

# *Magnolia School District*

## **Citizens' Oversight Committee Bond Measure 'I' Meeting Minutes**

Date: Tuesday, May 14, 2013

Location: Magnolia School District  
2705 W. Orange Ave.  
Anaheim, CA 92804

**The meeting was called to order at 9:34 a.m.**

### **Members Present**

Phyllis Greenberg, Jasmine LaBurn, Leonard Lahtinen, Gary Shields

### **District Staff Present**

Dr. Ellen Curtin, Superintendent; Kevin Smith, Chief Business Officer; Cheryl Blount, Sr. Administrative Assistant

### **Members Absent**

Alyson Crockett, Daisy Tan

### **Visitors**

None

### **Minutes**

Gary had a question on the Minutes of the 11/14/2012 meeting of the Citizens' Oversight Committee, under "Open Forum", stating that he would receive a copy of the Change Order for Ortco, Inc. He indicated that he had not received a copy. Kevin Smith told him he would see that he receives a copy today. Gary Shields then motioned to approve the Minutes from the 11/14/2012 meeting, motion was seconded by Jasmine LaBurn. Motion carried 4-0.

### **Committee Membership Update**

Kevin asked the committee if they would object to changing the time of their meetings from morning to evening, to accommodate member Daisy Tan, who now works during the day. She said she could be available at 5:00 p.m. It was determined that Wednesdays at 5:00 p.m. would work for the committee members present. We will inform the committee members who were absent to determine if they will also be available. It was further determined that the committee will continue to meet twice a year. The next meeting to be held in November 2013; date/time pending contact with absent members (Daisy Tan and Alyson Crockett).

Kevin informed the committee that an e-mail address has been created for the committee to enable the public to communicate with the committee members: [Bondoversightcommittee@magnoliasd.org](mailto:Bondoversightcommittee@magnoliasd.org).

### **Committee Bylaws – Revised**

Kevin informed the committee that the Board of Trustees approved to revise the Bylaws of the Citizens' Oversight Committee (COC) at the 4/18/2013 Board Meeting. Copies of the revised Bylaws were provided to COC members. Kevin reviewed highlights of the revisions with the members.

### **Update on Current Projects**

### Restroom Modernization Project

Kevin reported that the ADA compliant restroom projects at all schools have been completed, and closed, with the exception of a few punch list items. Money on those items are being withheld until completed. He informed the committee that he will take them to Salk School to tour the upgraded facilities.

### School Office Project

Kevin informed the committee that due to the successful second sale of Measure I Bonds, we are in a position to begin work on the School Office Modernization projects. Dr. Ellen Curtin explained that we are waiting on DSA (Department of State Architect) approval of our plans. We hope to have the approval by June, in order to begin the project during the summer. The plan is to start with one school; Disney School has been selected. Interim housing for the office staff will need to be installed and construction fencing around the job site. We hope to be able to take down the old building in August, before students return in order to minimize the disruption. Once the Disney office is completed, we will have a better handle on the logistics of the process, and will then schedule the remaining schools.

### Technology

No new technology upgrades to report. At this point, the priority is on the construction projects: school offices, then renovation to portable classrooms. If money is left, then we will look at new technology.

### Prop 39

Kevin informed the committee that he attended a meeting on March 14, 2013, for a discussion on Assembly Bill 39 led by Assembly Member Sharon Quirk-Silva, and included Assembly Member Nancy Skinner, author of the legislation. Money from this initiative is for “green” projects. However, it is uncertain how the money will be allotted to school districts. Possible projects Magnolia would consider is new shade structures with solar panels, for renewable energy; or “smart” sprinklers that have in ground sensors, to water only when needed. Dr. Curtin asked what kind of money we could expect from Prop. 39? Kevin explained it is still unknown how the money will be distributed, but thinks it could possibly be \$1.2 million over 5 years. Phyllis Greenberg asked if Prop 39 money was earmarked for structural projects only? Kevin said yes, it is for modernization, reconstruction or retrofitting.

### **2<sup>nd</sup> Sale of Measure I Bonds**

Kevin informed the committee that we had a successful second sale of our Bond, in March 2013, for \$3.4 million.

