



Laytonville Unified School District

Joan Viada Potter, Superintendent

P.O. Box 868

Laytonville, CA 95454

jvpotter@mcn.org

(707) 984-6414 (707) 984-8223 fax

REGULAR MEETING OF THE CITIZENS' BOND OVERSIGHT COMMITTEE WEDNESDAY, NOVEMBER 18, 2015

4:00 P.M.

**LOCATION: LAYTONVILLE UNIFIED SCHOOL DISTRICT BOARD ROOM
150 RAMSEY ROAD, LAYTONVILLE, CA**

Members: Alison Pernell, Phil Gravier, Matt O'Neill, Molly Rinaldi, Jiongyi Pierson, David Quale, Meadow Shere

a. Present: Joan Potter, Alison Pernell, Matt O'Neill, Jiongyi Pierson, Meadow Shere, David Quale (arrived late), Jenna Musgrave, Bette Loflin, Don Alameida, Michael Ash

b. Absent from Committee: Molly Rinaldi, Phil Gravier,

Agenda

2. Call to Order – 4:08pm

3. Approval of minutes from May 12, 2015 meeting

a. **Motion** to approve the minutes from May 12, 2015 by Allison Pernell, Seconded by Meadow Shere, 6-0 vote

4. Approval of the Agenda

a. **Motion** to approve the agenda by Allison Pernell, seconded by David Quale 6-0

5. Public Comments-None

6. Report from Auditor, Michael Ash

a. Michael began by introducing himself to the committee.

b. Overview of Prop 39 Bond Audit:

i. Michael explained to the committee that the Measure Q/Prop 39 Bond passed meaning that it had the 55% it needed instead of the 2/3 that it used to require. The Prop 39 Bond requires annual financial and performance audits.

1. Financial audit focuses mainly on the Measure Q bond fund.
Michael and his firm have already looked at the initial transaction

to make sure that the proceeds came in for the building fund. At the end of the year the firm will look at what the district has recorded for that year in terms of money spent and the activity that has been recorded. Each year a report will be issued stating the opinion on whether the Measure Q Bond Fund is fairly stated.

2. The Performance Audit of a Prop 39 bond focuses on where the money is being spent. Prop 39 money has to be spent on certain items only. The auditors will take a sample of expenditures each year to ensure that the money is being spent where it should. In the first year the auditors try to focus on 25% of expenditures but because there weren't very many in our first year they will probably end up looking at all of them.
 - ii. Another process that the auditors do is a Site Walk. Once they have completed the financial and performance audits they will be well versed in what the money is going in to. For the site walk they will take a look at the progress just to see that the money was actually spent according to plans.
 - iii. If there are any change orders the auditors will look them over and make sure there is a valid reason for them
 - iv. If there are any contracts awarded for the project, the auditors will look of the contracts and make sure that the district went through the proper procedures. This includes if the district enters in to a lease/lease back contract.
 - v. Next the auditors will look at the Citizens Oversight Committee to make sure that the required people are on the committee and if not the auditors want to make sure that the district is doing what they should be doing in terms of finding someone to fill a void.
 - vi. Each year the auditor's report has to be submitted to the Citizens Oversight Committee and to the Board by March 31st of the following year. Therefore the report for the 14-15 year will have to be submitted by March 31, 2016.
7. Bond Project Updates, Donald Alameida
- a. Don provided the committee with a Monthly Bond Progress Report and explained what it all meant.
 - i. Bond Programwide Expenditures-The cost to get the bond sold, \$110,000. Other misc. items would go in this category, such as the cost of the auditors. Further information on page 12 of handout
 - ii. Modernization Summer 2016- Page 9 of handout
 - iii. Solar Photovoltaic Project-No activity yet. Projected start time is February 2016. Page 10 of handout
 - iv. Modernization Summer 2017- What Don plans to do to rooms 8,9, & 10 once the incline building has been replaced. Page 11 of handout.
 - b. Don hopes to get the plans 99% done by the 1st or 2nd week of December to get them in for permitting.
 - c. Don hopes to have the permit by Mid-February or March so that the district can go out for bid.
 - i. Lease/Lease back- Lease the property to a Contractor to do the work and then they will release it back to the District when the work is finished. The

District will still have to choose the most competitive bidder. This option allows much more flexibility with who you are working with.

- ii. Lowest Bid- Going out to bid means that the District is obligated to take the Contractor with the minimum of qualifications that offers the lowest bid.
 - d. Most of the expenditures so far in the project are for Don and his team of Engineers that he pays to work under him.
 - e. Don estimates construction of the incline building to take 15 months.
8. Other Business- None
9. Adjournment
- Motion** to adjourn the meeting by Meadow Shere, seconded by Allison Pernell, unanimously approved with a 6-0 vote. Meeting adjourned at 5:02pm.