

**MINUTES OF THE BOND OVERSIGHT COMMITTEE
ORGANIZATIONAL MEETING
GUSTINE UNIFIED SCHOOL DISTRICT
THURSDAY, JUNE 1, 2017
MINUTES**

TIME AND PLACE

The meeting of the Gustine Unified School District Bond Oversight Committee was held on Thursday, June 1, 2017. The meeting was held in the Board Room, 1500 Meredith Avenue, Gustine, California.

CALL TO ORDER

The meeting was called to order at 9:01 a.m. by Debbie Lopes.

MEMBERS PRESENT

Debbie Lopes-Chair, Andrew Bloom-Vice Chair, Sherri Marsigli, Robert Borba, Dennis Brazil, and Jennifer Pacheco.

Absent: Joe Oliveira, John Lawrence and Camille Alamo

District Staff present: Lizett Aguilar, Sara Gomez, and Superintendent Bill Morones

Others Present: Leonard Acosta

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Andrew Bloom made a motion to approve the minutes of the last meeting held on February 28, 2017, seconded by Dennis Brazil. Motion carried, 6-0.

ANNUAL REPORT (Workshop)

Debbie reminded the committee that their scope as a committee is very limited. One of their major requirements they do is the annual report. When she thinks of the annual report, she wants to think of all the good things that have happened. When she looks at the locker rooms, she thinks that it is amazing. The community of Gustine has come together with our tax dollars and created this beautiful locker room that is something for us all to be proud of. She is very proud to be, and all of the committee should be, proud to have been part of the process. To know that we could have visitors now. She was on the Board for eight years and that was always something they wanted to change. Coming together and passing this bond is something that she is very proud of the community. She congratulated everyone in Gustine that contributed to this project.

During the last meeting, there was discussion of what should be in the annual report. She created a draft, which needs to be updated. She included that the Bond Committee met six times since the start of this process. She also included the Bond Committees' three principal duties. During those meetings, the committee review the bylaws, discussed the committee's purpose and charge, and studied the financing plans whenever there was a sale of the Bonds. The largest project to date was the Gustine High School Locker rooms, which was completed. There was also some repairs done to the Gustine High School Stadium that was completed. She asked Lizett to help her out with the total cost of that to include in the report. Phase II, which is preparation to get in

line for state funding. At Gustine High School: a new science wing, new cafeteria, new classrooms, and modernization. At Gustine Middle School: a multipurpose building and classrooms. At Gustine Elementary School and Romero Elementary Schools: classrooms. The Gustine Unified School Board of Trustees will decide what will be the priority for the next projects. Also in this report, she included the auditor's annual report showing there were no findings or recommendations related to the financial and performance audit of the Measure P Bond Fund for the fiscal year ending June 30, 2016. All the facts that she had she included in this report. She would like to brainstorm with the committee.

Dennis asked Lizett what the total price for the locker room. She replied that as of the last report in February 2017 we are just under \$3.1 million. He also asked for the cost of the stadium repairs. Lizett replied that the total for the stadium repairs is \$59,067.00. Mr. Brazil reminded Lizett that he had asked awhile back the breakdown of the material and labor costs paid to the contractor California Design West and what the construction company was paid. Since the financial report was not on the agenda, she doesn't have these costs available. Sherri asked about lawyers' fees. Dennis clarified that they would like to see all the costs broken down including attorney fees. Andrew Bloom asked Dennis if he wanted invoices for the attorneys. Dennis asked Lizett if the District has an accounting record of every invoice that came in. Lizett replied yes, all the invoices are in a binder. Andrew Bloom requested to see all the invoices. Since there is a number of them and they are kept in a separate binder, Lizett said they were welcome to come and look at it verses making copies. Jennifer Pacheco wanted clarification of why they needed to see the invoices since the District has provided the Financial Excel sheet of all expenses. Sherri stated that it's hard to tell by the report what the lawyer was doing when he was paid. It says high school but it doesn't say specifically locker room. Jennifer Pacheco asked if the invoice would say what he was paid for specifically. Lizett replied yes.

