

COC Committee Minutes Draft

October 17, 2012

District Staff Present

Eileen Rohan, Superintendent
Bret Joyner, Director-Maintenance & Operations
George Baranoff, Bond Program Manager
Jim Cerreta, Interim Business Manager
Art Arciniega, Bond Administration Coordinator

COC Members Present

Stuart Brunet
Mark Chedekel
Benedetto Cico
Trevor Hughes
Conn Hickey

Tour of Manor Modular

The Committee met at Manor at 4:00 PM to tour the new Manor Modular Classroom. The tour started approximately 4:15 PM and lasted 15 minutes and was conducted by George Baranoff. All were present except David Metz and Jim Ceretta.

Tour of White Hill

The Committee left Manor and went to White Hill to continue the tour at approximately 4:45. The Committee was joined by David Finnane, Principal. The tour included visits to the construction site, Buildings 100 & 300, the Portables (Bungalows), and the new Basketball Courts. George led the tour, updated the Committee on the status of construction, and answered questions, and explained the increased costs of approximately \$400K due to DSA requirements for T-heads at the end of the rebar. The Committee was pleased with the progress of the construction. At the end of the tour David Finnane excused himself, and the Committee met in the Library.

Welcome by COC Chair

Chairperson Cico opened the meeting at approximately 5:30.

Introductions

Art Arciniega was introduced to the Committee as a new member of RSVD Staff.

Approval of 02-15-12 Minutes

The minutes of February 15, 2012 were approved by the committee. Stuart Brunet abstained because he was not in attendance, but provided minor grammatical corrections to the minutes.

Public Comment

No public was in attendance.

Construction Update of White Hill

George Updated the Committee during the tour; construction completion is expected to be in September 2013, and RSVD was considering a late start date, October, for school.

Review Bond Budgets

George provided and reviewed the Sources and Budgets Report, Consolidated Expenditure Report and the Consolidated Expenditure Detail Reports for each project.

George explained that the overall budget for White Hill has not changed, however project 145, Temporary Classrooms at White Hill, was added for tracking expenditures separately; funds were transferred from project 141 to project 145. The committee asked about the process for approval of

project budgets. Staff explained that all budget and contract revisions are approved by the Board. The committee asked what is the purpose of Project Contingency and how it was determined. George stated that it is additional funds set aside to cover unexpected costs, and is approximately 5% of the overall budget for new construction.

The Committee raised concerns about expenses and salaries in 190 & 191 funds, and does the COC have to verify the validity of these or trust the Auditors reports. Conn expressed his confidence with the Auditor's report. The Committee asked to see the Auditor's scope of services to determine if it is sufficient or if they should ask for further detail in the reports, specifically about 190 & 191 fund expenditures. Jim will provide the agreement to the COC; a tentative meeting is scheduled for November 05, 2012 at 5:00 PM at the District Office to discuss.

George stated that all the elementary schools were over budget, but there was no change in the program. The FEPC is discussing a course of action to correct this, and all design work was stopped at the schematic design level. The Committee was informed that no decision will be made until after the District receives the Schreder report in December. The Committee asked and was informed this could cause an increase in the Architects' fees.

The Committee was informed that one project was selected for state funding and placed on the "Unfunded List."

Review of Measure A Financial Report/2nd Sale of Bonds

Jim handed out copies of the Bond Official Statement. Jim provided the Committee with Form 21, Unaudited Actuals, which is the basis for the 2011/2012 Audit which Stephen Roatch Accountancy is currently working on, and will submit by the legally required deadline of December 15, 2012.

The second sale of bonds yielded Bond Proceeds of Par Amount \$18,300,000.00 with a Net Premium of \$1,960,800.75 for a total of \$20,260,800.75. The use of the Bond Proceeds are as follows:

Project Fund: \$18,300,000.00
Debt Service Fund: \$1,753,680.75
Cost of Issuance: \$90,000.00
Underwriter's discount: \$117,120.00

Jim explained that comparatively, RSVD is receiving a good interest rate of approximately 3%. The sale of Bonds is determined by the BOT; the next sale is expected to be August, 2013.

New Business

- **Annual Report to the Board:** RSVD Staff provided the Committee a sample of an annual report. Benedetto and Mark will take the lead on writing the report to present to BOT. They will present a draft at the next COC meeting on February 13, 2013.
- **Future Meeting Dates & Agenda Items:** A tentative meeting is set for November 5, 2012 at 5:00 PM at the District Office to determine if it is necessary to ask the Auditor to provide more detail in its report specifically regarding 190 & 191 funds. The next regular COC meeting is scheduled for February 13, 2013 at 5:00 at the District Office.
- **Member Election to the Committee:** This Committee proposed this be postponed to the February 13, 2013 meeting, and it was agreed to unanimously.

Meeting adjourned at 6:45