### **Annual Financial Audit**

Kevin reported that we are required to have a separate audit on the Bond Fund. We had high marks, with no Bond money spent on non-approved projects. We had one “Finding” on membership, as of June 30, 2012. The audit report stated we were short two members: someone from the local Business Community and another Member At-Large. The committee was reminded that we filled the At-Large position in August 2012, with Phyllis Greenberg. Kevin shared that the District has been trying to get a member from the local Business Community, and that we will continue to seek a member in this category. Kevin explained that this is not a bad finding, but it needs to be reported. He said that are going to make a commitment to fill that spot. Dr. Curtin suggested Ron from Ron’s Tires, on Dale in Stanton. We will check to make sure that we do not do business with Ron’s Tires, before asking. Kevin went on to say that other than that Finding, we are in compliance with Prop 39.

Leonard Lahtinen noted that on page 14 of the Audit Report, the Bonds the District has issued include CABs. He is concerned after seeing the report in the OC Register, reporting that CABs should not cost a District four-times more than borrowed. He said it appears that MSD has exceeded the recommended amount. He also asked about how we came to use Piper Jaffray & Co., did they approach us?

Kevin explained that our first sale of Bonds included CABs, but the Board of Trustees said no more CABs, therefore, there are no CABs in the second sale. Kevin went on to explain that CABs are like the first years of a mortgage, where you pay mostly interest. CABs are not illegal. To sell Bonds, districts must work with an Underwriter, Financial Advisor. Jones Hall is our Bond Counsel. Dr. Curtin asked Kevin if he could put together an explanation in writing for the committee. Kevin informed the committee that we were not approached by Piper Jaffray, he approached them. Leonard asked if we would or would not use CABs again. Kevin said we will avoid using CABs in the future at all costs, it would be a last resort.

Jasmine LaBurn asked if there is an expectation to sell more bonds in the future? Kevin said we do not anticipate selling more bonds until we spend 80% of the current 3 million. Jasmine asked if the District thought the 2000 Bond would have taken care of everything. Dr. Curtin said yes, we did, but explained that construction costs had gone up, so that there was not enough money to complete all the projects originally anticipated.

### **Annual Report**

The Annual Report was provided to the committee for review. This report is required of the committee to be presented to the Board of Trustees. The report is a summary of what was done, on the committee and with bond funds, during the past year. The draft of the report stated “No Irregularities”, but Jasmine asked about the missing committee members. Kevin explained that is a “Finding”, not an “Irregularity”. The committee asked that the Finding be included in the Annual Report. Based on including the Finding in the final draft of the Annual Report, Leonard Lahtinen motioned to approve the Annual Report, seconded by Phyllis Greenberg. Motion carried 4-0. Committee Chair, Gary Shields will present the report at the June 20, 2013 meeting of the Magnolia School District Board of Trustees.

### **Open Forum**

Leonard asked if the Board approved the revised Bylaws. Kevin said yes, they did, at the 4/18/2013 Board Meeting.

Question regarding Measure I projects referencing work being done: Gas, Water, Sewer Line, Fire Alarm. No updates on these projects. Ellen said the fire alarms are being upgraded. Kevin will double-check on these projects, and have Richard Schwartz address them at the next meeting of the committee in November 2013.

Phyllis asked if we were looking at security of the offices as we modernize, in light of Sandy Hook?

Disney has a camera/push button (visual buzz-in). Fencing directs people to check in at the office. Some sites have a camera and buzzer.

Jasmine asked if there is a system in place to contact police? No electronic system. However, contacting 9-1-1 is still the best method. Gary Shields said there is no quicker way than 9-1-1. Even if the person cannot talk, the address will appear to the operator.

Gary asked when/if additional fencing will be added to the low brick walls at some of the sites. Ellen/Kevin said yes, these sections will be getting additional fencing.

**Meeting adjourned: 10:32 a.m.**

### **Tour of Salk School Restroom Modernization Project**

#### **Future Meeting Date:**

**Wednesday, November 13, 2013; 5:00 p.m.**

Magnolia School District – Board Room  
2705 W. Orange Ave., Anaheim, CA 92804