Debbie mentioned that the final figures could be on the annual report. Lizett will have an updated financial report with final figures. Those figures shouldn't vary significantly because they have encumbered amounts listed.

Dennis asked if there was anything else in the bylaws that needed to be included in the report. Debbie mentioned that they could get creative by using pictures. The plan is to present it to the Board of Education at the June Board Meeting. In view of that, a brief summary of what they've done over the course of this committee and what was spent. The last portion should include a statement that they are submitting the report as a committee and they understand and approve that the District has not spent any of the monies on any salaries. Dennis mentioned that at the end of this report, it should touch on the next phase of the monies and where it's headed and what the District is looking to do so the Board knows the direction of where that is going. It should be summary cap, whatever the committee agrees upon.

The School Board Meeting is scheduled for June 14 so they need to have a special meeting to review the report and allow time to make any changes if needed. The meeting will have to be by June 9th to allow the agenda to be posted for the 72-hour requirement. The special meeting is scheduled for June 8th at 9:00 a.m. Jennifer volunteered to help Debbie format and finalize the report.

Andrew stated that he is not on board with this because he still does not believe that the locker room was listed on the Bond nor was the expenditures for any future planning. Unless that is included in the report, it's going to be a no vote for him because those two things aren't listed specifically in the actual Bond. Dennis clarified that when the Bond was presented to the public the locker room was not part of the scope of projects, it was added after the fact. Andrew continued saying everything else is listed. He just wants to address that those projects were not listed in the Bond. Dennis mentioned that it fell under the PE Facilities, he doesn't see a

problem with that being in the report and he feels they need to be transparent about it. The project has been completed and it needs to be put on paper so that everybody knows. Andrew also brought up future planning of projects that were started but not part of the Bond. Dennis questioned about the architect moving forward and began drawing designs for the multipurpose room at GMS and being paid out of the Bond monies. Mr. Morones clarified that it was to align the District to receive state matching funding. Andrew replied that if that was the Board's decision it was fine but he wants it to be stated that it was not part of the Bond. Jennifer questioned Andrew disagreeing with everything. She just wants to understand where he is coming from. Andrew stated that she needed to look at the Bond as it was presented to the public. There is a specific list of all the projects that were approved. It never mentioned the locker room at the high school nor was it ever intended to go toward future funding for a project that was not listed in the Bond. She stated that she did read it and she didn't see anything that didn't qualify the locker rooms to be part of the Bond Projects. She understands that you're approving money for something and you want to make sure it's there. She didn't see anything so specific in there that caused her to believe that the locker rooms were not approved. Andrew mentioned that on the list the locker rooms does fall under what is listed but regarding the old middle school it specifically lists each project. For example they are working on designing the new science wing and buildings at the high school but that was not part of the Bond what so ever. Using the money out of the Bond to pay for that is what Andrew has a problem with. It is the School Board's decision to do what they see fit but it's the committee's duty to say that this was not part of the Bond. Robert agreed that is the committee's job.

Debbie stated that in regards to the annual report being that the School Board decides what takes priority she believes that shouldn't be something that they put in the report. In her opinion, how the money was allocated is not in the scope of this committee. Robert feels that the committee needs to address their concerns, unless it's with the state matching funds that the District is going to get away with it. They are taking money already, spending money for projects not on the list and that's not what they are supposed to do if we follow the rules of the Bond. The committee is supposed to make sure the money is spent on projects on the project list. That is part of the committee's job is how he sees it. Debbie stated that they oversee after the Board has approved the expenses. She reminded everyone that the oversight committee's focus and limitations are to review the expenditures of the reports after the Board has approved. They prioritize the projects; it's up to the School Board. Robert questioned why they are doing the science wing when it's not on the list. Why are they not spending the money fixing what they said they would like the high school's plumbing, sump pumps, and electrical. They told the community one thing and if they are starting to head in another direction, you are going to have a lot of mad people in this community. They need to get the high school's plumbing and electrical stuff fixed before they start doing other buildings. Mr. Morones clarified that the locker rooms were addressed, it wasn't stated specifically, but they considered them a classroom for PE. With the existing science room that is the infrastructure of building A, so the infrastructure is being addressed with refurbishing of the science wing. Jennifer said that the District is preparing to get in line for the funding for these projects. These projects have not even been approved yet. She asked if she, herself, had a problem with something where would she go to address those concerns. Sherri stated that they were told by the lawyer to go to the public and let them know. Jennifer then suggested going to a Board Meeting and making a public comment if there is something that you don't agree with. Debbie agreed. The scope of the committee is so small. It has a very limited focus. Debbie asked why do you want to be negative about good things that are happening here at Gustine. If you go to the School Board, she guarantees you that they will take it to consideration. The Board can't comment on unless it's an agenda item. Dennis agreed with the

