



CUPERTINO UNION SCHOOL DISTRICT
Citizens' Measure H Bond Oversight Committee

Minutes of the December 11, 2014 Meeting
Approved

MEMBERS PRESENT:

David Fung (Chair)
Daniel Nguyen (Vice-Chair)
Emily Lee Kelley
Lavanya Noor
Mark Burns
Randall Shingai

MEMBERS ABSENT:

Benaifer Dastoor
Liz Brockman
Orrin Mahoney

NON-MEMBERS PRESENT:

Chris Jew, CUSD, Chief Business Officer
Pam Mackey, CUSD, Administrative Secretary to Chris Jew
Mary Ann Duggan, CUSD, Director-Facilities Modernization
Anthony Kanastab, Kitchell CEM
Albert Wege, Swinerton Management Consulting
Jeff Scogin, Ann Kennedy Group (AKG)
Mike Chegini, Ann Kennedy Group (AKG)
Joyce Peters, Vavrinek, Trine, Day & Co., LLP

CALL TO ORDER:

David Fung called the meeting to order at 7:30 p.m.

ADOPTION OF AGENDA: Agenda was approved unanimously.

APPROVAL OF MINUTES OF SEPTEMBER 3, 2014: Mark Burns made a motion to approve the minutes; Emily Lee Kelley seconded the motion. Minutes were approved unanimously.

PUBLIC COMMENTS: None

UPDATE: 2012 MEASURE H BOND PROGRAM (\$220M OVER 6 YEARS)

A. Progress Report (PowerPoint Handout dated 12.11.14)

- Mary Ann Duggan reviewed recently completed projects, projects in progress, and other project developments. Projects are tracking as planned with no delays. In fact, a few projects have been moved up. Modernization of McAuliffe, Muir and Garden Gate Elementary Schools is scheduled for Summer 2015. Projects scheduled for 2016: Blue Hills, De Vargas, Dilworth, Montclair and Stevens Creek Elementary Schools as well as Kennedy Middle School. Modernization at Cupertino and Lawson Middle Schools was not done all at once because seismic and ADA work at other sites were a higher priority. \$3.5M has been reserved for acquisition of a site for future expansion of Sedgwick Elementary School (1.5 acres). Total cost is estimated to be \$5.8M.
- Updated Measure H Project List was approved by the CUSD Board on November 18, 2014.

B. FINANCIAL REPORT (Spiral-bound Progress Report dated December 11, 2014)

Jeff Scogin of AKG reviewed the *Measure H Bond Program Overview as of September 30, 2014*.

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- Master Project List Report (Pages 1-13) as of 9.30.14
 - Elementary Schools: \$96,992,183
 - Middle Schools: \$77,230,311
 - District-Wide General: \$27,760,123
 - Program Costs: \$5,400,000
 - Technology: \$5,072,352
 - Contingency: \$7,824,812
 - Grand Total: \$220,279,781
- Bond List Revisions Approval Request (Pages 14-25) Revision #5 as of 8.15.14. In addition, Jeff reviewed a handout entitled *Bond List Revision Approval Request – Revision #6 as of 11.14.14*. Total revisions came to (\$752,349). Budget was increased by unallocated interest earned in the amount of \$204,310.11.
- Whole Program Summary Report (Page 26) Reporting Inception through 9.30.14. The District spent \$71,882,206 with a remaining balance of \$148,397,574. \$18.2M was spent this quarter. Program is trending well.
- Project Summary Report (Pages 27-37) Reporting Inception through 9.30.14.
- Measure H Cash Flow Chart (Page 38) Reporting Inception through 9.30.14. Cash flow has kept a good pace. If bond rates go down, the District will seek advice from its bond advisor concerning a refinance. In the past, Bond Measures A and C were refinanced to take advantage of savings.
- Project Sequence (Page 39). Lists construction sequence from 2013 through 2018. A good reference for community and schools. The District is now planning for 2016 modernization.

C. FINANCIAL & PERFORMANCE AUDITS (*CUSD 2012 Measure H Fund Financial Report & Performance Audit for Year Ended June 30, 2014 Handout*)

- Joyce Peters, with Vavrinek, Trine, Day & Co., LLP (VTD) auditing firm, stated no findings or questioned costs were found. Ann Kennedy Group was instrumental in reconciling bond expenditures to insure a clean audit. A vote was taken to accept both reports. Mark Burns made a motion to accept the reports as presented; Lavanya Noor seconded the motion. Both the Financial and Performance Audit reports were accepted unanimously.

D. CITIZENS' BOND OVERSIGHT COMMITTEE ANNUAL REPORT

- The subcommittee (David Fung, Daniel Nguyen, and Orrin Mahoney) will present the annual report to the Board in February 2015. (Deadline is March 31, 2015.) The report will be prepared in the same format as last year with a postcard mailed to the community and/or made available at school sites. A vote was taken to approve the main structure of the annual report, as presented, allowing minor edits prior to the Board presentation. Committee members will notify David Fung of any suggested changes. A motion was made by Randy Shingai to approve the main structure of the Citizens' Bond Oversight Committee Annual Report, as presented, allowing minor edits prior to the Board presentation; motion was seconded by Daniel Nguyen. Approval of the main structure of the annual report, as presented, allowing minor edits prior to the Board presentation, was unanimous.

NEXT MEETING DATE: Wednesday, February 25, 2015, at 7:30 p.m. in the District Board Room. Note: Terms of seven committee members will expire in May 2015, and therefore the committee will need to recruit in March.

ADJOURNMENT: 8:25 p.m.