

**BOARD OF DIRECTORS
MEASURE T CITIZENS OVERSIGHT COMMITTEE
MINUTES OF REGULAR BOARD MEETING**

Souza Student Support Center
Conference Room B
708 South Miller Street
Santa Maria, CA 93454
November 10, 2016

CALL TO ORDER: The Measure T Citizens Oversight Committee Meeting was called to order by John Raymond at 5:30 p.m.

COMMITTEE MEMBERS PRESENT: John Raymond, Dave Cross, Luis Silveira

COMMITTEE MEMBERS ABSENT: Nancy Felton, Ibett Martinez

STAFF PRESENT: Luke Ontiveros, Matt Beecher, Kristyn Cornejo

I. PUBLIC COMMENT

Introduction of newest member, Luis Silveira. No other comments reported.

II. OLD BUSINESS

None reported.

III. APPROVAL OF MINUTES FROM THE AUGUST 11, 2016 MEETING

Mr. Cross motioned to approve the minutes of the August 11, 2016 meeting. Mr. Silveira seconded the motion. *Ayes: All.* Motion approved.

IV. REVIEW OF PROJECT SPENDING

Mr. Beecher recapped projects discussed over the last few meetings and reminded members they are always welcome to come in and review anything of interest. He then discussed the installation of 26 portables across 11 campuses, as well as the improvement of 3 arrival/dismissal areas at campuses. Mr. Beecher added that one-third of the contracts were bond related and reviewed the way bond money was being appropriately spent. As an example, one contract came

in specific to portable buildings, and one came in with a portable plus arrival/dismissal. The former had to be estimated by taking the number of portables and dividing them to arrive at the estimate, with the arrival/dismissal then backed out. This estimate included portable costs, utilizing certain campuses (Ontiveros, Battles, Miller) and then utilizing the estimates that had bond projects with residual to non-bond projects. There were bond portions and growth portions, so as to be fair with Bond and District funds. The contractors will be billed according to funding sources. Mr. Raymond asked if this would pass an IRS audit. Mr. Beecher acknowledged that it absolutely would. Mr. Cross asked what the lead time for contract payment was. Mr. Beecher replied that it depends as it is a lengthy process, especially with the amount of money involved, and he further explained the process in detail. Mr. Raymond asked why we do not make payments on a credit card basis. Mr. Beecher stated that some of this is due to retention and having to deal with multiple variables (such as the County, obtaining Board approval, any sub-contractors timeline to levy, stop notices, etc.), and that this whole process can slow things down considerably. Mr. Cross asked if they needed bridge financing. Mr. Beecher stated that a lot of times they will have a line of credit, adding that we have looked in to credit cards; however, part of the issue has to do with the credit card itself and the line of credit they are willing to offer. For example, if we swipe a bill of such large proportion, it freezes everyone else in the building out from being able to utilize that same card.

V. ANTICIPATED PROJECTED SPENDING

Mr. Raymond asked about projects scheduled for the upcoming break. Mr. Beecher recapped winter projects on the spreadsheet handouts from the last meeting, in addition to comments on the following projects:

- Bruce - Drop off area is listed, but this will now be a summer project.
- Bonita - The HVAC project was approved at the Board meeting last night, with a cost of \$414,000 - \$520,000 with the design and oversight. There are presently three classrooms that are not air conditioned – this will air condition the remaining 10%.
- Fairlawn - Arrival/dismissal review on the spreadsheet
- Adam – Arrival dismissal on south side of campus, and added parking on north side.
- Alvin – Installation of new intrusion/fire alarm in kitchen. There is still much work on this campus. Some money we may need to pull back as it was a steep price.
- Ontiveros – Install portable – not all bills have come in yet. There is a separate contract for units installed.
- Battles – Portables have been installed.
- Miller – On paper it looks dramatic, it really is not. The arrival /dismissal—and two things going into money-projects and non-project estimates. One reason is the weighting of the estimate in addition to where the bid came in at. This is something that causes complications in other projects.

