr. Pinkerton reviewed the five tasks the Board has set for the CBOC.

1. Review annual financial and performance audits to ensure there are no issues in terms of the audit and receive updates from Julie Avnit. Following that, the CBOC determines whether the district is spending money as it is meant to be, and reports its findings to the Board.
2. Ensure bond funds are spent as outlined in the bond measure.
3. Ensure bond funds are not spent on administrators, teachers, or ongoing costs. They can, however, be used for ongoing program management if it is tied to construction.
4. Look at the overall plan for construction and deferred maintenance to make sure sites are kept up.
5. Review efforts by the district to ensure it is stretching the dollars as much as possible.

Chris Delaney asked about the expenses for project management for administrators. Mr. Pinkerton responded that there will be full-time positions specifically tied to Measure D.

2.03 Organizational Matters

Mr. Pinkerton thanked the committee for volunteering and suggested quarterly meetings during the planning stages, explaining where the meeting agendas and minutes will be posted. The bylaws state that there is a three-term limit. Two committee members will start with a one-year term while the other five will start with a two-year term, so as to stagger the terms.

By motion of Jim Stanfill, seconded by Jeanne Potter, to nominate Ken SanFilippo as Chair of the Citizens' Bond Oversight Committee. (Passed: 7-0)

By motion of Jolie Dittmore, seconded by Royaa Silver, to nominate Jim Stanfill as Vice Chair of the Citizens' Bond Oversight Committee. (Passed: 7-0)

The Committee Members drew lots to determine initial term length with Ken SanFilippo and Royaa Silver drawing one year; and with Chris Delaney, Jolie Dittmore, Christopher Lopez, Jeanne Potter, and Jim Stanfill drawing two years.

Mr. SanFilippo suggested the following meeting dates and times for the next school year:

September 28, 2015 10:00 - 11:30

December 7, 2015 10:00 - 11:30

March 7, 2016 10:00 - 11:30

June 6, 2016 10:00 - 11:30

3. Presentations

3.01 Budget Tracking Process

Ms. Avnit walked the committee through the multi-year cash flow projections, discussing the projections, based on conservative numbers. She answered questions about bond sales by explaining the calculation on assessed values with Mr. Palazzo, adding the figures are tied to the State statutory minimum per square foot. Mr. Pinkerton provided further insight on bond rating determination.

Ms. Avnit described the Prop 39 funds and how Bellevue-Santa Fe is working with the District. She added a State bond initiative is currently being put forward that may allow the district to receive additional funds beyond 2017-18. Mr. Palazzo added that, as our buildings age, they become eligible for state modernization funding.

Julie said she would be coming back with more information at the next meeting. She explained how the cash flow projection worksheets operate and how the dollar figures are tracked. She then explained the budget for project administration with staffing levels, consultant fees, miscellaneous legal fees, things that are non-project specific.

In response to Mr. Delaney's question regarding the Morro Bay High School Pool Project Sheet of the attachment, Ms. Avnit explained they had to work forward from the date of the bid. Mr. Pinkerton added that there has been intensive planning for the high schools in order to allow Ms. Avnit to update her paperwork, and construction is anticipated to begin January 2016. Mr. SanFilippo asked how the costs were projected and how accurate it is with the bid process.

Ms. Avnit responded to Mr. SanFilippo's questions regarding the process through which costs were projected and the accuracy of the bid process by stating Mr. Palazzo and his team do not wait for the bid. Rather, they develop estimates well before the bidding occurs to get an idea of what the bids will come in at, using past experience with similar projects and current material costs. Mr. Palazzo said a rough estimate is the first step, followed by detailed cost from an outside independent estimator on specific projects and designs. In working with a lease-lease back agreement model, the contractor becomes a part of the team and provides their input. Ms. Avnit added that the focus was to minimize any potential surprises in costs by carefully planning for every contingency.

Ms. Potter commented that it appeared communication with the public is an important task for the committee and asked how it might be done. Mr. Pinkerton responded that Superintendent Prater is working with a public relations company to develop a website and begin a campaign strategy. When the information is available, it will be forwarded to the committee.

3.02 Overview of Construction Program and Introduction of Staff

Mr. Pinkerton expressed confidence in the incredible internal staff, giving a brief description of Mr. Palazzo and Mr. Steve Stewart's background and experience. He described the director's stipend and the other in-house and contracted positions tied primarily to Measure D. Mr. SanFilippo reiterated the importance of the CBOC being familiar with the costs of projects and how the money is spent.

4. Adjournment

The meeting adjourned at 11:42 a.m., to meet again on September 28, 2015.

At the next meeting, Mr. Pinkerton will go over all the money spent this fiscal year, the lease-lease back agreements, the analysis, and the site plans. The new website should be up to provide the public with information and answers to their questions.

Respectfully submitted,

RYAN PINKERTON, Assistant Superintendent/Business Services and
Secretary to the Citizens' Bond Oversight Committee