

**MINUTES OF THE BOND OVERSIGHT COMMITTEE
ORGANIZATIONAL MEETING
GUSTINE UNIFIED SCHOOL DISTRICT
MONDAY, DECEMBER 3, 2018
MINUTES**

TIME AND PLACE

The meeting of the Gustine Unified School District Bond Oversight Committee was held on Monday, December 3, 2018. The meeting was held in the Board Room, 1500 Meredith Avenue, Gustine, California.

CALL TO ORDER

The meeting was called to order at 3:35 p.m. by Andrew Bloom, Chair.

MEMBERS PRESENT

Andrew Bloom – Chair, Jennifer Pacheco-Vice Chair, Robert Borba, Cota Howell, John Lawrence, Debbie Lopes and Sherri Marsigli.

Absent: Dennis Brazil and Camille Alamo

District Staff present: Bryan Ballenger, Lizett Aguilar, and Sara Gomez

Others Present: None

INFORMATION

1. Measure P update – Mr. Ballenger stated that there has been a lot of thing that have happened with Measure P. We have bid out the GMS Multipurpose/Gym and awarded the contract to BMY Construction for \$5.1 million. We also bid out safety and fire alarms for the high school and that came in at \$729,702.00, which was awarded to Bockmon & Woody Electric Co, Inc. The fire alarm upgrades at Romero, GES and GMS was awarded to Vanden Bos Electric, Inc. for \$1,413,200.00. All three of those projects are happening concurrently. They have 120 days to complete the contract which started November 1st. The contract for the middle school is currently going on. Construction has started. He provided the rendering of what the multipurpose/gym will look like when it's complete. That has a 12 month build out which started on November 4th. All the fire alarm projects are on track to meet the timeline. The district has been having monthly meeting for the fire alarm projects and weekly meetings for the multipurpose/gym project. The outdoor stage was taken out in order to bring the cost down. Mrs. Marsigli asked why the financial report show minuses. Lizett stated that regarding the architect cost they were not sending the bills broken down according to the projects. She has asked them to rebill us this way in order to keep track by projects. The ones that say cancellation next to them are checks that were issued and it was cancelled. She believes that the district paid it directly to DSA instead of CA Design West. The district ended up paying it in a different way instead so the checks were canceled. She mentioned that in the past it was stated to keep those transactions on the financial report instead of deleting them. She would need to go back and pull the information to remember exactly how the checks were reissued. Mr. Howell asked about the upfront fees. Lizett replied that those were fees paid to upfront to get the project where it's at right now, like the architect fees. Mr. Ballenger also commented that part of the issue with the architect fees is that in order for the district to qualify for hardship the district has shovel ready projects. Meaning you have to pay the architect upfront to submit all the plans to DSA. All the

projects have been submitted to DSA. All but one of them made the deadline. That means OPSC set a date and everything submitted prior to the date will be funded and everything submitted after this date is on hold pending on who falls off the list. Elona Cunningham is highly confident because the submission day was only a couple days off and she has at least four projects from other districts that are falling off the list so other projects will move up the list. We won't know where we are in line until they've sold the bonds and issued the funding. The biggest issue with the hardship piece is that it's based on assessed value. Three years from now in 2021, there will be a point where we may no longer meet eligibility for hardship because of our property values. We need these projects funded within that window. Otherwise, there could be a chance that it doesn't get funded because we would no longer meet the definition of hardship because our property values are too high.

Mrs. Lopes asked if there will be another global rating fee when the bonds are sold. Mr. Ballenger clarified that the district has sold all of its bonds. The state will be selling the bond. Lizett stated that the district pays S & P Global Ratings for our rating every time we sell a bond. S&P Ratings refunded the fees to the district.

Mrs. Marsilgi asked what assumptions are being used to say that the district will not be able to qualify for hardship. Mr. Ballenger replied that current increases, Isom Advisors as well as Jack Schreder and Associates have calculated it. It's just an estimate. It doesn't take the annexation into account nor the 1600 homes that are proposed in Santa Nella. He doesn't know when those two projects will begin.

2. Members – The student rep, Camille Alamo has graduated. Mr. Ballenger asked the committee if they would like him to look for a replacement. The committee agreed in finding a replacement. Mrs. Pacheco suggested that the student rep should be a sophomore so that they could complete the two-year term. Mrs. Marsilgi also suggested finding an alternate for when the student rep is unable to attend the meetings. The district will also accept application in January to replace committee members whose membership will be expiring in June 2019.

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Sherry Marsigli made a motion to approve the minutes of the last meeting held on June 8, 2018, seconded by Jennifer Pacheco. Motion carried, 7-0-2 absent.

FINANCIAL REPORT

Anything listed from April 27th on is new activity. It reflects the open purchase orders all the contracts that went to the board for approval in October and were just over \$8 million. With all the projects that the district has going on there is a balance of \$1.5 million. Lizett continued to explain the rest of the financial report.

NEXT MEETING

Thursday, January 3, 2019 at 10:00 a.m. to visit all the sites. Everyone will meet at Gustine Middle School.

ADJOURNMENT

The meeting was adjourned at 4:17 p.m.