- Taylor - No projects yet – it is still a pretty new school.
- Tunnell – No projects yet.
- Oakley - Arrival/dismissal work.
- Sanchez – Design plus estimate for shade structures – one has been tied up with DSA standards.
- Bruce – Project reviewed. Most of these are design costs or projects for the summer – we are still checking front and work along the side.
- Liberty – \$0
- Fairlawn – The same as Bruce – design costs, with the remainder in projection.
- Arellanes - Drinking fountain, shade structure, and container. The design cost for the shade structure was held up due to a bathroom access issue.
- Tommie Kunst - \$0

Mr. Raymond asked if Smith Electric had done work for us in the past. Mr. Beecher replied that yes, they had. Mr. Raymond asked if we can reject an award. Mr. Beecher replied that we would have to hold a hearing to declare non-responsive, and was not aware of a district that would want to enter in to that kind of a dispute.

Mr. Beecher added allocations for the Measure T school were \$45 million. He explained that we received a wish list from the schools and of those items, we decided which would be prioritized. Our target is to create a new school – that is the ultimate goal. Mr. Cross mentioned that it looked like Ontiveros was lagging way behind in spending. Mr. Beecher replied that it was, and that Rice has not seen any money yet either. He added that we are prioritizing safety and arrival/dismissal needs first. Mr. Cross asked how big the shade structures actually are. Mr. Beecher replied that they are quite large. Mr. Raymond asked how we paid for the two, six-classroom and 12-classroom portables. Mr. Beecher replied the funds came from the COP. Mr. Raymond asked is we paid down can we draw back. Mr. Beecher replied the cost to build Jimenez was \$25 million. Of that, \$9 million was from the state – it is “thrown back in the pot”, so to speak, as it is a reimbursement. Mr. Raymond asked if this was set up to not put back towards debt. Mr. Beecher confirmed that this was not set up that way.

Mr. Raymond explained the COP vs. the Bond for members. Mr. Beecher added the COP has its own project list and that investors bought in to that debt. Mr. Raymond asked who watches this. Mr. Beecher replied that we have the Capital Facilities Corporation, and they oversee the audit (along with money that is in the COP), adding that the Board wanted to keep this separate.

Mr. Beecher continued discussing work being done at El Camino, including the running track, which was the District’s first bond project. He added the Measure T School will cost about \$30 million. Mr. Raymond asked how much money is left. Mr. Beecher stated that the total of all projects has been about \$4.7 million so far, and that we are going to get about \$45 million. We’ll

spend \$11-\$15 million on other things. We issued \$30 million on front end. Want flexibility for the market. Didn't want to go to 4-5 issuance and have to pay fees each time. The county is holding the interest.

Mr. Raymond asked if there were any additional questions. Mr. Beecher reminded members that the District's website includes project lists. provided Mr. Silveira with a copy of the actual resolution from the first meeting which includes the project list. Mr. Raymond asked how often we go to the Board to certify. Mr. Beecher replied once a year in December - we take the audit and it includes bond transactions.

- **OTHER BUSINESS**

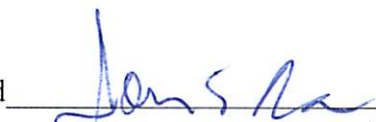
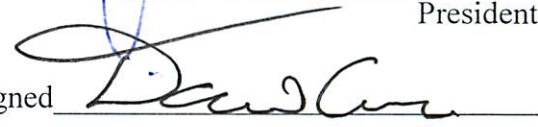
None reported.

- **SCHEDULING OF ADDITIONAL MEETINGS**

The next scheduled meeting will be held on Thursday, February 9, 2017, at 5:30 p.m. in Room B.

- **ADJOURNMENT**

Mr. Raymond called the meeting adjourned at 6:15 p.m.

Signed  President
Signed  Secretary
Date: 2-19-17