



CUPERTINO UNION SCHOOL DISTRICT
Citizens' Measure H Bond Oversight Committee (CBOC)

Minutes of the December 7, 2016
Approved

MEMBERS PRESENT:

Daniel Nguyen
Mark Burns
David Fung
Liz Brockman
Stewart Kelly
Karen Barrett

MEMBERS ABSENT:

Orrin Mahoney
Emily Lee Kelley

NON-MEMBERS PRESENT:

Chris Jew, CUSD, Chief Business Officer
Pam Mackey, CUSD, Administrative Secretary to Chris Jew
Todd Shimada, CUSD, Bond Program Administrator
Kent Brown, Kitchell CEM
Jeff Scogin, Ann Kennedy Group (AKG)
Mike Chegini, Ann Kennedy Group (AKG)
Joyce Peters, Vavrinek, Trine, Day & Company (VTD)
Liang Chao, CUSD Board Member Elect

CALL TO ORDER:

David Fung called the meeting to order at 7:38 p.m.

ADOPTION OF AGENDA: Mark Burns made a motion to adopt the agenda, moving the Bond Program Financial and Performance Audit Report from agenda item 5.3 to 5.1. Daniel Nguyen seconded the motion. The modified agenda was adopted unanimously.

APPROVAL OF MINUTES OF SEPTEMBER 21, 2016: Stewart Kelly made a motion to approve the minutes; Karen Barrett seconded the motion. Minutes were approved unanimously.

PUBLIC COMMENTS: None

BOND PROGRAM FINANCIAL & PERFORMANCE AUDIT REPORTS FOR 2015-2016

Joyce Peters of the auditing firm Vavrinek, Trine, Day & Company reviewed both the financial and performance audit reports with the committee. Approximately 72% of total expenditures were examined; no questionable costs or findings were evident. A motion was made by Daniel Nguyen to accept both the financial and performance audit reports; motion was seconded by Mark Burns. Both reports were accepted by a unanimous vote.

ANNUAL BOND REPORT TO COMMUNITY & BOARD

Mike Chegini of the Ann Kennedy Group presented a draft of the annual bond report. Two corrections were noted: 1) signature on the opening letter to show "David Fung" not Daniel Fung; and 2) Miller Middle School photo to be updated. A motion was made by Liz Brockman to approve the report with the two corrections noted; motion was seconded by Karen Barrett. The annual bond report was approved unanimously. David Fung will present the report to the Board at the January 10, 2017 Board meeting.

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

A. Bond Program Update

- Todd Shimada, CUSD Bond Program Administrator, reviewed recently completed projects, projects in progress, and other program developments.
- In November 2016, Proposition 51 was approved by the voters. This proposition supports the issuance of \$9 billion in State bonds to fund improvements and construction of school facilities for K-12 schools and community colleges. Kennedy Middle School has been identified as a school which could receive matching funds. The exact match was not known at the time of the meeting. We know it clearly is not a 1:1 match, however. Matching funds could be received as much as two years out and used for improvements not addressed by the bond that still remain on the District's Needs Assessment. Note: The cost to modernize a middle school classroom is approximately \$75,000.

B. Financial Report (Spiral-bound Progress Report) dated September 30, 2016

Jeff Scogin of AKG provided a program overview:

- Bond Project List Report (Pages 1-13) As of September 30, 2016

Note: Numbers below have not changed since the previous Progress Report.

Total Elementary Schools: \$110,650,808

Total Middle Schools: \$80,666,506

Total District-Wide: \$29,597,894 (Breakdown below)

- *Total General: \$16,970,506*
- *Total Program Costs: \$5,400,000*
- *Total Technology: \$4,432,612*
- *Total Contingency: \$2,794,776*

Grand Total: \$220,915,208

- Bond List Revisions Approval Request, Revision #12, as of September 14, 2016 (Separate 14-page Handout) Figures shown in green indicate increased budgets; in red, budgets decreased.
 - New Projects: 1) New portable restroom at Lincoln; 2) Site work for the installation of a modular to be used for counselors at Cupertino Middle School and a modular classroom at Miller Middle School. Members would like to know if the cost of purchasing the modulars is included in these figures. If not, what budget is used for their purchase. Are the modulars new or repurposed; temporary or permanent?
 - \$750,000 budget increase based on updated scope at Stocklmeir. The project has been renamed Modernization – Phase I. Stocklmeir is ahead of schedule and had the bulk of spending in the first quarter.
- Whole Program Summary Report (Page 14) Reporting Inception through September 30, 2016 Actual Expenses to-date are \$137,980,369 leaving a balance of \$82,934,839. This is typical for the first quarter. The remaining balance under Furniture and Equipment, a negative \$536,425, reflects the shifting of funds from different buckets, specifically the technology bucket. It is a snapshot in time. Unallocated bond interest earned is \$318,962.
- Project Summary Report (Pages 15-25) Reporting Inception through September 30, 2016

Measure H Bond Oversight Committee Meeting
Minutes – December 7, 2016

- Fiscal Year 2016-2017 Quarter 1 Cash Flow Chart (Page 26) Spend Data through September 30, 2016 Cash flow calendar is through 2021.
- Project Sequence (Page 27) Lists project sequence from 2013 through 2019.

OTHER CITIZENS' BOND OVERSIGHT COMMITTEE BUSINESS

- None

FUTURE MEETING DATES

- Wednesday, March 8, 2017, in the District Board Room at 7:30 p.m.
- Wednesday, June 14, 2017, in the District Board Room at 7:30 p.m.

ADJOURNMENT: 8:21 p.m.