

LINCOLN UNIFIED SCHOOL DISTRICT
BOND OVERSIGHT COMMITTEE
MARCH 13, 2007, 6:00PM
MCCANDLESS CENTER

In Attendance:

<u>MEMBERS</u>		<u>STAFF</u>
<input checked="" type="checkbox"/>	KRISTINA AGUILERA	RHONDA BACOT
<input type="checkbox"/>	BILL MAGLADRY	
<input checked="" type="checkbox"/>	EVA CLARK	
<input checked="" type="checkbox"/>	DANA COWELL	
<input checked="" type="checkbox"/>	FRANK (JERRY) ROSSI	<u>PRESENTERS</u>
<input checked="" type="checkbox"/>	LYDIA VIDAURRI	PATRICIA RAFAEL -
<input checked="" type="checkbox"/>	DENICE VINCELET	CALDWELLFLORES
<input checked="" type="checkbox"/>	JOHN BOISA	BILL MITCHELL - LUSD
<input checked="" type="checkbox"/>	DEAN WELIN	

Minutes:

The meeting was called to order by the Chair at 6:07pm. Roll call was taken with the above members in attendance (J. Boisa arrived in the midst of the discussion on expenditure reports).

1. Approval of minutes from February 13, 2007 meeting.
Motion made by Lydia to accept the minutes as presented; seconded by Denice. Minutes were approved.
2. Rhonda reminded the Committee that a completed CA Form 700 needed to be filed with the District every year by all Committee members. Blanks were provided to all in attendance. Rhonda suggested we fill them out at the conclusion of the meeting and she would collect them.
3. Review of Expenditure Reports – The cost breakdowns for the “water-to-portables” projects was reviewed. Because amounts don’t match the “Construction Program Expenditures to Date” presented at the previous meeting, Rhonda was to further clarify how the “water-to-portables” cost was allocated. Dean introduced Bill Mitchell, Project Manager for Measure P Bond Projects. Bill clarified that miscellaneous items are allocated “district-wide” if they are not performed by a general contractor, such as small jobs that the district maintenance personnel might do easily or cost-effectively.

Discussion continued on budgeted costs vs. construction costs, whether the Committee had enough information to determine if the monies were being spent cost-effectively, the source of funds and how reliable those funds were.

Bill Mitchell gave the Committee a summary of the process the district had undergone to get to the current list of Bond projects. This is summarized here: The process was started approximately a year and a half ago. From the projects listed in the bond measure, a color-coded list was put together with projected costs for each project. The highest priority projects were color-coded purple, followed by yellow for second priority and white for all others.

Because the list of the highest priority projects (i.e., the “purple” list) was extensive, the district selected two construction management contractors (to develop construction costs), an architect (to manage the scope of the projects) and together with district staff and administrators, a master plan for each site was developed. From the master plans, each project was listed as either a Phase A or Phase B project. Phase A projects would be done first, followed by Phase B projects. Due to inflation and escalating costs, Bill believes most of Phase A projects will be completed. Phase B projects do not have funding at this time.

Bill also clarified how project costs change over the course of a project life. The Board approves a project with a budget amount which is the best estimate of project costs at that time. After DSA approval, the District leases the project to the Contractor, and they bid out publicly. A Guaranteed Maximum Price with cost saving options is obtained. The Board then decides which options to accept or decline creating a new budget cost for the project. Change orders and unforeseen circumstances (such as the underground pipes at the high school) may escalate the project costs during construction.

Bill stated he has a running spreadsheet of the status on all bond projects. Of the approximately \$90 million secured monies (not including “promised” funds from QZAB of approx. \$5 million), there is approximately \$6 million left that is non-committed at this time (from projects ear-marked at Village Oaks).

Dana requested the following information be presented to the Committee:

- a) List of Phase A and Phase B projects
 - b) Budget summary of funds believed to be “locked-in” (bond and other sources)
 - c) Master Schedule
4. A list of current and past Committee members and their current status was shared with the Committee. Bill Magladry has chosen not to reapply and no new applications for membership were received by the District. The Board

will vote on the two member applications at the next Board meeting, scheduled for the following evening.

5. Dean thanked the sub-committee for giving up their time to develop the recommended layout and content for the Report. He cautioned against making suggestions that may require extensive time and effort on behalf of the District. It was confirmed that the funds that pay for the report come out of the General fund and not the bond fund.

Denice went over the sub-committee's recommendations, thanking Dana for recording the sub-committee's work. Discussion followed with the following consensus reached by the Committee:

- a) Recommendations under "General Approach" were agreed to
- b) "Front Page and Cover Letter" recommendations were agreed to, limiting the Committee's statements to those within its purview.
- c) "District-wide Progress and Financial Information" was agreed to with the pie chart showing all sources of funding and the title to read "Sources of Revenue" and not "Funding Plan".
- d) "Section Summarizing ..." recommendations were agreed to with information for each school to include % of work completed, estimated completion date, brief summary of work completed and planned work for the following year.
- e) Agreed to recommendations under "Village Oaks" and "Audit Findings"
- f) "Recommendations for New Features..." agreed to include the opportunity for the community to provide feedback through the District's website, posting the Report on the District's website, the use of more photos with no target amount, same paper stock as last year, distributed in the same manner as last year, with a new section on cost-effectiveness/ money-saving, new section explaining Prop 39, Measure P, Citizen's Oversight Committee, and Committee's activities during the last year (if not covered in the cover letter) and to include the Lincoln Logo. The recommendation to discuss opportunities to present the report to the Board was postponed to the next meeting.

Caldwell & Flores will compose a draft of the Report to be emailed out to the Committee by April 1st. The committee will meet again on April 17th at 6pm to review the draft.

6. Dean had hoped Bill would attend the meeting in order to thank him personally for his service on the Bond Oversight Committee.
7. No public comment was made. Dana requested the financial and independent audit reports be reviewed at the next meeting.

The Committee's next meeting will be on **Tuesday, April 17, 2007**, in the **Board Room at 6:00pm**.

Meeting adjourned at 8:40pm.