

Minutes of Citizens' Bond Oversight Committee
Meeting of May 21, 2004
9:00 a.m. * Business Services Conference Room
*** 211 Ridgway Avenue**

The meeting was called to order by Chair Jack Atkin at 9:08 a.m.

In Attendance for all or part of the meeting: Oversight Committee Members Jack Atkin, Lilo Kangas (9:20), Bill Keck, Lee Tipon, Ron Scoggins (9:15) & Sandy Daly (9:35). Staff Members Doug Bower & Louise Bostrom.

Absent Committee Members Evelyn Zientek & Patty Collis

The agenda was adjusted to take up the action items first to accommodate Ron Scoggins' schedule because he had to attend another meeting in the Board Room at the same time.

Approval of Minutes

Bill Keck moved and Lee Tipon seconded approval of the minutes of the February 20, 2004 meeting as presented. Motion carried 4-0. The committee members requested that in the future they would like the minutes distributed via e-mail in draft form to all members as soon as possible after the meeting but that they not be posted to the web site until they are approved.

Audit Report Resolution

Bill Keck moved and Ron Scoggins seconded approval of the audit report resolution that had originally been proposed in verbal form at the February 20, 2004 meeting as follows:

"The financial audit and performance audit report for the elementary and high school districts for the fiscal years ending 6/30/02 and 6/30/03 are accepted.

In the performance audit reports the auditors addressed a number of issues related to the District's compliance with the provision of the law related to these bonds. The auditors did not report any exceptions.

Complete copies of the reports are available to the public at the District's office."

A discussion followed on the subject of whether the District was delivering the promises made to voters on all of the ballot items, even though the recorded expenditures were found to be compliant. For instance, each individual school listing on the ballots included a line item for toxic materials removal, including asbestos and lead-based paint. Is this being done at each school site as the voters were lead to believe? Doug reported that it is done as a normal part of modernization projects but is not recorded separately since it is part of a comprehensive contract. He indicated that his office will make an effort to identify such expenses independently and will have further information for next meeting. Following the discussion, the original motion carried 5-0.

There being no further action items, Ron Scoggins excused himself at 9:25 to attend another meeting.

Review Requested Information

There was no requested information from the previous meeting.

Review of Pending Projects

Doug Bower shared a one-page summary list of all the District's summer construction projects that have been approved by the Board and noted that multiple funding sources are involved, not just Measure B and C bond funds. Discussion followed on the current bidding climate. Doug indicated that the largest B & C project, the two-story DeSoto Hall at SRHS, will soon be out to bid and, hopefully, will be in line with cost estimates.

Lilo asked if the new building would permit expanded enrollment at SRHS; Doug replied that would not be the case as an equal number of portable classrooms will be removed from the campus upon completion of DeSoto Hall.

Bond Sales and Refinancing

Doug Bower reviewed an information packet from Government Financial Strategies describing the second round of bond sales for Measures B & C and refinancing of the mid-1990's bonds. The District has received an A+ rating from Standard and Poor's due the good fiscal management of the District's general fund by the Board and a strong property valuation base within the District. There were several questions about the rates and the bidding process in general, not all of which Doug could answer. He offered to invite a representative from the District's financial advisory firm, Government Financial Strategies, to a future meeting but committee members felt this would not be necessary.

Requests for Information

There are no requests for information for the next meeting.

Other Matters from Members

Doug Bower reported that Ron Scoggins had informed him prior to the meeting that either he or his wife will likely run for the Board of Education in November. He wanted the committee to know that if one of them is elected, Ron will have to resign his position on this committee due to the conflict of interest. When Ron returned to the Oversight Committee meeting he introduced another Piner parent, Cheri Wanger who also had been attending the other meeting in the Board Room. Cheri would be interested in filling Ron's position on the Oversight Committee if it becomes vacant in the future.

A discussion was held by the committee on the frequency of meetings. Lilo stated that three months between meetings is too long for her. However, Jack was reluctant to revisit committee organization and he would like to leave the schedule as it is for now and revisit the issue at a later time. Bill felt one or two meetings are adequate unless there is an issue that needs immediate attention. A discussion was held as to whether publication of meeting minutes on the web site fulfilled the committee's requirement to report to the public. In response to an inquiry, Jack will get information on the meeting schedule of the Santa Rosa Jr. College oversight committee. Lee felt that meeting three times per year was adequate.

Bill Keck questioned the purpose and focus of the committee. Jack felt there is an opportunity to define the committee's role for the future but it doesn't make sense to reanalyze work that professional auditors have done. He further feels that the committee's primary role is reporting to the public. If there are no events, the role is limited and public reporting could be after the fact because the issues are not typically time sensitive. Meeting once or twice a year could easily accomplish the committee's role.

A discussion was held of items that could possibly be on the agenda for the October 15, 2004 meeting or if the meeting was necessary. It was decided to leave it on the calendar for now; and if by September 10 there is nothing to report or a hot topic to discuss, then the next meeting could wait for February 2005 when the next audit report was available. The "hot topics" could be anything Doug might have to report, use of bond funds for construction manager's salary or meeting with auditors sometime when they happen to be in the District.

Bill Keck asked if an active recruitment was taking place for the two remaining elementary school positions. Doug reported that parents from Brook Hill Elementary (PFO President Debra Adams) and Hidden Valley (Brenda Coomes) are very interested and will be contacting Jack regarding the committee's work.

Meeting Adjourned at 10:10 a.m.

LB 5/21/04/DB 5-25-04