majority of what Debbie stated but he believes that the committees' job is to overlook the funds and if they feel they are not spent correctly or not being spent on the proper projects it is their responsibility to bring those concerns to the public's attention. He agrees with being positive. Dennis continued to say they can't overlook things that they are not in agreement with because then they are not doing our job and if that's what they are going to do then they don't belong on this committee. Sherri stated that the problem is yes, the lawyer said you go out and let the public know, but if they see things that they have a real concern with there needs to be a record of it. If they don't put it in the report and there's no record of it, other than her telling someone about it, then it doesn't look like she is doing her job. Debbie is questioning whether if putting it in the annual report the right way because it's already in the minutes. The annual report is a summary and to get into things that are not within our scope or happened before they saw everything is her concern. She wants it to be a positive, upbeat report of what the committee did and should be factual. Robert commented that if it's factual it should include the negatives too. He thinks the locker room is a great thing and it needed to be done, he doesn't have a problem with that. If they have concerns of possibly the funding being spent on projects not on the list, he believes it should be included in the report to the School Board. Dennis commented that the other thing to remember is that our schools, especially the high school, is in need of repairs. It's just about making sure they are following proper protocol. Dennis believes that including their concerns in the report with the appropriate context should not be offensive toward anybody and will inform the public and also satisfy them as a committee. He continued to say the bottom line is that he isn't going to put his reputation on the line and turn his head the other way to any issues that they may have about the Bond. They wouldn't be doing our job. Their job is to be forthcoming and transparent and be on the same page. He continued to say that as a committee, they are like an elected body. The public is relying on their trust to make sure that they give them correct and proper information. It's not that hard. They have some disagreements about how the locker room came about, and some other items, but they need to figure it out and work together. Sherri stated that even though there are concerns in the minutes already she questioned whether the Board reads them. This is a published report to the Board so they are guaranteed that they will see it. Debbie asked if the minutes were posted online, which they are. Jennifer said that it could be summarized in the report that some members just don't see the locker room in the PE category. As far as the public is concerned in her opinion, it would be the majority of the public would say that the School Board needs to be more specific. She could see that the locker room could be part of that PE improvement. She agrees with Dennis that this community isn't going to reject improvements to our schools. Sherri stated that maybe if they asked the Board to specify which line item they are going to apply a project to. For instance, if they do the new the science wing, where does it fall? The Board needs to be more specific. Mr. Morones clarified that that would be the purpose of the Ad Hoc Committee, to advise the Board for Phase II, and next projects going forward. Dennis again stated that if they put that in a positive manner, they aren't saying that the project is a bad project. They're just saying that they want the public to know that it was not part of the Bond, specifically stated, but the Board made the decision to move forward with that project and this committee is just acknowledging that. They weren't in agreement with it but now agree because it was a worthwhile project because of the disarray the locker room was in. Dennis asked Andrew if they have that on the report would that be satisfactory. Andrew answered saying yes, to write a paragraph that states that the majority of community feel that it was not one of the projects that was listed specifically in the Bond language yet it was a project that was needed and necessary for the District. Jennifer stated that you probably don't want to say the majority of the community until each person has said they are against it. She is neutral but she can see both sides and she agrees that you cannot be negative an

