



Chula Vista Elementary School District

**PROPOSITION E
INDEPENDENT CITIZENS OVERSIGHT COMMITTEE**

**Minutes
Regular Meeting
March 16, 2016 – 6:00 P.M.
Dr. Lowell J. Billings Board Room
Education Service and Support Center**

1. Call to Order

Chairperson Dr. Diane Gerken called the meeting to order at 6:02 P.M.

2. Introductions

Dr. Gerken introduced Mike Mears, independent auditor with Wilkinson Hadley King & Co. LLP

3. Roll Call

Members Present:

Debbie Croshier
Dr. Diane Gerken
Mary I. Helvie
Karyn Koenig

Members Absent:

Ami Abbott
Marina Beltran
Sean R. Dunbar

Others Present:

Oscar Esquivel, Assistant Superintendent for Business Services and Support
Rudy Valdez-Romero, Facilities Manager
Theresa Villanueva, Director of Fiscal Services
Lisa Brannen, Business Services and Support Specialist (meeting recorder)
Mike Mears, Wilkinson Hadley King & Co. LLP

4. Approve Minutes

- ***November 20, 2015, Special Meeting***

MSCU Koenig/Helvie that the minutes of the November 20, 2015, special meeting of the Independent Citizens Oversight Committee (ICOC) be approved as presented.

5. Approve Proposition E Building Fund Audit as of June 30, 2015

Mr. Mears provided a summary of the June 20, 2015, ICOC Audit. He was pleased to report a clean, unmodified opinion with no findings, which is the best opinion we can get. Mr. Mears explained the financial data, including the issuance of \$14 million in new Series B Bonds, which generated additional sources for the completion of modernization projects, which are ongoing. Mr. Mears further discussed the performance audit, which also received a clean, unmodified opinion with no findings. He pointed out that in the audit process, although 95% of expenses are tested, 100% are reviewed, regardless of the amount of the expenditure. There were no findings in 2014 or 2015. Added to the audit for additional information is a listing of project costs by site. MSCU Helvie/Koenig to approve the Proposition E Building Fund Audit as of June 30, 2015.

Dr. Gerkin asked if under the PLA recently approved by the Board, during the audit process would the auditors notice if bids came in unusually high. Mr. Mears indicated yes, they would. Mrs. Helvie commended the District monitoring process, and Mr. Mears agreed that indeed the District has a diligent crew, and assured the ICOC that the County is also watchful.

6. Estimated Summary of Proposition E, Series B, General Obligation Bond Issue

Mr. Esquivel provided an informational presentation that addressed the following items about expenditures for the Summer 2015 modernization projects. (Presentation is identified as Exhibit "A" and made a part of these minutes.)

- Summary of the Series A and Series B bond funds.
- Proposition E expenditures summary as of February 28, 2016, for the Allen, Hilltop Drive, and Vista Square modernization projects.
- Contract awards and changes orders for Bid Packages Nos. 1 – 13 and Nos. 15 – 17. (Bids were rejected for Bid Package No. 14, Kitchen Equipment. The District used an existing bid to replace kitchen equipment at the three schools.)

Mr. Esquivel explained that anything over the anticipated amount of expenditures was charged to other funds, such as Proposition 39 and Energy Funds.

Ms. Croshier expressed concerns over the PLA and how that may impact the bidding process for future modernizations. Discussion ensued about the bid process, and Dr. Gerken pointed out that the Board included a clause that allows for bids to be reposted and go outside of the PLA in the event all bids come in too high. Ms. Croshier indicated that she thinks the bids should be "blind." Mr. Esquivel pointed out that as a public entity the District is bound by certain regulations governing the bidding process and must disclose the information if a public records request is received.

Various Committee members expressed concern regarding the increased costs of using union versus non-union contractors. Mr. Esquivel suggested that at the May 25 ICOC Meeting he provide the Committee with the amount spent between 2000-2005 for Proposition JJ Modernizations on 18 sites. The ability to repost the bid packages if the bids come in too high was reiterated.

7. Discussion: Future Summer Modernization Projects

Mr. Esquivel informed the Committee that the San Diego County assessor's valuation will determine whether future modernization projects can begin in the summer of 2017 or 2018. Mr. Esquivel indicated he may have more information at the May 25, 2016, ICOC Meeting.

8. Discussion: Annual Report to CVESD Board of Education on June 8, 2016

Mr. Esquivel distributed a copy of the ICOC 2015 Annual Report to the Board of Education, and requested that the Committee review it and consider what should be included in the Committee's report to the Board in June 2016. Additional discussion regarding this matter will be on the agenda for the May 25, 2016, meeting.

9. Discussion: Form 700, Statement of Economic Interest

Form 700s for all Committee members are due April 1, 2016. Mrs. Brannen offered hard copies to members if needed. Ms. Croshier asked to have her 2015 Form emailed to her for comparison. Mrs. Brannen will follow up with absent Committee members.

10. Other Items/Open Discussion

Project Labor Agreement Follow Up

Mrs. Helvie and Dr. Gerken attended the Board of Education Meeting to express their concerns about the PLA. Following the meeting, Dr. Gerken met with many of the people there in support of the PLA and learned why they think the PLA is important. In an effort to share this information, the following documents were emailed to the ICOC Members prior to the meeting:

- San Diego Unified School District Project Stabilization Agreement: A Review of Construction Contractor and Labor Considerations.
- San Diego County Building & Construction Trade Council: Additional Information & Examples
- Grossmont-Cuyamaca Community College District: Project Labor Agreements

Dr. Gerken provided a few pages from the second and third document which contained a summary of information in a handout.

11. Future Meeting Dates

The next two approved meeting dates of the ICOC are as follows:

- May 25, 2016 (6:00 p.m., Dr. Lowell J. Billings Board Room)
- September 21, 2016 (6:00 p.m., Dr. Lowell J. Billings Board Room)

12. Adjournment

Chairperson Dr. Gerken adjourned the meeting at 6:40 P.M.

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