leave a bad taste in the community regarding improvements to our schools to begin with because it's clear that it was voted in by the majority or it wouldn't be in existence. But at the same time, people who disagree need to be heard. She also agrees that the School Board could be more specific as they were with the Middle School and she could see where Andrew drew his conclusion. Moving forward, how can they be sure that Board will be more specific? Mr. Morones stated that earlier in the year, they felt the need to be more transparent and open with the community; they wanted to have an Ad Hoc advisory Committee to prioritize all the projects for Phase II of Measure P. The Ad Hoc Committee would advise the Board on what they felt was necessary. Sherri said that this came about as a result of them seeing things after the fact and questioning them. The Board was under the impression that the Bond Committee knew what was going on. This committee will work with the Board as the projects are being done. The two committee will have its own job.

Jennifer will be finishing the report and present it at the next special meeting. Andrew questioned what the science wing was going to fall under. Sherri ask if it would fall under improve student health and safety improvement. It is her understanding that those science building are actually not large enough for the kids that are in there now. Sherri continued to say it is a safety issue, but she would like to know where it's going to land at. Then they could see how the Board feels and then forward to get in line for state funding to build a new science wing because it's not safe. Actually, if the state walked in they could shut it down. Andrew asked about the \$415,000 that was spent on planning projects that are not on the Bond list. Jennifer replied that she doesn't know but because she's on the oversight committee she doesn't have an opinion about that. She feels it would be the Ad Hoc Committee as well as the Board to know that answer. She does feel that the Board needs to be more specific when they are being asked to look at money that is being spent. The Board is also learning from the committee members saying that it's not specific enough. Sherri thinks the issue is that the cart was before the horse and those monies were being spent before the Board was even asked what they were supposed to be doing. Andrew isn't saying that they don't have any say of where the money is diverted to but this money has already been spent and how will the Board categorize that with what's in the Bond language. Lizett stated that according to the attorney it would fall under the second paragraph in the project list, which is very broad. Dennis asked who authorized the architect to move forward with it, was it the Board, the Superintendent or on his own? Somebody approved it; somebody allowed it to move forward. If the multipurpose wasn't even on the list until later, how does he have the drawing for it? How did that transpire if the Board is not even aware of that? They are using the money to plan for something that isn't in the Bond. Mr. Morones stated that that will be noted in the report. Andrew asked how far along are they. Lizett stated that every project is at a different point. She doesn't have a specific percent but could tell them they are to the point to get it to DSA. Debbie reminded everyone that we need to stay within our boundaries; this committee has a narrow scope. She thinks that it's fantastic that there is going to be another Ad Hoc Committee that's going to work very closely with the Board. Jennifer wanted to point out to Andrew that the Bond does say PE Facilities, that a locker room is a facility. On page A3, it says each project is assumed to include its share of furniture, equipment, architectural, engineering and similar planning costs. Andrew answered saying that is correct for that project but not for projects that are not on the Bond list. Jennifer stated that the argument is whether the locker room is a facility or not, it's open to interpretation. Andrew told Jennifer to look at the official Project List that is on page 12 of the actual Bond.

The format has been agreed upon with the committee. Jennifer and Debbie will work on the verbiage. Debbie will also get pictures from Lizett and the exact figures of the total cost to be

included in the report. The report will be brought to the June 8th meeting to be reviewed by the committee.

TOUR GHS LOCKER ROOMS

The GHS Locker Room Tour was canceled due to timing. It will be rescheduled.

BROWN ACT

Debbie reminded everyone to keep in mind that it is very easy to violate the Brown Act. Poling the committee is also a violation. Everyone is familiar with the Brown Act but it's good to review because with all this twitter and emails, it's easy to fall into a trap. The important thing is Agendas must be posted 72 hours prior. Closed session doesn't pertain to the oversight committee. Two committee members could talk to each other about anything they want as long as they don't involve a third committee member.

ADJOURNMENT

The meeting was adjourned at 10:04 a.m.